

# International Convention on Sustainable Trade and Standards

Leveraging Trade, Global Value Chains, and Standards as engines of Sustainable Development

17-18 September 2018, New Delhi, India

Concept and Detail



Convention Venue



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## International Convention on Sustainable Trade and Standards

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*Organised by the India National Platform on Private Sustainability Standards, hosted by Quality Council of India, in collaboration with United Nations Forum on Sustainability Standards*

17-18 September 2018 | at **ANDAZ**: a Luxury Lifestyle Hotel by Hyatt | Aerocity, New Delhi, India

## Everything that you need to know about the ICSTS 2018

### 1. Why care about standards?

Because we are affected by them, directly or indirectly - whether we are a consumer or a producer; a corporation, or a government, or a private person. Standards are all around us and they are constantly operating in our daily lives.

Standards could be mandatory regulatory standards, like TBTs, that are notified as laws of the land, and they could be non-regulatory, voluntary or private.

In case of private standards, they are non-legally binding instruments or documents, approved by a recognized body, that provides rules, guidelines or characteristics for products or production processes, and for which compliance is voluntary. This distinguishes them from laws and regulations that are legally binding. They help in standardizing or ensuring uniformity of a certain outcome, if that standard is followed. This includes voluntary requirements related to terminology, symbols, packaging, marking and labeling.

### 2. What about standards and the UN SDG?

In September 2015, the UN Member States adopted a new set of development goals to be achieved over the next 15 years, namely the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). The 2030 Agenda stipulate that the SDGs “are integrated and inseparable and balance the three dimensions of sustainable development: the economic, social and environmental”<sup>1</sup>, and encourage government, businesses, and civil society to promote synergies between their actions. In this regard, standards are expected to play an increasingly important role in complementing governmental engagement towards achieving sustainable development.

Indeed, the exponential growth of standards in recent years reflects the growing consumer demand for “sustainability” and nature-based, healthy products. Standards translates the broad concept of sustainability into specific and concrete measures for companies and their suppliers. With broad uptake, standards can move industries towards improved social, environmental and economic performance, which is the core focus of the SDGs.

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<sup>1</sup> UN Sustainable Development Knowledge Platform – Transforming our world: the 2030 Agenda for SDGs. For full article see: <https://sustainabledevelopment.un.org/post2015/transformingourworld>.

### **3. What is sustainable trade?**

When we speak of sustainable trade, we speak of the concept of sustainable development. While this concept originally began with a singular focus on development that was environmentally sustainable, today a broader conception of environmental, economic and social sustainability has emerged. This includes 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.

### **4. Why care about sustainable trade through standards?**

Because it has immense potential of solving the many problems that plague our socio-economic realities. Standards have the potentiality to help to determine market access; the efficiency of the economy; the cost, quality and availability of products; economic growth and innovation; and therefore development. 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 a 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 the people and footprint on the environment.

Our expression of this preference, translates into standards that ensure that 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 product right from the small producer to lead firms to consumer, and the feedback from consumer then travels back through the same route to the producer.

### **5. What are Sustainability Standards?**

Sustainability Standards are special rules that guarantee that the products you buy don't 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 new, 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 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 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. For example, Global G.A.P. (Good Agricultural Practices) is a farm management certification scheme pioneered by supermarkets. Another example is ISO26000 which provides guidance to businesses and other organizations on social responsibility to improve their impact on workers, natural environments and communities.

## **6. What does a bird's eye view of the sustainability standards and trade system look like?**

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.

## **7. How do economies perceive such standards?**

Access to certain markets, particularly in OECD countries, increasingly depends on demonstrating to customers – be they corporate clients or individual consumers – that products have been produced according to the principles of sustainable development. Compliance with relevant standards – be they on fisheries or forest management, energy efficiency, human health and safety, hazardous waste management or labour standards – has become a symbol in the marketplace for compliance with the principles of sustainable development. The core value here is the promotion of *more* than private welfare or private profit, *more* than technical engineering compatibilities, and so on.

In emerging economies, sustainability standards are seen to compete with the national regulatory institutions in defining the mandate for safety and quality. Therefore, in addition to mandatory regulations, voluntary measures affecting market access of local products require close consideration.

## **8. Why are sustainability standards looked at with scepticism in some contexts?**

As compared to developed economies, emerging countries are more vulnerable to the adverse effects of these standards on market access and competitiveness. Various reasons have been identified for this.

