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Public Private Partnership (PPP) for the
Diffusion of Voluntary Sustainability
Standards (VSS): Introduction to the Project
and Progress Report of FY 2018

Edited by Junji Nakagawa

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Public Private Partnership (PPP) for the Diffusion of Voluntary
Sustainability Standards (VSS): Introduction to the Project and Progress
Report of FY 2018

Edited by Junji Nakagawa

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List of Contributors (in alphabetical order)

Rogério de Oliveira Corrêa is Coordinator at the Brazilian National VSS Platform, INMETRO (Brazilian National Institute of Metrology, Quality and Technology)

Yuka Fukunaga is Professor at the School of Social Sciences, Waseda University

Junji Nakagawa is Professor at the Institute of Social Science, University of Tokyo

Engela C. Schlemmer is Professor at the Law School, University of the Witwatersrand

Akihiko Tamura is Professor at the National Graduate Institute for Policy Studies (GRIPS)

Vera Thorstensen is Professor at School of Economics, Getúlio Vargas Foundation

I. Introduction

Junji Nakagawa

This booklet is a record of an international joint research project that I organized under the title of “Public Private Partnership (PPP) for the Diffusion of Voluntary Sustainability Standards (VSS)”. The project started in April 2018, with the term of three years.

This booklet covers the record of this project during its 1st year, from April 2018 to March 2019.

Following are the members of the project. (in alphabetical order)

Rogério de Oliveira Correa (Coordinator, Brazilian National VSS Platform, INMETRO (Brazilian National Institute of Metrology, Quality and Technology);

Yuka Fukunaga (Professor, School of Social Sciences, Waseda University);

Junji Nakagawa (Professor, Institute of Social Science, University of Tokyo);

Engela C. Schlemmer (Professor, School of Law, University of the Witwatersrand);

Akihiko Tamura (Professor, National Graduate Institute for Policy Studies (GRIPS)); and

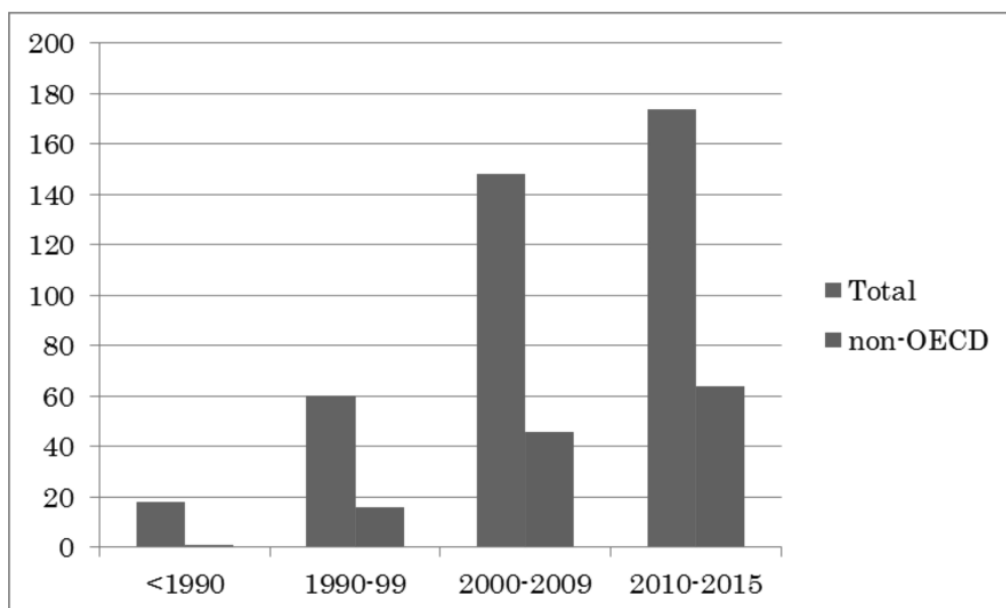
Vera Thorstensen (Professor, School of Economics, Getulio Vargas Foundation)

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A. Background of the project

In the global economy of today, where supply chains are getting more and more globalized, we note the rapid increase in the number of voluntary sustainability standards (VSS) that are developed by private firms and NGOs for the purpose of ensuring the achievement of social values such as sustainable use of natural resources, environmental protection, implementation of labor standards and human rights protection throughout the global supply chains. Private firms and NGOs in Europe and North America took the initiative in the development of VSS, but more and more VSS are originated in emerging market economies such as China and Brazil (See Figure 1). VSS has entered its diffusion stage in the 2010's, through its early developmental stage in the 1990s and its growth stage in the 2000's.

Figure 1 Number of VSS (originated in OECD countries and non-OECD countries)



(Source: International Trade Centre, Standards Map)

VSS aim at securing sustainability throughout the whole global supply chains. There are a number of challenges to achieve that goal. First, VSS should be firmly entrenched in global supply chains. Second, multiple VSS are made and competing on the same subject (goods, services, issues). Competing VSS is in itself not disadvantageous. However, if it leads to fragmentation of VSS or the rise of implementation cost, coordination or harmonization of VSS should be worked out. Third, for small and medium sized producers and service providers in emerging market economies and developing countries, the cost of implementing VSS has become the entrance barrier to join global supply chains. The barrier should be lowered either by the reduction of implementation cost or by financial support to small and medium sized producers and service providers. Fourth, as VSS are linked with global supply chains, producers and service providers in the countries and regions that are not involved in global supply chains have little incentive to implement VSS. This will result in the entrenchment of the divide between those countries that are involved in global supply chains and those countries that are not.

So as to deal with these challenges for the proliferation of VSS throughout the whole global supply chains, public-private partnership between developers (private firms and NGOs), users (producers, service providers and consumers) and governments should be enhanced.

Preceding studies on VSS have not fully analyzed the role of governments in the development and diffusion of VSS. Also, preceding studies on VSS have focused on VSS in Europe and North America, and they have paid little attention to VSS in emerging market economies. This project focuses on VSS in emerging market economies, and aims at elucidating the role of governments as a mediator between developers and users of VSS with supports from international organizations. Public-private partnership is the key concept of elucidating such mediatory role of the government.

B. Preparatory activities

Professor Nakagawa held a panel on “Private standards and global governance” at the SIEL (Society of International Economic Law) 5th Biennial Global Conference, held in Johannesburg in July 2016. He agreed to organize a joint research project on this theme with the other panelists, namely, Vera Thorstensen (Professor, School of Economics, Getulio Vargas Foundation), Colette van der Ven (Sidley Austin, LL.P.) and Engela C. Schlemmer (Professor, School of Law, University of the Witwatersrand).

Shortly thereafter, Professor Nakagawa gave a guest lecture at the Xiamen Academy of International Law Summer Program, held at Xiamen University in July 2016, on “Globalization and transformation of international economic law”. In the lecture, Professor Nakagawa emphasized the important role of private standards in the management of global supply chains.

In December 2016, Professor Nakagawa invited Professor Thorstensen and Ms. van der Ven to an international symposium on “Private standards and global governance”, held at the University of Tokyo. Other panelists were Professor Masahiro Kawai (Graduate School of Public Policy, University of Tokyo), Dr. Akihiko Tamura (Deputy Director General for Trade Policy, METI), Professor Yuka Fukunaga (School of Social Sciences, Waseda University) and Professor Kazumochi Kometani (School of Law, Hosei University).

In January 2018, Professor Nakagawa held an international symposium on “Private standards and global governance” at the University of Tokyo. Invited panelists were Dr. Rogerio Correa (Coordinator, Brazilian National VSS Platform, INMETRO (Brazilian National Institute of Metrology, Quality and Technology), Professor Steffen Hindelang (Department of Law, University of Southern Denmark), Professor Fiona Smith (School of Law, University of Leeds), Professor Masahiro Kawai and Professor Kazumochi Kometani.

Through these activities, Professor Nakagawa developed the idea of the project

and recruited the members of the project. With the financial support from the JSPS, the project started in April 2018.

C. Research topics, research framework and the research plan

“Public-private partnership” between governments, developers (private firms and NGOs) and users (producers, service providers and consumers) should be enhanced so as to deal with the challenges for the diffusion and entrenchment of VSS in emerging market economies. A multi-polar governance has been shaped involving the developers, users, national governments and UN agencies. The UN Forum on Sustainability Standards (UNFSS) was inaugurated in 2013, and the UNFSS has been coordinating activities of other UN agencies and collaborating with other stakeholders for the diffusion of VSS in emerging market economies (see Figure 2).

Figure 2. UNFSS and collaboration of stakeholders



(Source: UNFSS, Structure. <<https://unfss.org/about-us/structure>>).

Preceding researches on VSS are found in international relations (notably, constructivism and the theory of global governance), international economic law, agricultural economics, environmental economics and development economics. There is an accumulation of researches on the role of stakeholders in the diffusion of VSS. In particular, there exist analyses on (1) the role of NGOs as “norm entrepreneurs” in the development and diffusion of VSS, (2) coordination between NGOs and private firms in the development and diffusion of VSS, (3) the role of international organizations as “an orchestrator” to coordinate the multi-polar governance with multiple VSS and multiple actors. On the other hand, there has been few studies on the role of national governments in the development and diffusion of VSS. However, governments of Europe and North America took supportive steps in the early developmental stage of

VSS, such as incorporating VSS or part thereof into public regulation/standards. They also supported the activities of UN agencies financially. For VSS to move up from the diffusion stage to the entrenchment stage, it is essential for the governments of emerging market economies who are involved in global supply chains to provide adequate assistance to the developers and users of VSS in their countries. It is also essential for the governments of other developing countries who are yet to be involved in global supply chains to take necessary steps for the development and diffusion of VSS. The focus of the project is, therefore, to grasp the current situation of public-private partnership for the development and diffusion of VSS in emerging market economies and other developing countries, and to envisage and suggest means for strengthening public-private partnership in these countries.

In its narrow sense, public-private partnership refers to the forms of enterprises where governments and private firms coordinate and provide public goods and services. This project adopts a broader definition of public-private partnership that refers to all types of alignments between public actors (international organizations, national governments, public enterprises) and private actors (private firms and NGOs) for the development and implementation of public policy. This broad category of public-private partnership exists at sub-national level, such as local communities and local governments. It also exists at transnational level, where international organizations, national governments and private actors collaborate transnationally in pursuing public policy goals, such as environmental protection, sustainable use of natural resources and human rights protection. The focus of this project is on the relationship between national governments and other actors (international organizations, developers and users of VSS). It aims at elucidating the role of national governments for the diffusion and entrenchment of VSS in emerging market economies and other developing countries.

