




Standards, Trade and Sustainable Development

2nd International Convention on Sustainable Trade
and Standards

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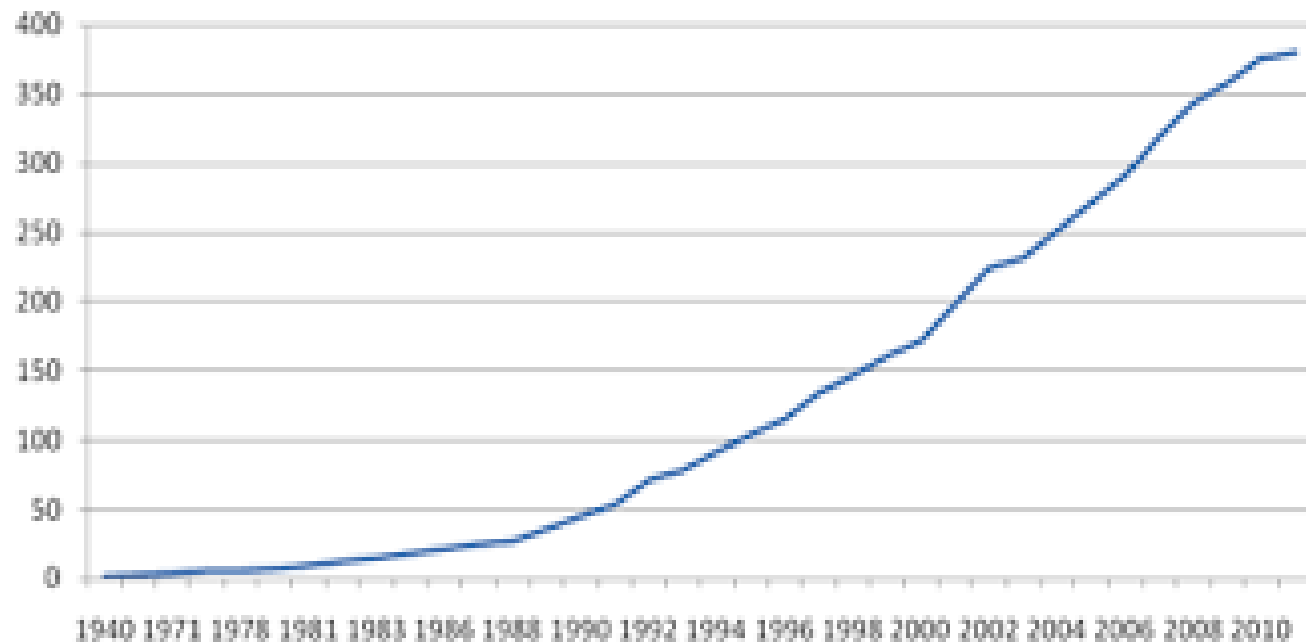
1 VSS have become mainstream governance mechanism

VSS have become a mainstream governance mechanism




(Source: UNCTAD)

The number of VSS has been constantly increasing.



(Source: A. Marx and Jan Wouters, “Competition and Cooperation in the Market of Voluntary Sustainability Standards”, UNFSS Discussion Paper Series No.3, 2015, p.3.)



30 years ago, VSS were a marginal phenomenon.

Now VSS have become a mainstream governance mechanism to secure sustainability throughout the whole value chains.

- Sustainability Map of the International Trade Centre (<https://sustainabilitymap.org/home>) houses 255 VSS, which covers not only over a hundred of agricultural products but processed foods, fisheries and forestry products, industrial products such as electronics and energy products, and services such as tourism and trading/retailing services.

Please note that this is not a comprehensive picture. For instance, there are many standards in construction sector. They are implemented in some construction projects abroad. But they are not covered by the Map.

- In addition, the UN sponsored 2030 Sustainable Development Goals (SDGs) may serve as a spur to the promotion of VSS.

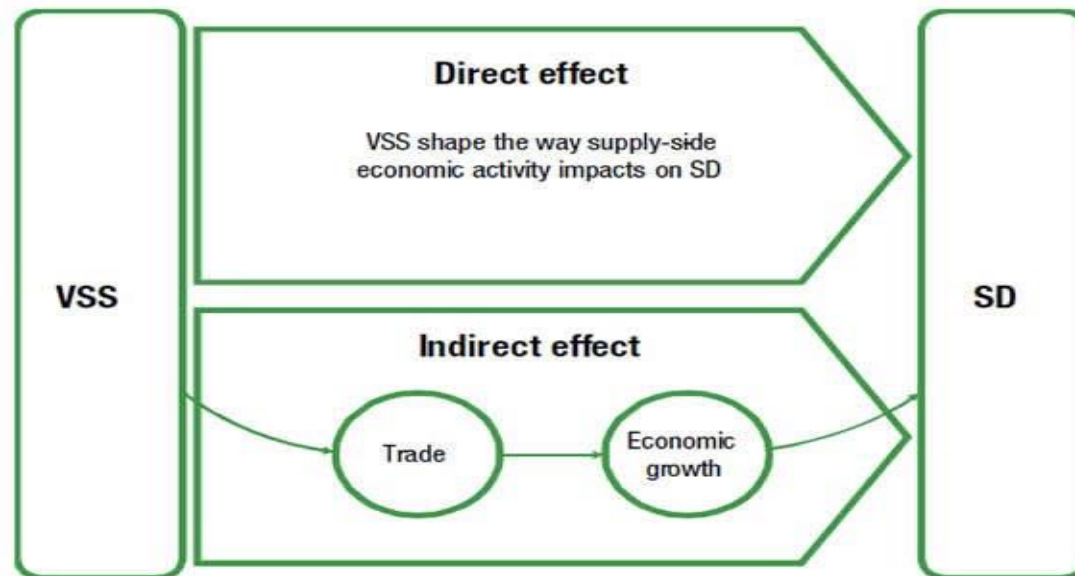
- The 2020 Tokyo Olympic Games may serve as an additional spur to the promotion of VSS in Japan, because the IOC recommended all foods/foodstuffs served at the venue be certified by VSS.

