



2ND INTERNATIONAL CONVENTION ON
**SUSTAINABLE TRADE
AND STANDARDS**

2ª CONVENÇÃO INTERNACIONAL DE COMÉRCIO E
NORMAS VOLUNTÁRIAS DE SUSTENTABILIDADE



16th – 18th September 2019, Rio de Janeiro, Brazil

Sustainable Value Chains and Standards

Concept and Detail

Convention Venue

Casa





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The Brazilian National Platform on Voluntary Sustainability Standards (VSS), launched in June 2017 and coordinated by the National Institute of Metrology, Quality and Technology (INMETRO) is a national reference center for dialogues on VSS. This year, the Brazilian platform, with the support of UNFSS will jointly organize the 2nd International Convention on Sustainable Trade and Standards – 2nd ICSTS, which will take place in Rio de Janeiro from September 16 to 18, at Casa Firjan.

1. What is the origin of the International Convention on Sustainable Trade and Standards (ICSTS)?

In 2013, five UN agencies - FAO, ITC, UNCTAD, UN Environment and UNIDO joined forces to initiate the United Nations Forum on Sustainability Standards (UNFSS) based on existing mandates, activities and different expertise of the participating agencies. The aim was to enhance developing countries' participation in international dialogues on Voluntary Sustainability Standards (VSS). Since its inception, the key objective was to increase transparency through events and conferences on VSS around the globe.

The first international multi-stakeholder dialogue on VSS can be dated back from the 'International Conference on Sustainable Trade and Resource Efficiency in Supply Chains' in June 2017. This Conference was organized by the International Trade Centre (ITC) and the United Nations on Trade and Development (UNCTAD), in collaboration with the China Association for Standardization (CAS), which was held at the Qingdao Forum on International Standards. The event received tremendous recognition upholding the significance of Voluntary Sustainability Standards (VSS) as a tool for sustainable development and market access. The event represents the first technical assistance training that UNFSS embarked on, as well as marking the launch of the China VSS National Platform.

In an effort to strengthen the networks between the National Platforms, the Quality Council of India (QCI), the convening body of the India National Platform on Private Sustainability Standards (India PSS Platform), with the support of the United Nations Forum on Sustainability Standards (UNFSS), originated the International Convention on Sustainable Trade and Standards (ICSTS). The event was the first of its kind — a multi-stakeholder convention dedicated solely to the practicalities of leveraging trade, global value chains, standards and Sustainable Development Goals (SDGs). This was also an event that marked the first '***Declaration of Cooperation on Sustainability Standards between the National Platforms***' signed by INMETRO, Quality Council of India and the Mexican Ministry of Economy on an agreement of 9 action points towards achieving the 2030 SDGs collectively.

The 1st ICSTS was rooted in the philosophy of the Charter of the India PSS Platform to institutionalize an inclusive intergovernmental, multi-stakeholder platform to be engaged in a 'sustainability standards ecosystem' collaboratively. It was also a forum to launch pioneering products that document the history of the sustainability standards ecosystem, initiate engagement across stakeholders, and resolve issues of producers and MSMEs at a micro and macro level. The Convention provided a space for actors across all levels of the value chains to share their experiences and best practices to manifest a cooperation in sustainable production, value chains and trade.

2. What is Sustainable Trade?

The 2030 Agenda for Sustainable Development recognizes international trade as an engine for inclusive economic growth and poverty reduction, and an important means to achieve the Sustainable Development Goals (SDGs). While the concept of sustainable trade originally began with a singular focus leaning towards the environment, today, this term has expanded in the social and economic aspects of sustainability, thereby forming the three key pillars of sustainable development. The broader conception constitutes the protection and promotion of human rights, maintenance of local and indigenous communities, equity issues, economic productivity and welfare, as well as the traditional focus on environmental protection.

3. What are Sustainability Standards?

Sustainability Standards are special rules that guarantee the products you buy do not hurt the environment and the people that make them. Standards are considered a market-based tool to transform production, global supply chains and consumption patterns into more sustainable ones. The number of these standards has grown recently, and they can now help build a newer, greener economy. Sustainability Standards focus on economic sectors like forestry, farming, mining or fishing; concentrate on environmental factors like protecting water sources and biodiversity or reducing greenhouse gas emissions; support social protections and workers' rights; and home in on specific parts of the production processes.

Sustainability Standards also support groups like small-scale farmers or producers in developing countries; cover a full range of environmental impacts throughout a product's lifecycle; identify and promote best practice; and support continuous improvement.

Sustainability Standards may be developed by single businesses, business associations, environmental or social non-governmental organizations, or governments. Alternatively, more and more of such standards try to balance the interests of a wide range of interested parties.

While many Sustainability Standards are linked with consumer products, others are used within business-to-business relationships. In Brazil, a national example of business-to-business relationship is Cerflor, which is a certification for forestry.