So as to achieve these goals, the project team consists of (1) researchers of international economic law and international relations in Japan, (2) researchers and staffs of the UNFSS and other UN agencies who are engaged in the study and diffusion of VSS, and (3) researchers and experts of emerging market economy countries who are engaged in the study and diffusion of VSS.

The 1st stage of the project is (1) to survey the current public-private partnership for the diffusion and entrenchment of VSS in emerging market economies and other developing countries. As a next step, it will (2) survey the current public-

private partnership for the diffusion and entrenchment of VSS in developed countries.

This will lead the project to its 2nd stage, namely, (3) a comparative analysis of public-private partnership between emerging market economies/developing countries and developed countries. From the comparative analysis, the project will focus on such topics as (4) elucidating challenges and barriers in applying the model of public-private partnership in developed countries to emerging market economies, and (5) elucidating a model of public-private partnership for emerging market economies/developing countries that reflects the essential characteristics of their political systems, legal systems, private sector and civil societies.

Based on these analyses, at the 3rd stage, the project will (6) design a model of public-private partnership for the diffusion and entrenchment of VSS in emerging market economies/developing countries, and (7) suggest means for the enhancement of public-private partnership for introducing the model in emerging market economies/developing countries.

D. Major activities of the 1st year (April 2018 to March 2019)

The 1st major activity of the project was the panel on “Public-Private Partnership (PPP) for the Diffusion of Voluntary Sustainability Standards (VSS)” at the SIEL 6th Biennial Global Conference, held in July 2018 in Washington, D.C. Professor Nakagawa moderated the panel. Professors Thorstensen and Schlemmer joined it as panelists. From the International Trade Centre, Ms. Sandra Cabrera de Leicht joined as a panelist. Professor Tamura played the role of a discussant. For the details of the panel, please refer to the report in II *infra* by Professor Schlemmer.

The inclusion of a panel discussion on VSS at the SIEL conference caught the attention of the UNFSS and as a result, the project leader, Professor Nakagawa, was approached to participate in the “International Convention on Sustainable Trade and Standards: Leveraging Trade, Global Value Chains, and Standards as engines of Sustainable Development,” from September 17–18, 2018 in New Delhi, India. The event was organized by the Quality Council of India (QCI) in collaboration with the UNFSS and the India Private Sustainable Standards Platform (PSS).

Professor Schlemmer participated in his stead at this Convention. Also, Dr. Correa participated in the event as a delegate from Brazil in his capacity as Coordinator of the Brazilian National Platform of VSS. For the details of the Convention, please refer to the report in III and IV by Professor Schlemmer and Dr. Correa, respectively.

In early September 2018, the JSPS held a workshop of the project leaders of its grant-in-aid for “Global studies”, and Professor Tamura attended the workshop on behalf of Professor Nakagawa.

On 5 January 2019, the member of the project held an informal meeting at the University of Tokyo, and discussed the research plan for the 2nd year, from April 2019 to March 2020. Professors Nakagawa, Fukunaga, Dr. Correa and Professor Schlemmer attended the meeting. On 7 January 2019, the member of the project held a small workshop at the University of Tokyo, inviting experts including Dr. Etsuyo Michida (Institute of Development Economies/Japan External Trade Organization), Professor Hitomi Kimura (Otsuma Women’s University), and Mr. Masanori Kobayashi (Ministry of Land, Infrastructure, Transport and Tourism), and shared the research interests and research results.

II. Report of the Panel on “Public-Private Partnership (PPP) for the Diffusion of Voluntary Sustainability Standards (VSS)” at the SIEL 2018 Washington Conference

Engela C. Schlemmer

Under the chairmanship of Professor Junji Nakagawa, a panel on “Public-Private Partnership for the Diffusion of Voluntary Sustainability Standards” was held at the SIEL (Society of International Economic Law) 6th Biennial Global Conference, held in Washington, D.C. on 13 July 2018. The members of the project team that participated in the panel were Professors Engela Schlemmer, Aki Tamura, and Vera Thorstensen, together with Ms. Sandra Cabrera de Leicht of the International Trade Centre.

Professor Thorstensen’s presentation focused on the Brazilian Platform for Voluntary Sustainability Standards, Brazil being one of the first countries to introduce a national platform dealing with the impact and implications of voluntary sustainability standards.¹ In her presentation, Professor Thorstensen referred to the links between voluntary sustainability standards and the World Trade Organization’s (WTO) rules on technical barriers to trade and sanitary and phytosanitary measures. She pointed out how often the provisions of the TBT and SPS agreements feature in disputes before the WTO and how important it is that voluntary sustainability standards be discussed and brought back to the WTO for negotiations.

In the presentations of Professors Thorstensen and Schlemmer, it was pointed out that the multiplication of standards, fragmentation of rules and the resultant increase in the cost to producers and exporters necessitate other approaches to ensure that this “new generation of barriers to trade” be addressed properly.

One of the strategies identified is to form national platforms and Brazil is one of the first countries to indeed have done so. Professor Thorstensen explained the work of the national forum of Brazil and the successes that have been achieved thus far.

In Ms. Cabrera de Leicht’s presentation, she focused on the role played by the International Trade Centre.² She pointed out that the International Trade Centre (ITC) is

¹ Thorstensen and Corrêa, “Presentation Brazil VSS Platform” 2018. See *infra* Appendix 1.

² The International Trade Centre was formed in 1964 and together with the United Nations and the World Trade Organization connects its projects and programs with global efforts to the UN Global Goals for

the only development agency that is fully dedicated to supporting the internationalization of small and medium-sized enterprises (SMEs). The ITC enables SMEs in developing and transiting economies to become more competitive, connect to international markets for trade and investment, raise incomes, and create job opportunities.

She pointed out that voluntary standards “offer one of the most explicit vehicles for linking consumption, production, and trade with specific sustainable development outcomes.”³ Due to the fact that regulation increasingly includes references to voluntary sustainability standards, it is quite important for these standards to be known but also accessible. It is increasingly required that suppliers conform to these standards.

Linked to this is the United Nations Forum on Sustainability Standards that provides information, analysis, and discussions on Voluntary Sustainability Standards (VSS) at the intergovernmental level. Ms. de Leicht stated that the aim of the UNFSS is to “become the backbone for the development of a coherent program of public policy and private initiatives—at both standard setting and implementation stage”⁴ and that it is helping emerging countries to develop multi-stakeholder platforms for VSS such as the one in Brazil. She also referred to the Indian National Platform in this regard.⁵

The role of the ITC is to provide “a global common language for VSS that allows (i) VSS benchmarking initiatives coordinated among Standards Setter Organizations; (ii) better understanding of VSS and a more comprehensive mechanism for public and private institutions to collect data from beneficiaries in developing countries regarding their sustainability compliance commitments.”⁶

She ended her presentation by stressing the importance of the role played by the ITC and the UNFSS concerning voluntary sustainability standards which is “one of the most explicit vehicles for linking consumption, production, and trade with specific sustainable development outcomes.”⁷

Sustainable Development (<http://www.intracen.org/itc/about/how-itc-works/our-role-in-the-un-and-wto/> 10-01-2019).

³ Cabrera de Leicht, “Presentation PPP for the Diffusion of VSS: The Possible Role of the UN Forum for Sustainability Standards (UNFSS) as a Regulatory Orchestrator,” 13 July 2018. See *infra* Appendix 2.

⁴ Cabrera de Leicht, Presentation, 7.

⁵ Cabrera de Leicht, Presentation, 8.

⁶ Cabrera de Leicht, Presentation, 8.

⁷ Cabrera de Leicht, Presentation, 8.

In Professor Schlemmer's presentation,⁸ the focus was on the prospects and challenges of a platform on voluntary sustainability standards in South Africa. After giving a theoretical background to the nature of voluntary sustainability standards, she pointed out that the use of VSS can be considered a kind of governance beyond the state aimed at ensuring sustainability. Private standards are often not transparent, the developers are not accountable, and there is no form of public participation, all aspects that can raise questions regarding the legitimacy of the standards.

Professor Schlemmer then embarked on a discussion of some South African initiatives related to sustainability standards. One initiative started by Fruit SA is the Sustainability Initiative South Africa (SIZA)⁹, which provides a multi-sectoral agricultural standard that is harmonizing sustainability standard issues and also manages risks for producers and the markets. Its main purpose is to provide a platform for agricultural stakeholders to ensure ethical and environmentally-sustainable trade.¹⁰

Sustainable Wine South Africa¹¹ is an alliance between the Wine and Spirit Board (WSB), the Integrated Production of Wine (IPW) scheme, and Wines of South Africa (WOSA); together, these organizations are driving the South African wine industry's commitment to sustainable, eco-friendly production.¹²

A number of other voluntary sustainability standards both at the national and retail level are in existence and they try to integrate their standards with the existing collective international standards in order to ensure that suppliers can participate in international markets and remain competitive.¹³ There is, however, no national platform currently where these issues can be discussed and addressed by all relevant stakeholders.

South Africa is a member of the World Trade Organization and, as such, bound by its international law obligations in terms of these agreements. It seems that South Africa can be seen as the leader in the Southern African Development Community in relation to its national standards and the developing private standards—the Consumer Goods Council

⁸ Schlemmer "Presentation: Prospects and Challenges of a Platform of VSS in South Africa," July 2018. See *infra* Appendix 3.

⁹ Meaning "to help and support" in Zulu, SIZA promotes a South African Ethical Standard to be used as best practice. The Standard is aligned to South African law and meets international requirements, providing one standard and one ethical audit.

¹⁰ See slides 6 and 7 for the respective standards.

¹¹ Member of World Wine Trade Group Sustainability Initiative.

¹² See the website of the Wines of South Africa (WOSA) at <<https://www.wosa.co.za/swsa/en/Overview/>>.

¹³ See the table on slide 9.

of South Africa, for example, plays an important role in assisting and advising other member countries. The Council plays an important role in providing levels of standardization and assisting in levelling the playing fields concerning supplier assessments and audits.¹⁴ It also provides a platform where engagement on food safety, quality, nutrition, health and wellness, and related regulatory matters in Southern Africa takes place.

