# **Voluntary Sustainability Standards** Sustainability Agenda and Developing Countries: Opportunities and Challenges







International Trade Centre







A Platform of International Dialogue on Voluntary Sustainability Standards

## **Voluntary Sustainability Standards** Sustainability Agenda and Developing Countries: Opportunities and Challenges



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#### ABOUT THE UNITED NATIONS FORUM ON SUSTAINABILITY STANDARDS

The United Nations Forum on Sustainability Standards (UNFSS) is a platform created to analyse voluntary sustainability standards (VSS) and disseminate information about them. It is rooted in the mandates and activities of participating United Nations agencies. Its value lies in its pooling of resources, synchronizing of efforts and assuring policy coherence, coordination and collaboration in line with the "One UN" concept. UNFSS is coordinated by a steering committee consisting of the Food and Agriculture Organization of the United Nations (FAO), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO), and the United Nations Economic Commission for Europe (UNECE). UNCTAD is the Secretariat of the UNFSS. UNFSS works in partnership with the VSS experts representing civil society, producer associations, processors and traders, standard-setting organizations and certifiers, trade negotiators, consumers and researchers. It facilitates dialogue and knowledge exchange among intergovernmental actors, enabling them to communicate with each other and their target groups with a view to providing relevant information and influencing concerned stakeholders. For further information, see: www.unfss.org.

#### ABOUT THE UNFSS FLAGSHIP REPORT SERIES

UNFSS publishes its flagship report on diverse topics relating to VSS once every two years. It seeks to serve as an important tool for stakeholders in both the public and private sectors to gain impartial and substantive information about VSS systems throughout the world. The topics covered in these reports are collectively identified by national platforms, which are national initiatives for VSS. These platforms are created and shared by stakeholders under each country's designated coordinating body, and aim to provide a neutral forum for information exchange on VSS. Given the specificities of the topics relevant to the activities carried out by the national platforms, the information and analyses provided are intended to serve as a basis for policy dialogues leading to action for sustainable development appropriate to different countries' respective needs, conditions and levels of development.

In 2013, UNFSS published its 1st Flagship Report,<sup>1</sup> which presented an array of salient VSS and public policy issues, and developed an inventory of some of the leading initiatives relating to VSS. The report elucidated tensions at the nexus of VSS and public governance. In September 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development which identified a set of Sustainable Development Goals (SDGs) and stipulated that those goals "are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental." Accordingly, governments, businesses and civil society were encouraged to promote synergies between their actions.

The 2nd Flagship Report,<sup>2</sup> published in 2016, further dissected the interplay between VSS and public governance by identifying the optimal dynamics between public policy processes and VSS to ensure that sustainability objectives would be effectively met. The report discussed the implementation of VSS within the public sector. It also identified the economic, environmental and social benefits of VSS, as well as the rationales for public sector engagement with VSS.

In 2018, the 3rd Flagship Report, titled VSS, *Trade and the SDGs*<sup>3</sup> highlighted the role of private actors with an emphasis on global trade. The report sought to promote an understanding of VSS either as an enhancer or a facilitator of global trade, and examined the direct and indirect impacts of VSS on an economy. It also provided a benchmarking analysis for identifying the links between VSS and the SDGs. The result revealed strong linkages with SDG 8: Decent Work and Economic Growth, SDG 12: Responsible Production and Consumption, and SDG 15: Life on Land.

The 4th Flagship report,<sup>4</sup> published 2020, explored the role of government as a vehicle to drive the uptake of VSS, thereby serving as a powerful tool to help achieve the SDGs and other public sustainability commitments. It also showed that the effectiveness of VSS to contribute to sustainable development depends partly on their degree of uptake by economic operators. It suggested that governments could play a significant role in boosting VSS uptake by integrating VSS into public procurement and trade policy.

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The UNFSS Secretariat organized a series of webinars, together with the <u>UNFSS Academic Advisory</u> <u>Council (AAC) members</u> during the first quarter of 2021, which led to the selection of the theme for this UNFSS 5th Flagship Report. Three round tables on sustainability standards were organized, which focused on (i) environmental concerns, (ii) social concerns, and (iii) economic concerns respectively. The aim of these round tables was to foster debate on the potentials and limitations of sustainability standards as tools for achieving environmental, social and economic sustainability goals. Through knowledge and information exchange and policy dialogues, the round table discussions aimed to provide inputs and lay the groundwork for further debate and action.

Further discussions around the selected theme for this report took place at the <u>annual Academic Advisory</u> <u>Council meeting</u> held on 4-5 November 2021 at the European University Institute, Florence, Italy. Members of the <u>UNFSS National Platforms Network</u> also provided further inputs to discussions on the report.<sup>5</sup> The UNFSS Steering Committee presented an outline of the proposed report.

This report has benefited from the comments and guidance provided by the AAC Co-chairs: Mercedes Aráoz Fernández and Bernard Hoekman. Santiago Fernandez de Cordoba (UNCTAD) is the coordinator of the UNFSS Secretariat and a co-editor of this publication, together with Axel Marx (University of Leuven). Niematallah E. A. Elamin (UNCTAD) and Charline Depoorter (University of Leuven) are the assistant co-editors.

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Box No. 5: Opportunities and challenges to VSS compliant markets: The case of six developing and least developed countries	Niematallah E. A. Elamin (UNCTAD)
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