4. What do Sustainability Standards contribute to trade?

Standards that uphold not just the quality but the sustainability of products from developing countries can be the key to unlock new markets. This is due to the immense potential to solve the many problems that plague our socio-economic realities, such as helping to determine market access; the efficiency of the economy; the cost, quality and availability of products; economic growth and innovation; and therefore, development for the whole market. They may be catalytic to achieve positive outcomes for trade-induced economic growth, environmental sustainability and social development. However, there are many trade-related market access issues that are brought to light by the utilization of VSS. Small producers and



businesses in developing countries and their governments are not always technically, financially or institutionally capable to reap the developmental benefits arising out of VSS.

We are all consumers. As a consumer, we have the power to express preference for what we would like to consume. Most certainly, we would like our products to be of good quality, and we would definitely not like to harm some other human being or the environment because of our consumption choice. Be it the vegetables and meat we eat, the oil we use to cook our food, the water we drink, the clothes we wear, the phones we use, the handicrafts we patronize, and so on — we would prefer the one which is of a guaranteed quality and causes the least damage to any community and footprint on the environment.

Our expression of this preference translates into standards that ensure our products meet our demand. Standards that define sustainability parameters are formulated and producers are asked to demonstrate their products' compliance with such standards. This impacts the entire value chain of a production right from small producers to lead firms and eventually, the consumers. The feedback from consumer then travels back through the same route to the producer.

At the moment, almost 500 sustainability standards operate in 199 countries and 25 industrial sectors, and the sustainable standards ecosystem involves testing, inspection and certification procedures across all market sectors which apply to samples, products, services, management systems or personnel. The sustainability standards system has become the new market reality as a tool for sustainable supply-chain management, marketing and competitiveness.

5. What is INMETRO?

INMETRO is a federal agency created in 1973 to promote the necessary scientific and technological infrastructure that ensures the services and products of Brazilian firms meet certain safety requirements. These activities include scientific, industrial and legal metrology, technical regulation, conformity assessment, accreditation and overcoming technical barriers to trade.

In Brazil, this infrastructure is part of the National System of Metrology, Normalization and Industrial Quality – SINMETRO, which is also composed of the National Council of Metrology, Normalization and Industrial Quality – CONMETRO.

INMETRO is the executive body of this system and as such, it develops a wide range of services for Brazilian firms so that they can overcome technical barriers to trade, fulfill the countries' obligations required by the World Trade Organization (WTO) and the Latin-American Integration Association (LAIA). It provides services such as notification of technical regulations issued by the regulatory agencies in the country and answer enquiries from national and international companies about Brazilian technical regulations and conformity assessment procedures.

6. What is the Brazilian National Platform on Sustainability Standards?

The Brazilian National Platform was launched as a reference center on the issues of VSS, sustainable global value chains and trade barriers. The National Platform goals are to:

- Fulfill governance gaps related to VSS policies;
- Promote interaction with government and private sector stakeholders;
- Raise awareness for companies and consumers on how VSS can help meet the SDGs;
- Improve the quality and competitiveness of national products;
- Promote national certifications through negotiations;
- Promote cooperation with other NP and international organizations;
- Mitigate the bad impacts of burdensome certifications;
- Provide knowledge about trade and VSS.

You can find more information at:

<http://www.inmetro.gov.br/barreirastecnicas/normas-voluntarias-sustentabilidade.asp>

7. What is the 2nd ICSTS about?

In the same vein as the 1st ICSTS that was held in New Delhi last year, the 2nd ICSTS aims to improve VSS dialogues among stakeholders across the Latin American countries and collectively build solutions to tackle the issues regarding these standards. The Convention will complement thought leaders to bridge the gap between debates on sustainable supply chains and standards, and the challenges and opportunities these standards pose on international trade, as well as referencing the efforts with the UN SDGs. The convention intends to:

- Increase multi-stakeholder dialogue
- Improve the transparency of VSS
- Connect the Latin American countries to Sustainable Global Value chains

The Convention will focus on four selected product groups of special importance to Brazil: (i) leather; (ii) fruits, (iii) nuts, and (iv) vegetable oils such as andiroba, babaçú, carnaúba and copaíba.

The choice of these product groups is grounded in economic, social and environmental criteria. All of them are among the highest twenty exporting sectors in Brazil. In addition, these product groups represent different regions of the country. It is worth noting the social dimension is also



present as some of their value chain reaches small producers, which belong to poor rural areas. The environmental dimension regards the preservation of native species and ecosystems.

These product groups will be further detailed and analyzed in the ‘Brazilian History’, a detailed report on these sectors planned to be launched during the Convention.

The Convention has been framed around these four national product groups whose path and good practices project the notion of Sustainable Global Value Chain. For developing countries, some of these sustainability criteria can represent challenges for their exports. Developing countries such as Brazil, which exports depend mainly on the agro business, are highly affected. VSS possibly affects 44% of the total value of Brazilian exports. This means that around US\$100 billion of the country’s exports are subject to these certifications¹. Small and medium-size enterprises – SMEs suffer the impacts of these demands more seriously. Even though they do not usually export themselves, they are very much integrated within the value chain of bigger exporting companies.