The South African Bureau of Standards (SABS) is a statutory body established in 1945¹⁵ and continues to operate in terms of the Standards Act of 2008¹⁶ as the national standardization institution in South Africa, mandated “to develop, promote, and maintain South African National Standards; promote quality in connection with commodities, products, and services; and render conformity assessment services and assist in matters connected therewith.”¹⁷

The existence of the SABS, SIZA and the Consumer Goods Council of South Africa gives an indication of the importance of both mandatory and voluntary standards, however, there is currently no national platform where issues concerning VSS can be discussed. The South African government seems a bit hesitant to become involved although it does seem to give support to the initiatives currently in existence.

VSS and private standards, in the view of some government officials, create new opportunities and can even open new markets where existing ones are “closed” due to requirements that the South African producers cannot comply with; producers are also encouraged to diversify their exports.

Professor Schlemmer concluded that even though many feel that the South African government’s reaction to requests and suggestions to create a national platform lacks enthusiasm and support, the private organizations interviewed are keen for the establishment of a forum where all the different stakeholders (including the government) can engage.

Professor Tamura responded to the speakers’ presentations and, thereafter, a discussion with the audience ensued.

¹⁴ See the website of the Consumer Goods Council at <<https://www.cgcsa.co.za/>>.

¹⁵ In terms of the Standards Act No. 24 of 1945.

¹⁶ Act No. 8 of 2008.

¹⁷ Section 4 of the Standards Act No 8 of 2008.

In conclusion, the inclusion of a panel discussion on VSS at the SIEL conference caught the attention of the UNFSS and as a result, the project leader, Professor Nakagawa, was approached to participate in the “International Convention on Sustainable Trade and Standards: Leveraging Trade, Global Value Chains, and Standards as engines of Sustainable Development,” from September 17–18, 2018 in New Delhi, India. The event was organized by the Quality Council of India (QCI) in collaboration with the UNFSS and the India Private Sustainable Standards Platform (PSS).

Professor Schlemmer participated in his stead at this Convention.

III. Report on the “International Convention on Sustainable Trade and Standards: Leveraging Trade, Global Value Chains, and Standards as Engines of Sustainable Development,” from September 17–18, 2018 in New Delhi, India

Engela C. Schlemmer

The purpose of the conference was to be “a converging point between best practices and disruptive ideas to tackle issues related to sustainability within the realm of global value chains, and consequently, to leverage trade, standards, and global value chains as engines of sustainable development.” It also aimed at providing a space for actors across all levels of value chains to share their experiences and best practices in the effort to prolong cooperation in sustainable production, value chains, and trade.

In addition, the conference featured the international launch of the 3rd UNFSS Flagship Report “Voluntary Sustainability Standards, Trade, and Sustainable Development.”¹

The conference covered a fairly large range of fields as can be gleaned from the conference report.² Two of the project members participated in this conference: Professor Schlemmer and Dr. de Oliveira Corrêa. Professor Schlemmer participated in Panels IV and VI and Dr. de Oliveira Corrêa in the “National Initiatives Feature: Opportunities and challenges of consolidation efforts at the national level w.r.t. sustainability standards, followed by signature of the Declaration of Cooperation.”³

A. Panel IV: Third Flagship Report of the United Nations Forum on Sustainability Standards and the Panel discussion on the themes of the Third Flagship Report

Professor Schlemmer acted as a commentator in the session where the 3rd UNFSS Flagship Report was launched. The Flagship Report focuses on VSS, trade, and sustainable development and the national platforms. In the panel discussion it was pointed out that VSS is seemingly becoming a new form of governance or regulation and that care should be taken in ensuring that VSS’s impact on trade is not trade-distorting and creating new barriers to trade.

¹ Available at <https://unctad.org/en/PublicationsLibrary/unfss_3rd_2018_en.pdf>.

² India National Platform on Private Sustainability Standards, “Report of the Convention,” QCI/PADD/INPPSS/ICSTS/REP/2019/1/1, 3 ff.

³ “Report of the Convention”, *ibid.*, p.48.

In relation to the future of sustainability standards, the point was made that, depending on the level at which they are developed and introduced,⁴ they will have an influence on whether they will remain voluntary or become mandatory, and thus, enabling sustainable trade or perhaps creating barriers to trade.

The creation of national platforms can assist greatly in providing transparency to these standards and collaboration between national platforms for purposes of knowledge sharing, can further create coherence in VSS that can also be beneficial to enabling trade and creating easier market access to producers.⁵

Professor Schlemmer emphasized the importance of greater coherence in the language used by lawyers and policymakers, and noted that there is a need to involve lawyers in discussions on VSS since the policy decisions of governments and the signing of international agreements often result in international obligations that can easily be violated at the national level if producers and government officials are ignorant of their existence and the implications of their actions.

VSS, as such, fall outside the scope of WTO unless they specifically create barriers to trade, and thus, do not as a rule have the potential to violate international obligations.

B. Panel VI “Exploring coherence and implementation of government policies and possibility of sustainable public procurement in context of developing economies”

The Convention Report notes that “this session brought in perspectives of different government representatives and experts on sustainable public procurement. The panel discussed the inefficiencies of public procurement law, the various mechanisms and systems that can facilitate sustainable public procurement, and suggested different policies that governments can adopt, as well as steps that can be taken to build capacity for the same.”⁶

Professor Schlemmer stated that public procurement is used to assist the South African government to promote wealth redistribution as part of its constitutional objective to address the inequalities and disadvantages that were created by unfair discrimination in the past.

⁴ By national (non-governmental and private) organizations or bodies, international organizations or bodies or at the governmental level.

⁵ For more detail on the panel see Flagship report, *supra* n.1, pp.9 and 29-30.

⁶ “Report of the Convention,” *supra* n.2, p.10.

A practice of preferential procurement is currently being used and this is enshrined in legislation. Bidders are required to provide proof of their so-called Broad-Based Black Economic Empowerment status levels and an additional new condition to the award of tenders based on the application of the price and preference criteria has been added recently. The question to be addressed in the context of VSS is whether a similar approach may potentially be used in public procurement to add additional requirements of compliance with VSS requirements taking the WTO Agreement on Government Procurement into account if the relevant government is a signatory to it. The potential does exist.

It was further pointed out that governments should have clear policies on procurement and on whether additional criteria should be used for purposes of a system of preferential procurement where VSS could be included. If this is the case, all government departments should be applying such policy in order to ensure uniformity in decision making.⁷

At the conclusion of the session on the national platform initiatives, a tripartite declaration was signed by the National Platforms on Sustainability Standards of Brazil, India and Mexico.⁸ The India National Platform on Private Sustainability Standards also launched a handbook on *Good Practices towards Sustainable Value Chains* at the end of the conference.⁹ The handbook contains case studies which allow the reader to “observe how a corporation’s efforts towards sustainability have helped them achieve the level of efficiency and expertise that they otherwise wouldn’t have achieved.”

The final “Conference Report” was published in January 2019.

⁷ For a detailed breakdown of the discussion, see “Report of the Convention”, *ibid.*, pp.33-35, 59-60.

⁸ “Declaration of Cooperation in Sustainability Standards Ecosystem between National Platforms”, Available at <<https://indiapss.qci.org.in/wp-content/uploads/2018/09/Joint-Declaration.pdf>>. See *infra* Appendix 4. For details see the Declaration and the “Convention Report”, *supra* n.2, p.49.

⁹ Available at <https://indiapss.qci.org.in/wp-content/uploads/2018/09/20180915_vF_Good-Practices-Handbook-2.pdf>.

IV. Report on Panel 14 of the New Delhi Convention

Rogério de Oliveira Corrêa¹

Dr. Rogério de Oliveira Corrêa participated in Panel 14 of the “International Convention on Sustainable Trade and Standards: Leveraging Trade, Global Value Chains, and Standards as Engines of Sustainable Development”, held on 17 to 18 September 2018 in New Delhi, India. The panel is titled “National Initiatives Feature: Opportunities and challenges of consolidation efforts at the national level regarding sustainability standards”. Representatives of National Platforms joined the panel, and discussed about the work, objectives, and results related to voluntary sustainability standards (VSS) and countries’ strategies to deal with them.

During the panel discussion, China’s representative stated that association standards are encouraged in the country in order to promote Sustainable Development Goals (SDGs). The Brazilian representative wants to fulfil governance gaps related to VSS policies, create awareness on VSS in order to meet the SDGs, and mitigate burdensome SDGs. The Brazilians have started mapping VSS in the country understanding the huge implications they pose for businesses. On the other hand, Mexico recently launched its National Platform, while Indonesia and South Africa are still in the process of identifying national infrastructure in order to implement the National Platform VSS agenda.

In general, session representatives of National Platforms in Brazil, China, India, Indonesia, Mexico, and South Africa shared their experiences regarding activities, best practices, and the possibility of cooperation on sustainability standards.

The key argument of the panelists for the establishment of national platforms is a

¹ Dr. Rogério de Oliveira Corrêa is Desk-Officer of the Brazilian National Platform on Voluntary Sustainability Standards at Brazilian National Institute of Metrology, Quality and Technology – INMETRO. He has a Doctor in Science Degree in Chemical Engineering and presently is also working as Post-Doctoral fellow in Getúlio Vargas Foundation – Center of Studies on Global Trade and Investment.

correct understanding of the environment that encapsulates sustainability and its three dimensions: economic, social, and environmental, and how they are born voluntary sustainability standards.

Going beyond, the main objective of the platforms is to balance stakeholders' willingness and exchange as much information as possible while linking national and international demands and experts for fulfilling the structural gaps present in a standardizing system.

Activities related to raising awareness include capacity building, training programs, and technical assistance and were cited as the paths that must be navigated during the initial activities and as part of the working plan that has to be accomplished during the initial challenges.

The other theme stressed by panelists is the establishment of common grounds for setting standards and, lately, monitoring for verifying if they are being conducted in the correct way.

Finally, the panel pointed out that some form of assessment before the adoption of the VSS is not only needed but it is also a prerogative of the National Platforms as well as their government partners. The issue of fragmentation of standards and constraints is also the task that must be done through improving the existing standards and development of newly emerged ones by consensus between the multi-stakeholders and the standards setting organizations.

The Brazilian presentation started with highlighting the landmarks of the country. The official name is Federative Republic of Brazil, it is located in South America, and the country's capital is Brasília. The surface area of the country is spread over 8.5 million square kilometers; the GDP is one trillion and eight hundred billion United States dollars; the language is Portuguese and the currency is Brazilian Reals.