Firstly, lack of infrastructural and monitoring facilities, limited technology choices, inadequate access to (and relatively more expensive) environmentally friendly raw materials and information are one set of reasons identified. Secondly, small and medium enterprises (SMEs) face more formidable compliance costs and there is an increasing emergence and duplication of PSS. Thirdly, emerging economies enterprises more often than not lack the skill and technology required for exploiting the positive trading opportunities generated by environmental measures. Fourthly, emerging economy exports are more vulnerable to market access barriers on account of their scale and sectoral composition. A connected problem is the diseconomies of scale due to small domestic markets. Finally, while developed markets are more amenable to harmonization efforts, emerging economy markets have widely differing environmental standards in accordance with their national priorities, rendering harmonization both difficult and inadvisable as compared to mutual recognition and equivalence.

Global brand producers and retailers increasingly require their suppliers from developing countries to comply with certain social, environmental and safety norms for fulfilling their consumer expectations. However, private standards (which are not part of regulation) imposed by producers of global brands and retailers may also go beyond national and local laws, and/or contain further conditions related, for example, to health and safety issues – sometimes imposed to show product differentiation either in terms of adhering to a specific environmental process or towards achieving a certain aspect of social welfare. A proactive strategy on the part of local manufacturers will make it easier for them to cope with such standards and will also lead to significant benefits, including competitive advantages, improved efficiency and, ultimately, more exporting opportunities.

## **9. What is the case in favour of sustainability standards?**

In many positive contexts, sustainability standards take steps towards ensuring long term sustainability of value chains and prepares the national market for rising consumer awareness and demand for product & environmental safety, livelihood improvement of workers, together with improving competitiveness of industries, production practices of the fast-growing smallholder segment, and mainstreaming smallholders into the sustainability fold.

In the case of India, besides existing international standards such as SA-8000, GOTS, Forest Management & Chain of Custody (FSC), Better Cotton, etc., India itself has responded to the development of standards in the form of voluntary standards such as Trustea, INDGAP, ZED, Voluntary Certification Scheme for AYUSH Products, Lead Safe Paints, and Medicinal Plant Produce. These have shown a promising way in India for development of private and voluntary standards, thereby achieving quality production along with introducing sustainability in process both in food and non-food sector.

Keeping this emerging and dominant ecosystem in mind, emerging economies could unlock the full potential of attracting international investment and business if they prepare adequately and are able to prove their commitment and alignment to sustainability, with special emphasis on corporate sustainability and responsibility.

## **10. How can there be greater harmony and right messaging in this area?**

Through dialogue, deliberation and knowledge sharing.

The sustainable trade and standards ecosystem functions on the core principle of cooperation. Stakeholders cooperate with each other through communication of expectations, sharing knowledge for greater awareness, and mutual capacity development for making the system work in their favor. The way forward is to have a platform which defines the vision for sustainability standards for the world where stakeholders from developed and emerging economies, including intergovernmental and international multi-stakeholder initiatives, work in collaboration with each other to maximize the benefits of such a system and enable creation of projects that will empower more producers and connect them to global value chains.

One such international platform is going to be the International Convention on Sustainable Trade and Standards, New Delhi, India.

## **11. What is the International Convention on Sustainable Trade and Standards?**

The International Convention on Sustainable Trade and Standards (ICSTS) is being convened by the Quality Council of India in collaboration with the United Nations Forum on Sustainability Standards, and with a request for patronage to the Ministry of Commerce & Industry, Government of India. It will be the first of its kind multi-stakeholder Convention in the world dedicated solely to the practical questions of leveraging trade, standards, and global value chains as engines of sustainable development. The ICSTS is being convened on 17 and 18 September 2018 at the Andaz, New Delhi, India.

*(We discuss more on the philosophy and origin of the Convention in Item 16.  
Before that, let's take a closer look at the current partners shaping the Convention.)*

## **12. What is the Quality Council of India?**

The Quality Council of India, an autonomous body set up by the Ministry of Commerce and Industry, Government of India jointly with the Indian Industry represented by the three premier industry associations i.e. Associated Chambers of Commerce and Industry of India (ASSOCHAM), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI), to establish and operate national accreditation structure and promote quality through National Quality Campaign.