However, not only do international markets become more rigorous towards sustainability standards, consumers are also increasingly aware of their role in this chain, thus making more responsible choices. In this context, the Convention aims to disseminate good practices and help Brazilian companies be better informed about the growing International emphasis on sustainability measures.

VSS are instruments to show that companies are complying with specific sustainability requirements, which can relate to economic, social or/and environmental aspects. They have proliferated over the past years and sometimes, it is difficult for both producers and consumers to choose among them.

These standards are the building blocks of sustainable global value chains; however, they can also be a challenge when its use create technical barriers to trade. It is important that the stakeholders are aware of this in order to manage the pathways to mitigate this negative externality by, for example, negotiating mutual recognition agreements.

One of the Convention goals is to bring together Brazilian partners and stakeholders from around the world to broaden and deepen this discussion, increase collaboration and jointly build solutions to foster Sustainable Global Value Chains.

Brazil has historically played an important role in the international sustainability discussions. In 2018, the Institute for Applied Economic Research (Ipea), a public Brazilian think tank, presented the adaptation of the global goals of the 2030 Agenda for Sustainable Development to the Brazilian reality. This is part of the national effort towards internalizing and implementing the Agenda.

¹ 3rd Flagship Report the United nations Forum on Sustainability Standards – UNFSS (2018), pg.48



VSS can contribute to this effort enormously if stakeholders manage to make the best use out of them and mitigate the negative externalities associated to their proliferation and trade barriers.

8. What is the United Nations Forum on Sustainability Standards (UNFSS)?

The United Nations Forum on Sustainability Standards (UNFSS) is a neutral, independent and credible platform that supports pro-poor sustainable development objectives and helps developing countries get access to global markets. Moreover, the international community recognizes that sustainable value chains can ameliorate the impacts of production and consumption on the economy, society and the environment.

UNFSS is an initiative of five UN agencies: UN Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), UN Industrial Development Organization (UNIDO), UN Food and Agricultural Organization (FAO), and UN Environment (UNEP). It was created in response to the challenges posed by sustainability standards. It helps decision-makers in developing countries source adequate information on Sustainability Standards, as well as share their experiences and get technical help.

UNFSS addresses the sustainable development value of voluntary sustainability standards by pooling resources, synchronizing efforts, and assuring policy coherence through multi-stakeholder approach.

The UNFSS Secretariat is based at the United Nations Conference on Trade and Development (UNCTAD) in Geneva, Switzerland. It has a support group responsible for implementing its work plan and the coordination of all the activities undertaken under the UNFSS name.

UNFSS helps producers, traders, consumers, standard-setters, certification-bodies, trade diplomats, non-governmental organizations and researchers to talk to each other, find out more about Sustainability Standards and influence decision makers at the inter-governmental level. It aims to provide impartial information, analysis, and discussions on Sustainability Standards. It also spreads the news on how these Standards open markets, strengthen the quality of public goods, and achieve the Sustainable Development Goals (SDGs).

Just as importantly, it focuses on the obstacles of trade and development that Sustainability Standards may create, especially regarding their impact on small and medium-size companies in less developed countries.

It is the only forum that systematically conducts analytical, empirical and capacity-building activities in this field at an international level. It deals with the generic and strategic challenges created by Sustainability Standards in a consistent way without endorsing or legitimizing any specific standard.

UNFSS delivers products that promote a proactive approach to forming national policies and exchanging information on Sustainability Standards. The forum works with leading institutions and experts from both the public and private sectors. It invites decision makers and national experts from both developed and developing countries to take part. UNFSS also reference the



analytical and empirical work of notable institutions to provide the most accurate and credible information possible on Sustainability Standards. Forum participants can make connections with institutions and experts to build knowledge and understanding over time. Meanwhile, these entities can learn from forum participants about their concerns, local situation and ideas. In this way, a constructive two-way dialogue is created to develop strategies that maximizes the development impact of Sustainability Standards.

They can help developing countries minimize the potential costs of adjusting to Voluntary Sustainability Standards. They can also help to maximize the economic, social and environmental benefits that Sustainability Standards can bring.

9. Who should participate in this Convention?

This is a public convention open to all societies, institutions, the private sectors, academia and all others who are interested in dialogues related to trade, sustainability standards and global value chains, coming together with international representatives, namely the Steering Committee members of the UNFSS, which include the UNCTAD, ITC, UNIDO, FAO and UNEP.

We highly encourage the participation of representatives from high-level governmental and intergovernmental officials, other National Platforms, members of MERCOSUR, LAIA, Brazilian partners from South America, members of state governments, international organizations, non-profit organizations/ NGOs, stakeholders from international and national businesses, policy-makers, research institutions and think-tanks, standards organizations & alliances, national standardization bodies, major industry associations from around the world, producers and SMEs who form different parts of value chains, smallholders, civil society and major group stakeholders, consumer protection associations, among others.

10. How do I contact the Secretariat?

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