Following this, the presentation described the national system of quality and infrastructure called SINMETRO, which is an acronym in Portuguese for the Brazilian System of Metrology, Standardization and Industrial Quality. This system is managed by a Council of Ministers and is called CONMETRO, also an acronym in Portuguese for the Council of Metrology, Standardization and Industrial Quality, with its executive body

INMETRO, the Brazilian Institute of Metrology, Quality and Technology. There are six advisory committees to help INMETRO coordinate and manage the quality and infrastructure system in Brazil. It is important to highlight the Brazilian Committee of Technical Barriers to Trade (CBTC). The National Platform on Voluntary Sustainability Standards is under the umbrella of discussions of CBTC.

Next, the work of the National Platform was presented. Its main objectives are to aim at (1) fulfilling governance gaps related to VSS policies, (2) promoting interaction with government and private sector stakeholders, (3) providing companies and consumers awareness on VSS in order to meet the SDGs, (4) improving the quality and competitiveness of national products, and (5) promoting cooperation with other National Platforms and international organizations and mitigating unfavorable impacts of burdensome certifications. Moreover, the homepage of the National Platform was presented as follows:- www.inmetro.gov.br/barreirastecnicas/normas-voluntarias-sustentabilidade.asp.

Additionally, it was stressed that the model of National Platforms is useful. It was provided from the UNFSS (UNCTAD, ITC, UNIDO, UNEP, and FAO), a forum of UN organizations with the objective to help developing countries improve their awareness and face the challenges of Private Standards. National Platforms are a decision taken by some countries for reflecting the UNFSS objective to reach internal coordination on VSS and help SMEs.

The next step in the presentation covered the results achieved for the years 2017 and 2018 by the National Platform. The results include: launching events in Brasília and São Paulo with 150 stakeholders from the public and private sectors and foreign participants; presenting the platform's internet homepage; the establishment of a Working Group to execute an Action Plan and a Steering Committee to propose activities (three meetings and almost ten conference calls); starting the work on mapping VSS in Brazil; sharing of experiences with partners abroad, mainly DIE/MGG group of countries and other National Platforms; report of Brazilian Activities in the third UNFSS Flagship Report; partnership with "Getúlio Vargas Foundation - FGV" to produce studies on VSS; selection of nineteen sectors to map VSS in a demand of the Brazilian Agency of Promotion of Exports (APEX) to FGV and the National Platform; motivate government and private sector stakeholders to become aware and work on VSS issues; training activities; selection of a sector as a pilot during project implementation, and finally,

planning projects to finance some activities and for the maintenance of an office for the Platform.

Closing the presentation, some conclusions were presented: (i) VSS have huge implications for business (production companies and service providers), as they mainly affect small and medium-sized enterprises (SMEs), and thus the need to continuously assess their impact; (ii) The chaotic proliferation and fragmentation of VSS are negative for business, as well as for communicating SDGs to companies and may cause misunderstanding among consumers; (iii) The cooperative work among countries can fulfil structural gaps by raising awareness, providing trainings, improving QIS and standards assessment, and by promoting mutual recognition or merging of certifications, consequently mitigating the proliferation of schemes; (iv) It will be very important for National Platforms and developing countries to reframe the VSS environment, acknowledging the importance of achieving SDGs but not creating unnecessary technical barriers to trade (TBT); and lastly, (v) Should WTO reopen the discussion on VSS on new grounds and become the normative organization of this very important and impactful trade issue, countries, SMEs, small-holders, and consumers would greatly benefit.

SIEL Biennial Conference Washington, D.C.

Panel XV: Public-private partnership (PPP) for the diffusion of voluntary sustainability standards

Vera Thorstensen – CCGI/EESP/FGV
Rogerio Correa – VSS Platform Brasil/INMETRO

Brazil VSS Platform

PRESENTATION



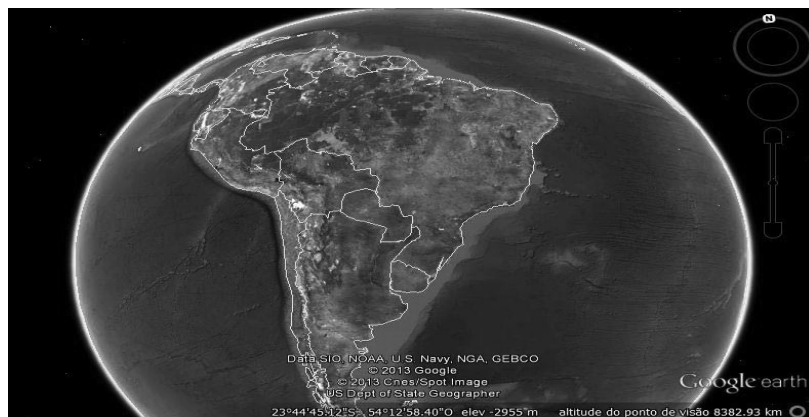
- BRAZIL
- INMETRO
- SINMETRO
- WTO TBT – SPS
- VSS
- VSS X TRADE
- BRAZILIAN PLATFORM ON VSS
- INMETRO SCHEMES ON VSS
- CONCLUSIONS.

BRAZIL LANDMARKS

- ✓ **Brazil** is a Federative Republic with 27 states
- ✓ Extension: **8.515.767,049 Km²**
- ✓ Population (2106): **207.7 millions inhabitants**
- ✓ GDP (2016): **US\$ 1.796 trillion**
- ✓ Language: **Portuguese**



GOOGLE IMAGES – BRAZIL (8382,92 Km)



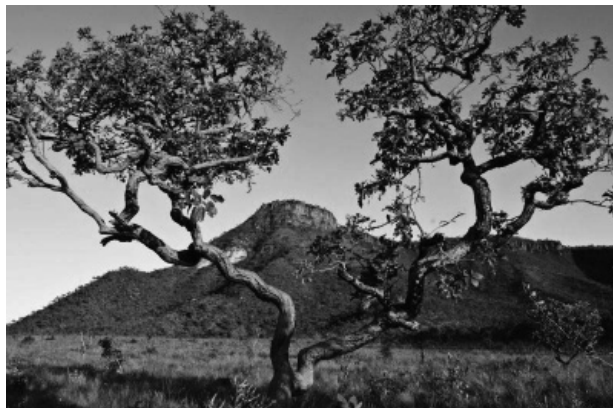
BRAZIL 6 BIOMES



Amazônia



Cerrado



Caatinga



Mata Atlântica



Pantanal



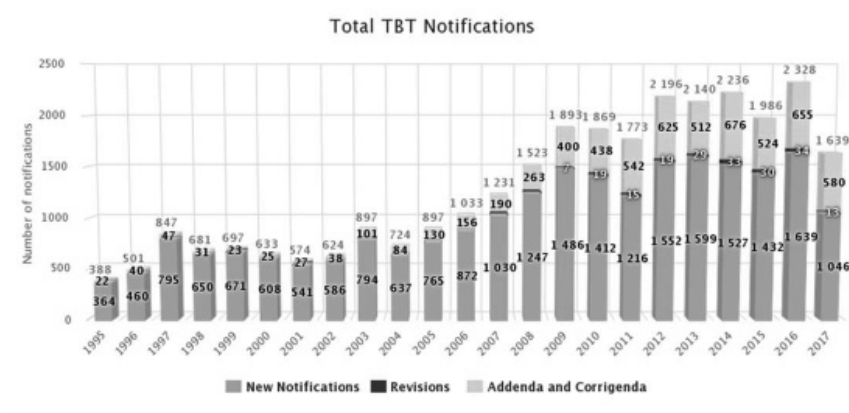
Pampas



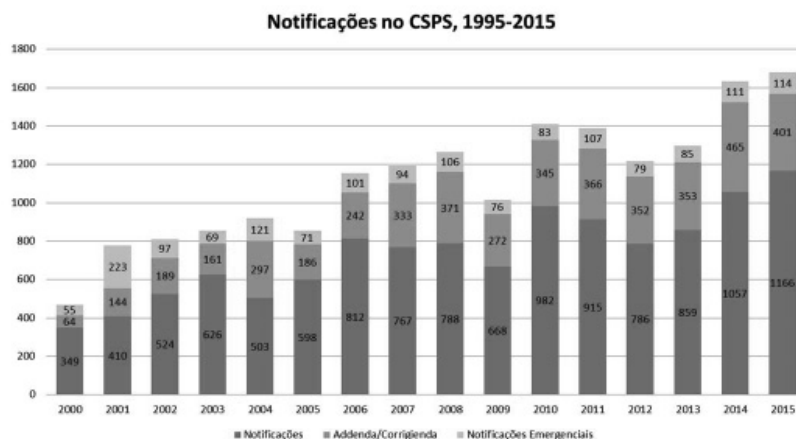
PROBLEM :

- **VSS = SUSTAINABILITY + TRADE**
- SUSTAINABILITY = ENV + LABOR + ANIMAL WELFARE
- ENFORCEABILITY = REGULATIONS x STANDARDS + TRADE
- WTO
- TBT + SPS + ENV (DSB)

Notifications to C TBT 1995 e 2017 (WTO)