Quality Council of India (QCI) is registered as a non-profit society with its own Memorandum of Association and is governed by a Council with equal representations of government, industry and consumers. The Council plays a pivotal role at the national level in propagating, adoption and adherence to quality standards in all important spheres of activities including education, healthcare, environment protection, governance, social sectors, infrastructure sector and such other areas of organized activities that have significant bearing in improving the quality of life and well-being of the citizens of India. QCI is also the Secretariat of the India National Platform on Private Sustainability Standards, which is the Secretariat of the ICSTS.

### **13. What is the India National Platform on Private Sustainability Standards?**

The India National Platform on Private Sustainability Standards (India PSS Platform) is a national multi-stakeholder forum dedicated to sustainability standards and trade, that generates a national dialogue between the main stakeholder groups on pro-active policy approaches for the PSS ecosystem in India, in addition to conducting in-depth research at various levels and providing support to national capacity-development efforts.

The Platform serves the purpose of facilitating dialogue between core public and private stakeholders on how to maximize the sustainable development benefits and market access opportunities of PSS, whilst addressing potential challenges and cost of PSS implementation, in particular for small-scale producers. In the context of this Convention (ICSTS), the Secretariat of the India PSS Platform is also the Secretariat of the Convention.

QCI was given the mandate to deal with private standards in India at the National Standards Conclave 2014, and soon thereafter, in March 2016, the India PSS Platform became the first national platform established with the support of the United Nations Forum on Sustainability Standards, and launched by the Ministry of Commerce and Industry, Government of India.

### **14. What is the United Nations Forum on Sustainability Standards?**

The United Nations Forum on Sustainability Standards is a neutral, independent and credible platform that supports pro-poor sustainable development objectives and helps developing countries get access to global markets as the economic, social and environmental impacts of production and consumption play an increasingly important role in shaping consumer choices.

UNFSS is an initiative of 5 UN agencies: UN Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), UN Industrial Development Organization (UNIDO), Food and Agricultural Organization of the UN (FAO), and UN Environment (UNE). It was created to respond to the challenges posed by sustainability standards. It supports decision-makers in developing countries find the right 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, coordination and collaboration among the 5 United Nations agencies which are part of it.

The UNFSS Secretariat is based at 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.

### **15. What does the UNFSS do?**

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 intergovernmental level. It aims to provide impartial information, analysis, and discussions on Sustainability Standards. It also spread the news about how they open markets, strengthen the quality of public goods, and achieve the Sustainable Development Goals (SDGs).

Just as importantly, it focuses on the obstacles to trade and development that Sustainability Standards may create, especially regarding their impact on small and medium-sized companies and 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. We also make full use of the analytical and empirical work of 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 that can develop strategies to maximize the development impact of Sustainability Standards.

They can help developing countries to 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.

The work of UNFSS is rooted in the existing mandates and activities of participating United Nations agencies. The value of the forum lies in pooling resources, synchronizing efforts and assuring policy coherence, coordination and collaboration.

It is also responsible for consolidating the knowledge and developments in the space of VSS in the form of its biennial Flagship Report which sets the agenda and path for work in the domain of sustainability standards and global value chains.

## **16. What is the origin and purpose of the ICSTS?**

The origin of the International Convention on Sustainable Trade and Standards is rooted in the philosophy of the Charter of the India PSS Platform to institutionalize an inclusive intergovernmental, multi-stakeholder platform for the fraternity engaged in the sustainability standards ecosystem to gain access to each other and engage in dialogue, deliberation, and access to agenda-setting in the domain.

It is also to act as a forum for launch of 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 will also provide a space for actors across all levels of value chains to share their experiences and best practices for prolonged cooperation in sustainable production, value chains and trade.

The UNFSS Flagship Report on Sustainability Standards is launched biennially in collaboration with a partner organization of the Forum. Bearing in mind the work of the India PSS Platform, the first-of-its-kind in the world, the UNFSS and QCI have been exploring possibilities of the report launch in India this year.

QCI and the India PSS Platform took this opportunity to design the Convention as a world-class multi-stakeholder event that would be the stage for the launch of the UNFSS Third Flagship Report, and also numerous other pioneering products, and sectoral knowledge.

## **17. What is the expected flow and measure of the ICSTS?**

The UNFSS Flagship Report will act as a backdrop for the distinguished panels in the ICSTS which take participants from a high-level vision and agenda-forming through political inputs, to capacity development of people on ground to measure impact; from a perspective of identifying issues that plague the VSS ecosystem, to collective brainstorming on resolving those issues; from stories of individual success in sustainable production, to strengthening of multi-stakeholder frameworks at the national and international level.