2 VSS, sustainable development and trade

How can VSS impact the attainment of SDGs?

We should think of two different routes that have positive effect to the attainment of SDGs, namely, direct and indirect effects.

Figure 3: The effects of VSS on SD



Notes: SD stands for Sustainable Development.

(Source: UNFSS *et al*, *Voluntary Sustainability Standards, Trade and Sustainable Development*, 2018, p.7.)



Direct effect of VSS on sustainable development

VSS shape the way supply-side economic activities impact on sustainable development. = In that sense, VSS have direct effect on sustainable development.

- By definition, VSS should strengthen sustainable development.

However, sustainability is multi-dimensional, with economic, environmental and social dimensions.

When assessing the effect of VSS, one has to take account of the potential tensions among these different dimensions.

3 VSS and the 2030 Sustainable Development Goals

VSS will contribute to the attainment of some of the 2030 Sustainable Development goals.



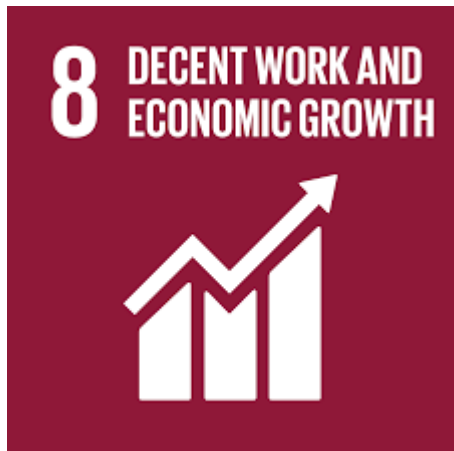
VSS and the SDGs (continued)

In particular, VSS will contribute to the attainment of:

Goal 8: Decent Work and Economic Growth;

Goal 12: Responsible Production and Consumption, and

Goal 15: Life on Land.



VSS and the SDGs (continued)

VSS cover these three goals more than the rest of the goals of the SDGs.

VSS cover individual targets of the Goal 8 on Decent Work and Economic Growth such as:

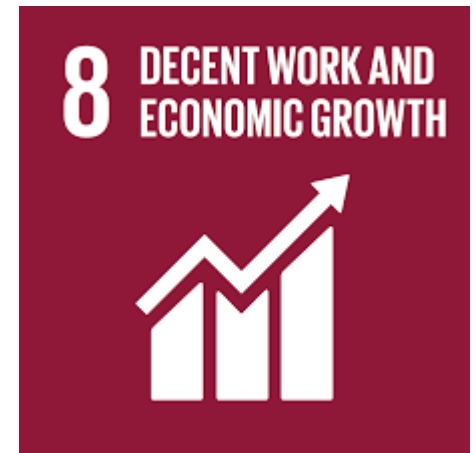
Non discrimination at work;

Prohibition of child labor and minimum age;

Workplace safety;

No forced labor; and

Freedom of association.



VSS and SDGs (continued)

Goal 12: Responsible Production and Consumption is also covered by many VSS.

Individual targets covered by VSS include:

Waste management: general principle;

Waste disposal (solid waste and non-solid waste);

Chemicals and natural organic inputs: general principle.



Finally, Goal 15: Life on Land covers targets for the conservation of natural life and resources. VSS cover many of them.

Individual targets covered by VSS include:

Biodiversity;

Soil: general principle;

Habitat/eco-system restoration and rehabilitation; and

Wildlife: general principle.





4 Effect of VSS on trade

VSS may contribute to the attainment of SDGs indirectly through trade, and economic growth led by trade.

Then, are VSS promoting trade? Or, are they hindering trade?

It largely depends on **the structure/design of VSS**, notably, **their cost sharing arrangements, their compliance systems, and their transparency regimes.**

1. Compliance cost : producers alone
2. Certification cost : producers alone
3. Transparency : standards and national adaptation documents only.

These structure/design of VSS may hinder small and medium scale producers/suppliers from implementing VSS.

Also, multiplicity of VSS may duplicate the cost of VSS.



Accordingly,:

Compliance cost and certification cost should be distributed among supply chain players (buyers, retailers, etc.); and


Increasing transparency to cover not only standards, but governance structure, certification, dispute settlement and financial statement may help reduce transaction costs incurred by VSS.

So as to tackle with the multiplicity of VSS, information should be provided as to which VSS should be adopted. If there are local VSS, they should be preferred.

These **informed reform measures** may not be achieved solely by producers/suppliers. Here is the need of public policies, in particular by the governments of developing countries and international organizations.

Public-private partnership for the diffusion of VSS is needed.

Let's see what **National multi-stakeholder platforms** of developing countries and international organizations can do.



Thank you so much for your attention!

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