Notifications to C SPS 1995-2015



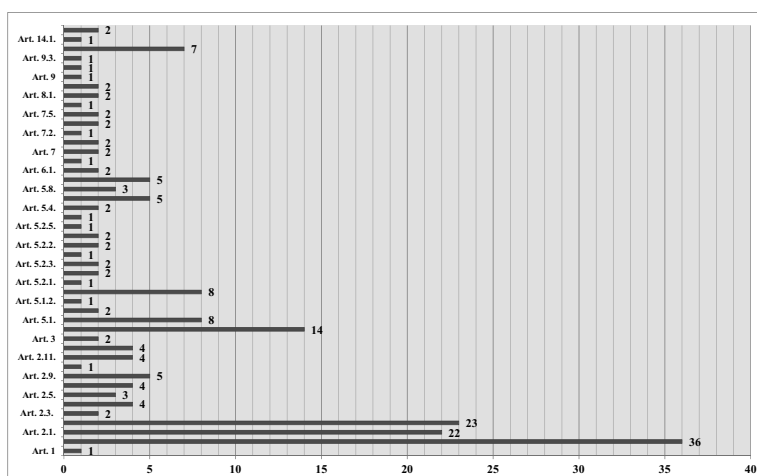
Source: WTO

Total TBT and SPS

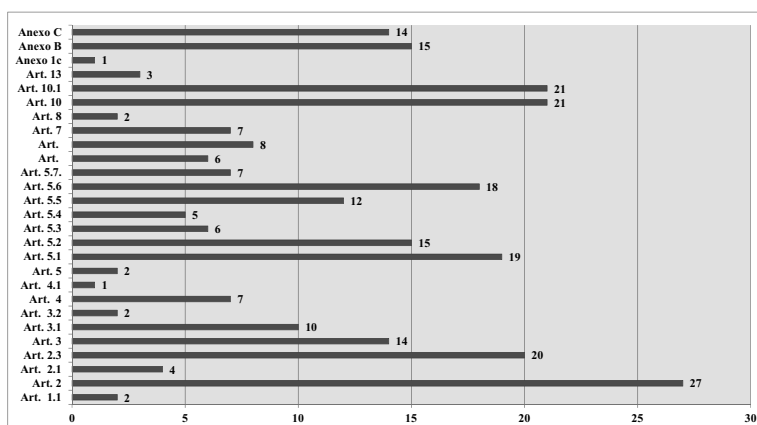
SPS - March 2017	
Notifications	14241
Emergency	1915
Addenda/Corrigenda	5132
Translation supplement	19
Recognition of equivalence	2
Specific Trade Concerns	416
Other SPS Documents	3018
Total	24.743

TBT - March 2017	
Regular notifications	22409
Revisions	211
Addenda/Corrigenda/Supplements	6067
Specific Trade Concerns	521
Total	29.208

Articles of TBT used in DSB



Articles of SPS used in DSB



VSS IN THE WTO

REGULATIONS X PRIVATE STANDARDS

WTO – TBT – SPS – ENV

TBT: ISO + IEC + ITU + NATIONAL STANDARDS BODIES

SPS: CODEX, OIE, IPCC

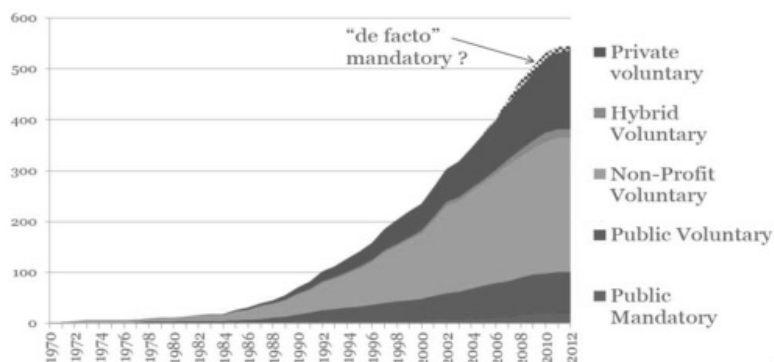
- 2005 – INTRODUCED IN WTO IN SPS - TBT COMMITTEES
- PANEL BY SAINT VINCENT AND GRENADINES x EUREPGAP
- USA - EU DENIED THAT WTO WAS THE FORUM OF VSS
- CHINA, INDIA, BRAZIL ADVOCATE WTO WAS THE FORUM
- THE ISSUE IN WTO WAS DEADLOCKED

VSS AND INTERNATIONAL TRADE:

- 2015 - ADOPTION THE 2030 AGENDA
- INDIA, BRAZIL AND CHINA REBOOT THE DISCUSSION
- NEW STRATEGIES :
 - NATIONAL PLATFORMS
 - DISCUSSION THE ISSUE IN PTA
 - TPP – TPP11 – EU - MERCOSUR
 - BRING DISCUSSION BACK TO WTO

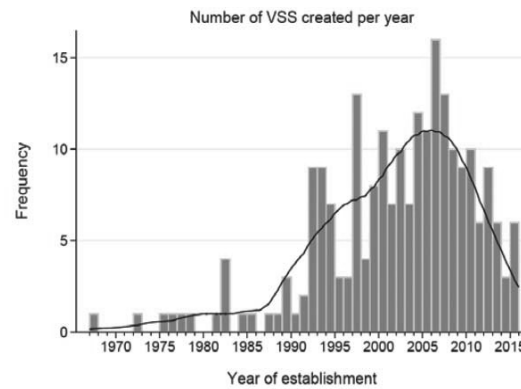
UNFSS – VSS (TOTAL 524)

Evolution of private voluntary versus public standards and regulation



Source: Gruère (2013)

ITC – STANDARDS MAP (TOTAL 241)

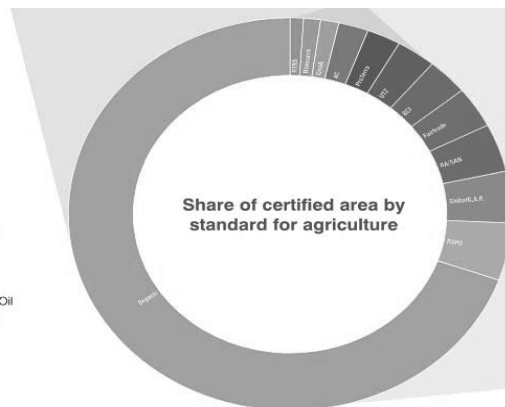


Source: ITC and EUI calculations based on ITC Standards Map.

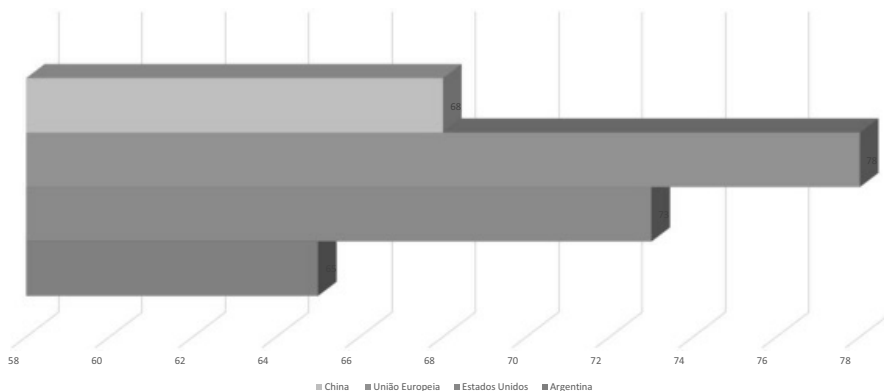
ITC – VSS – 14 VSS

14 major voluntary sustainability standards:

4C
Better Cotton Initiative
BONSUCRO
Cotton made in Africa
Fairtrade International
Forest Stewardship Council
GLOBALG.A.P.
IFOAM – Organics International
Programme for the Endorsement of Forest Certification
ProTerra Foundation
Rainforest Alliance/Sustainable Agriculture Network
Roundtable on Sustainable Palm Oil
Round Table on Responsible Soy
UTZ



ITC VSS IMPACT ON BRAZIL (TOTAL 241)



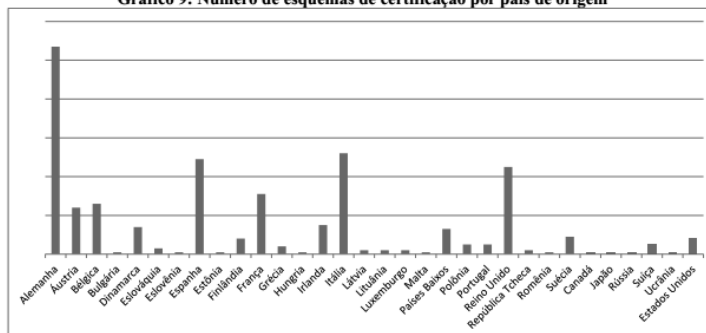
PRIVATE/SUSTAINABILITY STANDARDS

Standard Types		
	Public	Private
Mandatory	Regulations	Legaly binding private standards
Non-Mandatory	non-mandatory public standards	Non-mandatory private standards

Source: FAO/WHO, In: Manuela Amaral, 2014

PRIVATE STANDARDS Certifications by origin

Gráfico 9: Número de esquemas de certificação por país de origem

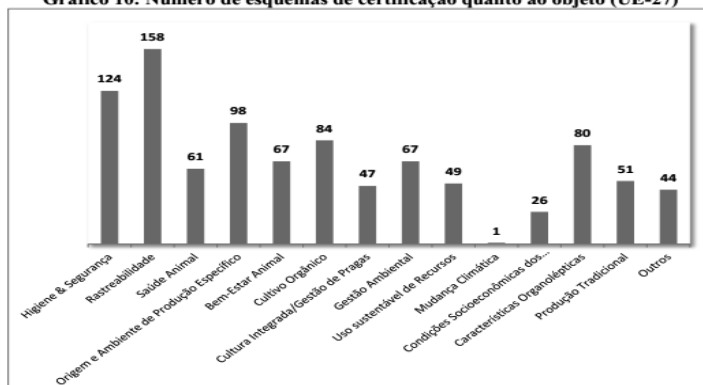


Fonte: Comissão Europeia. Agriculture and Rural Development. 2010.

Fonte: Manuela Amaral, 2014.

VSS Objectives

Gráfico 10: Número de esquemas de certificação quanto ao objeto (UE-27)



Fonte: Comissão Europeia. Agriculture and Rural Development. 2010.

Source: Manuela Amaral, 2014.

Examples of VSS in the food industry

- **Companies Schemes:**

- Tesco (Nature's Choice); Carrefour (Filières Qualité)

- **Domestic Groups Schemes:**

- Assured Food Standards (UK); Qualitat Sicherheit (G)

- **International Groups Schemes:**

- GlobalGAP; International Food Standard; Forest Stewardship Council (FSC); Fair Trade.

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Results:

- Multiplication of standards
- Fragmentation of rules
- Increasing costs to producers and exporters
- New generation of barriers to trade

28

WHAT ARE VOLUNTARY SUSTAINABILITY STANDARDS OR PRIVATE STANDARDS?

*FREE AND NOT CONSENSUED DEFINITION



"Normative documents developed by private entities, eventually with involvement of countries, that use the concepts of standards (as stated in the Annex 3 and the *Decision of the second triennial review of TBT Agreement) and in some cases also use sustainability concepts like the sustainable development goals which compliance is attested/verified by a certification scheme/seal".