Building on the work of the India PSS Platform and the UNFSS through its Ministerial segments, secretarial discussions, and other technical sessions that will harness knowledge in this area, the Convention will be a testament to India's cooperation with economies of the world on key questions of trade sustainability and a platform for participants to see international commitment to responsible business and trade.

## **18. Who is coming for the ICSTS?**

In terms of stakeholder breadth, the Convention has committed participation from the Steering Committee members of the UNFSS, which include the UNCTAD, ITC, UNIDO, FAO, and UNE. Participation of high-level governmental and intergovernmental participation from SAARC, ASEAN, AU, OECD, EU, WTO, members of state governments in India, stakeholders from international and national businesses, policy-making, research institutions and think-tanks, standards organizations & alliances, national standards bodies, major industry associations from around the world, producers and MSMEs who form different parts of value chains, smallholders, civil society and major group stakeholders is also due at the Convention.

## **19. What is the agenda for the ICSTS?**

Following is the Provisional Agenda for the Convention:

### **1. Opening of the Convention**

- (a) Opening;
- (b) Special address;
- (c) Inaugural address.

### **2. Trade, Global Value Chains, and Standards as engines of sustainable development**

- (a) Leveraging international trade with a view to further sustainable development;
- (b) Standards for sustainable value chains.

### **3. Transformations in sustainability standardization, including technology and digitalization**

- (a) Innovative global value chains management at the grassroots.

### **4. Addressing challenges in standards, global value chains and sustainable development**

- (a) Improving the uptake of sustainability standards to elevate smallholders, MSMEs and producers' capacity to enter the global value chains, by addressing challenges in multiplicity of standards and compliance costs;
- (b) Gender, trade and sustainable development;
- (c) Coherence and implementation of government policies, including sustainable public procurement;
- (d) Social accountability in global value chains.

### **5. Monitoring efficacy and impacts of sustainability standardization on GVCs and Sustainable Development Goals**

- (a) Simplifying targets and indicators, and standardizing data to monitor the SDG impact of Global Value Chains;
- (b) Strengthening statistical capacities of actors measuring impact.

### **6. Strengthening multi-stakeholder frameworks for sustainable trade**

- (a) Strengthening multi-stakeholder sectoral initiatives for GVCs;
- (b) Contextualising the existing multilateral frameworks' position in the sustainable trade and GVCs agenda;
- (c) Consolidating International Efforts for universally accepted framework for sustainability standardization.

### **7. Review and adoption of report of the Convention.**

### **8. Closing of the Convention.**

## 20. How can I or my organisation be a part of ICSTS?

You can be a part of the ICSTS in the following ways:

**As an international partner:** Our international partner institution will join the conveners QCI and UNFSS to co-host this event. The partner institution may have recommendations on the session content and may provide references for potential speakers for the sessions of the Convention. A partner institution is expected to bring in substantial financial resource contribution for enabling the best outcomes of the Convention.

*(Note: The agenda-setting and final operational execution of the Convention will continue to vest with the Secretariat of the Convention at QCI, in collaboration with the UNFSS. This is done to ensure that the soul of the agenda-setting process is secured at all times with the original conveners.)*

**As a sponsor:** Our sponsors are categorized into different offerings and financial brackets which will enable you to associate with the Convention and further your organization's or brand's identity and commitment to sustainability. The sponsorship docket will be out soon. If you want to know more, feel free to write to the Secretariat.

**As an expert speaker:** If you are a domain expert dealing with issues mentioned in the provisional agenda and think that you can contribute to the substantial knowledge of other expert participants of the Convention, please feel free to reach out to the Secretariat with your proposal specifying your credentials and the agenda item on which you would like to speak.

**As a registered guest attendee:** Our registered guest attendees are our thought leaders. People who are part of the sustainable development ecosystem. You are the ones who would create knowledge in the collaborative space of the Convention by sharing your perspectives, as much as gain knowledge from collective learning. This is your stage. Your opportunity to make your voice count.

## 21. How do I contact the Secretariat?

If you have more questions or anything about the Convention regarding which you would like to talk to the Secretariat, feel free to write to **Rupal Verma** on [indiapssplatform@qcin.org](mailto:indiapssplatform@qcin.org). We would be happy to respond to you at the earliest.

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