

# SOCIAL AND ENVIRONMENTAL STANDARDS

FROM FRAGMENTATION TO COORDINATION





# Social and Environmental Standards

From Fragmentation to Coordination

## About the report

Voluntary standards have been rising fast, leading to similar standards operating in the same markets.

This study finds multiple standards in 86 of 90 markets it reviewed, which creates confusion for consumers and producers alike. This joint report with the European University Institute is the second of a series that goes from identifying social and environmental standards to outlining markets that are most fragmented. It offers recommendations for coordination for standard-setting organizations and policymakers.

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For more information on Standards Map, see: [www.standardstmap.org](http://www.standardstmap.org).

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## Foreword

The trade landscape of the 21st century is characterized by a growing ecosystem of standards and regulations. The increasing prominence of these social and environmental standards in regional and international value chains have made them a de facto form of international trade governance. Standards are applied at different levels of the value chain, from upstream farmers and traders to downstream processors and retailers.

While voluntary sustainability standards (VSS) can make trade more inclusive by addressing various critical issues related to environmental protection, employment conditions or product quality, their growing number can pose problems, especially for producers who often have to comply with more than one standard to sell their products to a variety of buyers. For micro, small and medium-sized enterprises (MSMEs) it has become increasingly challenging to identify and meet these standards, but it is clear that being able to do so is an important component of ensuring their competitiveness.

Standards also have different requirements and auditing processes, and complying with several of them calls for significant investments. Standard-setting organizations recognize this and have already started collaborating to resolve the issue.

The first joint report of the International Trade Centre (ITC) and the European University Institute (EUI) in 2016 explored the accessibility of standards to producers and their institutional design. This second report aims to shed light on the issue of VSS fragmentation and highlights differences between standards operating in the same markets and sectors.

The report examines the state of fragmentation across nine key agricultural commodity sectors in the 10 largest producer countries. Its findings are based on a comprehensive dataset compiled by ITC's Trade for Sustainable Development Programme (T4SD) in its Standards Map database, a one-of-a-kind online tool that makes it possible to analyse VSS from different angles. As with the first report, the experience of researchers from the Global Governance Programme at EUI's Robert Schuman Centre in international regulatory cooperation again complements ITC's data and expertise in the field of social and environmental standards.

Several important messages emerge from the research and analysis. The most critical is the importance of coordination between standard-setting organizations, whether they are non-governmental organizations, consortiums of companies or large brands. Better coordination is one solution to fragmentation and a way of increasing coherence among standards, audit procedures and management structures.

The report recommends a key role for international organizations and conventions in this regard, for example in the development and adoption of core, universally applicable environmental criteria. Its findings should help standard-setting organizations, producers, and retailers use standards coordination not only to create synergies and efficiencies, but also to pave the way for more sustainable production. Ultimately, it will also serve to level the playing field for MSMEs and provide more transparency for the consumer.

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