* SCHEMES INSIDE ISEAL ALLIANCE



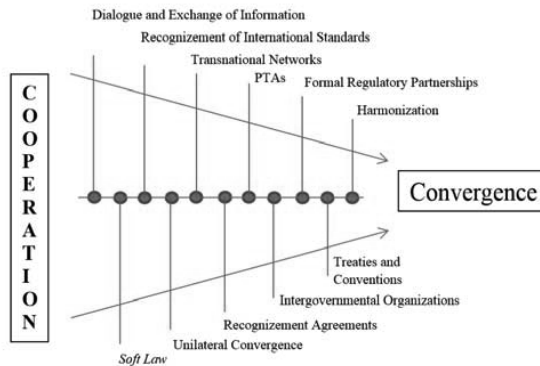
* DECISION OF THE COMMITTEE ON PRINCIPLES FOR THE DEVELOPMENT OF INTERNATIONAL STANDARDS, GUIDES AND RECOMMENDATIONS WITH RELATION TO ARTICLES 2, 5 AND ANNEX 3 OF THE AGREEMENT – SECOND TRIENNIAL REVIEW OF THE TBT AGREEMENT IN 2000

Voluntary Sustainability Standards - VSS

- A new standardization model
- VSS are:
 - Issued by non-governmental bodies (international or domestic)
 - Issue by producers, distribution chains, consumers, NGOs
 - Issued by companies, collective national or collective international entities
 - No State control on the standards issued
 - No rules for accreditation and certification procedures
- Transparency
- Predictability
- Legitimacy
- Confiability
- Efficiency

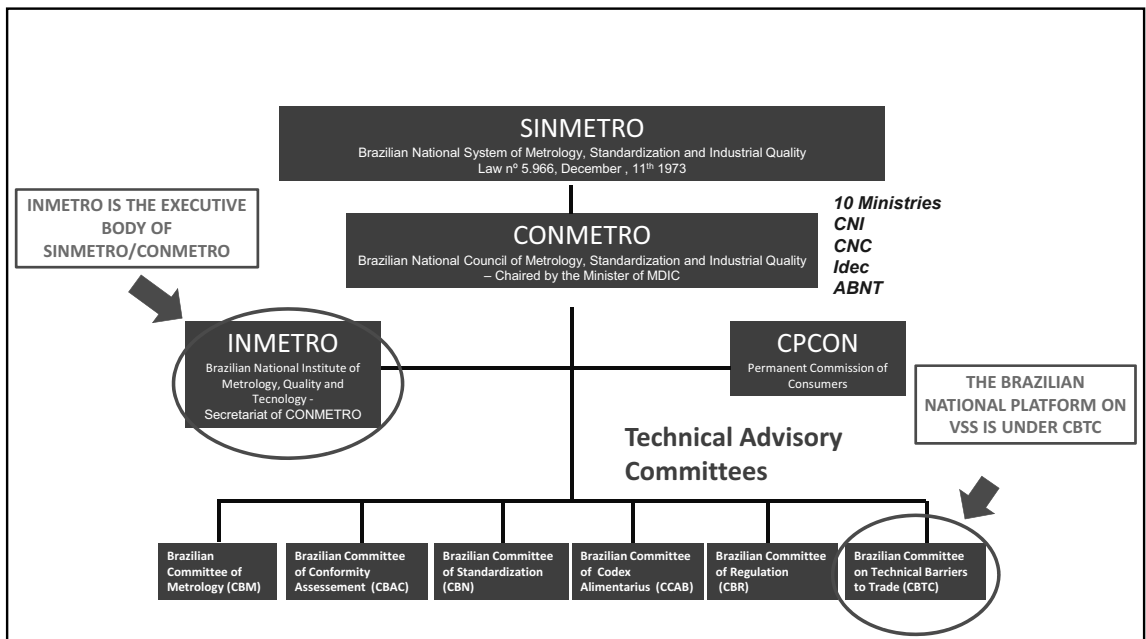
OECD Regulatory Coherence and Convergence

Connection between Regulatory Convergence and Coherence



Source: OCDE. Elaboração CCGI-FGV/EESP

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UNFSS - NATIONAL PLATFORMS ON VSS – MAIN OBJECTIVES

“The NP concepts are based in UNFSS (UNCTAD, ITC, UNIDO, UNEP and FAO) a Forum of UN organizations with objective to help Developing countries to be aware and face the challenges of Private Standards.

Some countries decided to mirror the UNFSS trying to reach internal coordination on VSS and helping SMEs.”

THE WORK OF THE NATIONAL PLATFORM IS :

- FULFIL GOVERNANCE GAPS RELATED TO VSS POLICIES;
- PROMOTE INTERACTION WITH GOVERNMENT AND PRIVATE SECTOR STAKEHOLDERS;
- PROVIDE COMPANIES AND CONSUMERS AWARENESS AND ROOM ON VSS IN ORDER TO MEET THE SDG;
- IMPROVE THE QUALITY AND COMPETITIVENESS OF NATIONAL PRODUCT;
- TO PROMOTE NATIONAL CERTIFICATIONS THROUGH NEGOTIATIONS;
- PROMOTE COOPERATION WITH OTHER NP AND INTERNATIONAL ORGANIZATIONS;
- MITIGATE THE BAD IMPACTS OF BURDENSOME CERTIFICATIONS.

“The key challenge for sustainable production and consumption is to find the equilibrium point between many different stakeholders.

Governments and businesses should work together to overcome the chaotic proliferation and duplication of standards.”

LAUCHMENT EVENTS OF THE BRAZILIAN PLATFORM – BRASÍLIA AND SÃO PAULO (MAY/JUNE 2017)



HOMEPAGE OF THE BRAZILIAN NATIONAL PLATFORM ON VSS
www.inmetro.gov.br/barreirastecnicas/normas-voluntarias-sustentabilidade.asp



SOME RESULTS OF BRAZIL PLATFORM - 2017

- ✓ **Launching events in Brasília and São Paulo with 150 stakeholders from public, private sector and foreign participants**
- ✓ **Homepage - Internet**
- ✓ **Establishment of a Working Group to execute an Action Plan and a Steering Committee to propose activities**
- ✓ **Starting the mapping of VSS in Brazil;**
- ✓ **Sharing of experiences with partners abroad**
- ✓ **Proposal of mutual recognition of VSS in Brazilian trade negotiations;**
- ✓ **Raising awareness activities;**
- ✓ **Selection of a sector to be pilot during implementation project;**
- ✓ **Planning of a project to finance some activities and maintenance the office of the Platform.**

WORKING PLAN TO 2018

- ✓ Continue the work and meetings of the WG and SC;
- ✓ Start the implement project;
- ✓ Conclude the first mapping work;
- ✓ Take part/be involved in the UNFSS activities and players related to:
 - production of papers and studies on VSS;
 - workshop in Delhi,
 - production of factsheet of the NP;
- ✓ Raising awareness activities in states of Brazil;
- ✓ Continue the exchange of experience with other NP;
- ✓ Update the internet website (monthly);
- ✓ Have first results in the implementation project;
- ✓ Have a workshop to Brazilian stakeholders;
- ✓ Produce 3-4 supporting documents and paper about VSS in Brazil, their impact to Brazilian companies and how VSS from abroad affects Brazilian companies.

INMETRO SCHEMES WITH SUSTAINABILITY GOALS

- SCHEME ON INTEGRATED PRODUCTION/GAP – PI BRASIL;
- SCHEME ON FOREST CERTIFICATION – CERFLOR/PEFC;
- SCHEME ON ENERGETIC EFFICIENCY – PBE ;
- ENVIRONMENTAL DECLARATION OF PRODUCT – DAP/PBACV.



INMETRO SCHEMES WITH SUSTAINABILITY GOALS



CONCLUSIONS

- VSS have a huge implication for business (production companies and service providers), they affect mainly SME being important to assess continuously their impact;
- The chaotic proliferation and fragmentation of VSS are bad for business, to communicate SDGs to companies clients and provoke misunderstandings to consumers;
- The cooperative work among countries could fulfil structural gaps like: raising awareness, training, QIS and standards and regulation assessment and promote mutual recognition or merging of certifications mitigating the proliferation of schemes;
- It will be very important to National Platform and Developing Countries **to reframe the VSS environment**, acknowledging the importance **of fulfilling SDG** but **not creating unnecessary TBT**;
- To countries, SME, small-holders and consumers it will be of great value if WTO could restart the discussion in new grounds and be the normative organization of this very important and impactive trade issue.

- Appendix 2. Sandra Cabrera de Leicht, “PPP for the diffusion of VSS: The possible role of the UN Forum on Sustainability Standards” (PPT file for the panel on “PPP for the Diffusion of VSS” at the 2018 SIEL Conference)

PPP for the diffusion of VSS: The possible role of the UN Forum for Sustainability Standards (UNFSS) as a regulatory orchestrator

ITC Trade for Sustainable Development (T4SD)

Sandra Cabrera de Leicht
Advisor in Sustainability Standards and Value Chains
ITC Trade for Sustainable Development (T4SD)
cabrera@intracen.org

What is ITC?



UNCTAD
The UN body for design of policy recommendations to achieve economic and social development through trade and investment.



WTO OMC
The forum to negotiate multilateral trade rules, monitor their implementation and handle trade disputes

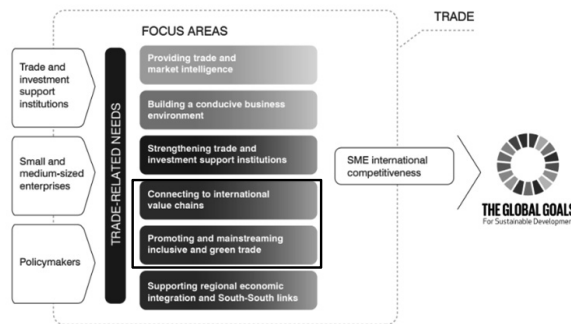


ITC works with local and regional institutions and businesspeople to build trade capacity.

Mission

- ITC enables small business export success in developing countries by providing, with partners, trade development solutions to the private sector, trade support institutions and policy-makers

ITC's 6 focus areas and goals



ITC focus area: Connecting to value chains: SME competitiveness, diversification and links to export markets

The need to generate sustainable growth through trade continues to be an important policy goal for many countries. 80% of world trade takes place within value chains, and around 60% of world merchandise trade is in intermediate goods. Integration into value chains enables SMEs to benefit from participation in global trade.

Achieving the Sustainable Development Goals will only be possible if the global economy can be strategically directed towards their realization.

Voluntary standards offer one of the most explicit vehicles for linking consumption, production and trade with specific sustainable development outcomes.

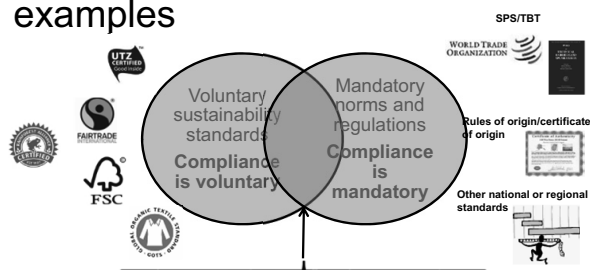
Challenges

- **Sustainability concerns** in global supply chains;
- **High demand from SMEs** for transparency on voluntary standards;
- **Confusion** among SMEs, TSIs and governments around the proliferating voluntary standards applied in international markets;
- **Lack of central & neutral repository** for standards information.

Definition of Voluntary Sustainability Standards

The United Nations Forum on Sustainability Standards (UNFSS, 2013, p. 3) describes voluntary sustainability standards (VSS), a term often used interchangeably with private standards, as “specifying requirements that producers, traders, manufacturers, retailers or service providers may be asked to meet, relating to a wide range of sustainability metrics, including respect for basic human rights, worker health and safety, the environmental impacts of production, community relations, land use planning and others.”

Voluntary sustainability standards – definitions and examples



- Regulation increasingly includes principles and provisions developed by VSS or directly refer to voluntary standards.
- VSS require compliance with local laws and regulations, e.g. labor or environmental laws
- Buyers ask suppliers for compliance with voluntary standards.

The landscape of sustainability standards & codes is complex...



ITC And Voluntary Sustainability Standards: T4SD - Making sustainable chains a reality

How do we do this ?

T4SD GLOBAL DATABASE Core of the programme

Establishes a common language to reference standards initiatives
Neutral and credible methodology; data quality protocols



SPECIAL PROJECTS Responding to specific needs



ITC's Sustainability Tool Kit

Linking communities committed to sustainable production and trade
The Sustainability Tool Kit is a set of tools and resources designed to help small-scale producers and traders in developing countries improve their sustainability performance and access international markets.



www.sustainabilitymap.org

Capacity Building & Research T4SD on the ground

Empowering stakeholders to promote sustainable production and trade



Training in the field: T4SD team and its beneficiaries



Virtual component e-learning group activities

T4SD tool: Sustainability Map www.sustainabilitymap.org

Sustainability Map

Your roadmap to sustainable consumption, production and trade



BUSINESS



PUBLIC SECTOR



CONSUMERS



STANDARD SETTING ORGANIZATIONS

9

WHY DO WE NEED A UNITED NATIONS FORUM ON SUSTAINABILITY STANDARDS (UNFSS)?

UNFSS addresses the sustainable development value of Voluntary Sustainability Standards (VSS) by pooling resources, synchronizing efforts, and ensuring policy coherence, coordination and collaboration among United Nations agencies.



UNFSS's members



As the joint agency of the United Nations and the WTO, ITC is the only multilateral agency fully dedicated to supporting the internationalization of SMEs.



UNCTAD is the United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology.

UNFSS's members



The Food and Agriculture Organization (FAO) is a specialized agency of the United Nations that leads international efforts to defeat hunger. The goal of FAO is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active, healthy lives.



UN Environment is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment.



UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability. The Organization's primary objective is the promotion and acceleration of industrial development in developing countries and countries with economies in transition and the promotion of international industrial cooperation.

UNFSS's goal

UNFSS is the only forum to provide information, analysis and discussions on Voluntary Sustainability Standards at the intergovernmental level.

We aim to promote proactive and strategic dialogue about national policies and experiences, as well as on meta-governance issues of VSS.

The forum is designed to become the backbone for the development of a coherent programme of public policy and private initiatives —at both standard setting and implementation stage.

This can make Voluntary Sustainability Standards work for:

- Achieving the specific sustainability objectives of developing countries like reducing poverty, using natural resources sustainably and protecting ecosystems;
- Opening foreign markets;
- Lowering potential hurdles to development and access to markets;
- Averting the costs of compliance

UNFSS's work: National Multi-stakeholders Platforms

UNFSS has helped several emerging countries – including, among others, Brazil, China, India, Indonesia, Laos, Mexico, Philippines and South Africa – to develop multi-stakeholder platforms for Voluntary Sustainability Standards (VSS).

These platforms:

- Provide a neutral forum to exchange information and learn about Voluntary Sustainability Standards.
- Collect and exchange information on national standards.
- Assess the needs of decision-makers and other stakeholders.
- Link national demands with international expertise.
- Build institutions to strengthen communication.

Indian National Platform on Private Sustainability Standards – Launched in 2016

The India National Platform on Private Sustainability Standards has been initiated under the Secretarial oversight of Quality Council of India (QCI) to facilitate dialogue between core public and private stakeholders on how to maximize the sustainable development benefits and market access opportunities of private sustainability standards (PSS), whilst addressing potential challenges and cost of PSS implementation, in particular for small-scale producers.

Activities of the Indian PSS Platform

- a. Institution building
- b. Knowledge creation
- c. Knowledge sharing
- d. Promotion of PSS for achievement of SDGs
- e. Capacity development
- f. Harmonizing initiatives

Key takeaways

1. Voluntary standards offer one of the most explicit vehicles for linking consumption, production and trade with specific sustainable development outcomes.
2. ITC T4SD provides a global common language for VSS that allows (i) VSS benchmarking initiatives coordinated among Standards Setter Organizations; (ii) better understanding of VSS and a more comprehensive mechanism for Public and Private Institutions to collect data from beneficiaries in developing countries regarding their sustainability compliance commitments.
2. UNFSS is an unbiased and credible policy forum that benefits from the analytical, empirical, and capacity- building activities of the participating United Nations agencies, engagement with a broad, multi-stakeholder advisory panel, and relevant multi-stakeholder initiatives. This is key when working towards an improved understanding of VSS impacts and opportunities in developing countries in an efficient, consistent, inclusive, and demand-driven manner.

For more information:

Sandra Cabrera de Leicht

Advisor in Sustainability Standards and Value Chains

cabrera@intracen.org

Create your account at:

www.sustainabilitymap.org

Thank you!

- Appendix 3. Engela C. Schlemmer, “Presentation: Prospects and Challenges of a Platform of VSS in South Africa” (PPT file for the panel on “PPP for the Diffusion of VSS” at the 2018 SIEL Conference)

SIEL 2018

PANEL XV

Public-private partnership for the diffusion of VSS

Prospects and challenges of a platform of VSS in South Africa

Prof Engela C Schlemmer

School of Law, University of the Witwatersrand, Johannesburg

Schlemmer presentation

1

Private standards and VSS general observations

- Private standards and voluntary sustainability standards

	Public	Private
Mandatory	Regulations (usually promulgated in terms of legislation)	Legally-mandated private standards
Voluntary	Public voluntary standards	Private voluntary standards

(Table is based on Henson and Humphrey (2011) 150).

Schlemmer presentation

2

General challenges

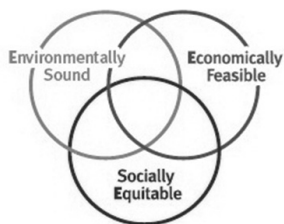
- Governance beyond the state
 - WTO → TBT and SPS
- Legitimacy of private standards?
 - Transparency
 - Accountability
 - Participation
- Retailers as “guardians of consumer interests”?
- Food safety standards versus non-risk-related standards

Schlemmer presentation

3

Sustainability standards

- In general



- In the South African context:
 - The Constitution of the Republic of South Africa, 1996
 - Good governance
 - The King II Report

Schlemmer presentation

4

Sustainability initiative South Africa

- Started by Fruit SA
- Now, SIZA
 - Multi sectoral agricultural standard
 - All agricultural sectors, except wine producers
 - Not only harmonisation of SS issues, but to manage risks for both producers and markets
 - Recognition agreements with UK, Europe, US
 - The SIZA standard is driven by overseas markets and their requirements

Schlemmer presentation

5

Sustainability Initiative of South Africa NPC

- Commitment to implement management systems
- No forced and bonded labour
- No child labour
- Freedom of association and collective bargaining
- No discrimination, harassment and abuse
- Health and safety
- Wages, benefits and terms of employment
- Working hours

SIZA
EIGHT PRINCIPLES
OF THE SIZA STANDARD

1 COMMITMENT TO IMPLEMENTING MANAGEMENT SYSTEMS
The employer must ensure that people are free to choose their employment and to terminate their contract of employment if they want to. Employees do not have to sign documents in order to get work and the employer may not keep their identity documents for a prolonged period of time.

2 NO FORCED AND BONDED LABOUR
The employer must ensure that people are free to choose their employment and to terminate their contract of employment if they want to. Employees do not have to sign documents in order to get work and the employer may not keep their identity documents for a prolonged period of time.

3 NO CHILD LABOUR
The employer must not employ children below the age of 15 years and must take all necessary steps to prevent children from being employed directly or indirectly. If child labour is found in the workplace, the employer must immediately take steps to deal with the situation, bring the situation to the attention of the state. Where young employees below the age of 18 years are employed, the employer must ensure that their working conditions comply with legal requirements.

4 FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING
The employer must recognize and respect the right of employees to join or form organizations (such as trade unions or bodies that represent their interests, and to bargain collectively. The employer must not interfere with, discriminate against or punish employees or their representatives.

5 NO DISCRIMINATION, HARASSMENT & ABUSE
The employer must take reasonable steps to ensure that the workplace is free from all types of discrimination and that there are systems in place that provide protection for employees who believe they have been discriminated against. All employees should have access to legal representation.

6 HEALTH & SAFETY
The employer must ensure that the work place environment and facilities (including employee accommodations) are safe and hygienic, and must take reasonable steps to prevent accidents and injuries in the workplace.

7 WAGES, BENEFITS & TERMS OF EMPLOYMENT
The employer must ensure that employees receive a fair wage and benefits which comply at least with the minimum legal requirements. There must be a formal contract of employment between the employer and employee and the conditions must comply with the law.

8 WORKING HOURS
The employer must ensure that working hours comply with the law and must have systems in place that monitor and keep accurate records of hours worked by each employee.

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Environmental standard

- Water
- Soil
- Energy, materials & waste; and
- Farm ecosystems & biodiversity

EIGHT PRINCIPLES OF THE ENVIRONMENTAL STANDARD

- COMMITMENT TO IMPLEMENT MANAGEMENT SYSTEMS**
 Management must implement a comprehensive environmental management policy that provides strategic direction and clearly set out the firm's strategic commitments regarding the compliance with all applicable legislative requirements and management of water, responsible use of those use of energy and resources, biodiversity and environmental protection, and the healthy ecological functioning and biodiversity of the farm and the broader landscape. It is important that management maintain a deep understanding of the South African environmental and environmental resources in its operations.
- ENSURE COMPLIANCE WITH LEGISLATION**
 Management must be able to provide proof that they have a basic understanding of the relevant environmental and agricultural legislation that might require an environmental impact assessment for certain farming activities. Management must also stay up-to-date and compliant with all applicable aspects of the regulatory framework that are relevant to the environment.
- MAKE USE OF HEALTHY SOIL PRACTICES**
 A soil management plan must be implemented to ensure the sustainable use and conservation of agricultural soil. Prevention measures for soil compaction and erosion must be implemented in areas of high risk. Crop rotation should be used where applicable as a soil health management practice. Soil health management practices should be monitored and the data be incorporated into the soil management plan to ensure soil health and thereby ensure the requirements for soil address.
- CONTROL ALIEN INVASIVE PLANTS (AIP)**
 Management must implement an alien invasive plant clearing plan to monitor and remove alien invasive plants in the field to be managed (not the plan AIP removal activities is extended beyond the farm and is part of collaborative activities with government and other stakeholders). All alien invasive plants must be removed from the field to prevent the flow of water to nearby water bodies, but it also includes the risk of flooding and the risk of fire and can lead to the destruction of indigenous plants and animals. Management must also create a map indicating areas where AIP are present.
- IMPROVE WATER-USE EFFICIENCY**
 Management must ensure the water is being used efficiently. The water-use efficiency of the farm can be improved by adopting irrigation measures, preventing leakage and water wastage, and making use of new technologies like soil moisture probes and drip-irrigation systems which can provide farmers with the necessary information to understand the water requirements of the crops. The water management plan should also take into account the water use requirements for both above ground (livestock, water, cattle) as well as ground water (boreholes) and support management decisions on availability of water in short, medium and long term.
- REDUCE GREENHOUSE GAS EMISSIONS**
 Management must optimise the use of energy resources inputs, such as irrigation, fertilisers and plant protection products, and support machinery and infrastructure must be maintained in a state of proper functioning. Management must monitor, document, manage, measure and make plans to shift to more renewable-energy resources. Management must implement a waste management plan to increase the re-use and recycle of waste and to minimise the amounts that go to landfill.
- PREVENT CONTAMINATION TO SOIL AND WATER BODIES**
 Management must ensure that pesticides and fertilisers are applied appropriately and according to application quantities and methods. It is to be with spraying, organic environmental and good practices. Buffer zones (chemical run-off from cultivated soil) and to prevent erosion. Having buffer zones must be considered as an effective in managing CO2 emissions and reducing the transport of nutrients, minimising agricultural inputs to water resources. Soil samples must be taken and stored regularly to ensure the chemical level of the soil and the number levels of all crop protection and crop production products.
- RESTORE NATURAL ECOSYSTEMS**
 Management must ensure healthy ecological functioning and biodiversity on the farm and across the broader landscape. It is important that farming activities do not disrupt or destroy any protected natural areas. Where the prime areas have been impacted by farming activities, it is to be with high restoration and protection of ecosystems to produce a balance of protection restoration and conservation of prime land must be available and the effectiveness of the restoration must be monitored.

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Outside of SIZA

INTEGRITY & SUSTAINABILITY

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WINE AND SPIRIT BOARD | **4477 796701**

www.swsa.co.za

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Choose wisely and buy responsibly sourced fish.

For more info visit www.woolworths.co.za/goodbusinessjourney



8

Individual company standards	Collective national standards	Collective international standards
Woolworths – the good business journey	Consumer Goods Council of South Africa • Food Safety Initiative (GFSI)	• GlobalGAP
	Sustainability Initiative South Africa (SIZA)	• International Food Standard
	the WWF-SA's Southern African Sustainable Seafood Initiative (WWF-SASSI)	• Safe Quality Food (SQF) 1000/2000
	Fruit SA	• Marine Stewardship Council (MSC)
	Sustainable Wine South Africa (SWSA)	• Forest Stewardship Council (FSC)
	South African Organic Sector Organisation (SAOSA)	• Aquaculture Stewardship Council (ASC)
	South African Bureau of Standards (SABS)	UTZ
		International Federation of Wine and Spirits (FIVS)
		International Organisation of Vine and Wine (OIV)
		World Wine Trade Group Sustainability Initiative

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South African challenges and successes

- Member of WTO
 - Plant Health (Phytosanitary) Policy for South Africa
 - TBT
 - Within SADC
- Department of Trade and Industry and Agriculture, Forestry and Fisheries
 - Programmes for the development of farmers
 - National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP)
- Consumer Goods Council of South Africa
 - All retailers are involved
 - Regular contact with Government
 - Assists the neighbouring countries
 - Provides level of standardisation
 - Levels playing fields around supplier assessments/audits

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10

South African challenges and successes

- SIZA
- Private retailers
 - Woolworths – The good business journey
 - Auditing costs
- SABS
- Reaction to Listeriosis outbreak
 - HACCP plus ...

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11

Conclusion

- No PPP on sustainability standards
- Government
 - Not effective and involved
 - Does support the initiatives
- VSS and PS create opportunities
 - New markets
 - Diversification of exports
 - Job creation

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Convention

First year

Distr.: General
18 September 2018

Original: English

Declaration of Cooperation in Sustainability Standards Ecosystem between National Platforms

India National Platform on Private Sustainability Standards

International Convention on Sustainable Trade and Standards

17-18 September 2018, New Delhi, India

Declaration of Cooperation in Sustainability Standards Ecosystem Amongst National Platforms

LINKING NATIONAL PLATFORMS ON VOLUNTARY SUSTAINABILITY STANDARDS TO HELP IMPLEMENT THE 2030 SUSTAINABLE DEVELOPMENT AGENDA

1. The launch of United Nations Forum on Sustainability Standards (UNFSS)¹ Second Flagship Report on Voluntary Sustainability Standards (VSS) at Geneva on 21st September 2016, and subsequent stakeholder launch in Berlin has brought several developing economies together to share experience and collaboratively explore ways to tackle issues related to VSS, improve competitiveness for SMEs, and develop efficient mechanisms to address Sustainable Development Goals (SDGs). This is also reflected in the UNFSS Third Flagship Report on VSS, Trade and Sustainable Development that reemphasizes the need for greater cooperation and multilateral governance of VSS, launched at the International Convention on Sustainable Trade and Standards on 17 September 2018 at New Delhi.

2. Declarants agree that Voluntary Sustainability Standards are important for promoting SDGs.

3. Co-ordinated efforts and inclusive, informed approaches are essential for effective implementation of national efforts to tackle VSS nationally, regionally and globally.

¹ UNFSS is a platform created to analyze voluntary sustainability standards (VSS) and disseminate information about them and is coordinated by a steering committee consisting of Food and Agriculture Organization (FAO), International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UN Environment) and United Nations Industrial Development Organization (UNIDO).

4. National Platforms on VSS are a major initiative with a high potential for effective understanding and improved implementation of addressing issues related to VSS for national benefit.

5. SDGs are a shared global agenda, and the potential benefits of national platforms for achieving SDGs can be considerably enhanced by linking national platforms and learning from each other's experience. This would enable developing economies to improve their progress towards fulfilling their economic and social aspirations by aligning their national efforts and sharing their experience to reach a win-win result.

6. India, Brazil, China, and Mexico have launched their National Platforms on Private/Voluntary Sustainability Standards over the last three years.

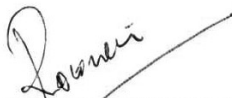
7. Declarants have observed that participants from national initiatives across UNFSS meetings have fostered a common emphasis in sharing the experience and developing a "Platform of Platforms". Each country has its own valuable experience in this space, sharing which would strengthen the understanding and efforts of each other to efficiently tackle issues around VSS and move more effectively towards successful achievement of SDGs.

8. Collaboration and sharing of experience amongst national platform initiatives and agencies that implement these platforms in each country will improve the possibility of more substantive achievement of our objectives towards achieving SDGs.

9. In view of the large benefits that would flow from collaboration amongst national platforms and sharing of experiences, the developing economies at this International Convention on Sustainable Trade and Standards at New Delhi, India, agree to collaborate amongst themselves for achieving the following objectives:

- (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;
- (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".

IN WITNESS WHEREOF, SIGNED AND DECLARED THIS
EIGHTEENTH DAY OF SEPTEMBER IN THE YEAR TWO
THOUSAND AND EIGHTEEN AT THE CITY OF NEW DELHI IN THE
REPUBLIC OF INDIA.



DR. ROGERIO **DE OLIVEIRA CORRÊA**

DESK-OFFICER, BRAZIL NATIONAL PLATFORM ON VOLUNTARY SUSTAINABILITY STANDARDS
RESEARCHER & ADVISOR, INTERNATIONAL AFFAIRS COORDINATION
BRAZILIAN NATIONAL INSTITUTE ON METROLOGY, QUALITY AND TECHNOLOGY



DR. MANISH **PANDE**

SECRETARY, INDIA NATIONAL PLATFORM ON PRIVATE SUSTAINABILITY STANDARDS
JOINT DIRECTOR AND HEAD, PAD DIVISION
QUALITY COUNCIL OF INDIA



SOFIA **PACHECO NIÑO DE RIVERA**

DIRECTORA DE NORMALIZACIÓN PARA, INDUSTRIAS DIVERSAS
DIRECCION GENERAL DE NORMAS
MINISTERIO DE ECONOMIA, MEXICO

IN WITNESS OF:



BONAPAS **ONGUGLO**
CHIEF, TRADE ANALYSIS BRANCH
UNCTAD



SANTIAGO **FERNANDEZ DE CORDOBA**
COORDINATOR, UNFSS



JOSEPH **WOZNIAK**
PROGRAMME MANAGER,
INTERNATIONAL TRADE CENTRE



UNCTAD Representative

