

Better trade for sustainable development:

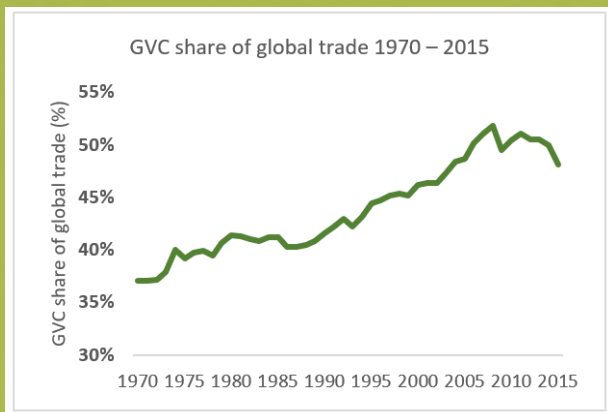
The role of voluntary sustainability standards (VSS)



The report 'Better trade for sustainable development: the role of voluntary sustainability standards (VSS)' shows that the potential of VSS to make trade more sustainable relies on two crucial components: first that they generate an impact on the ground and second that they are widely used.



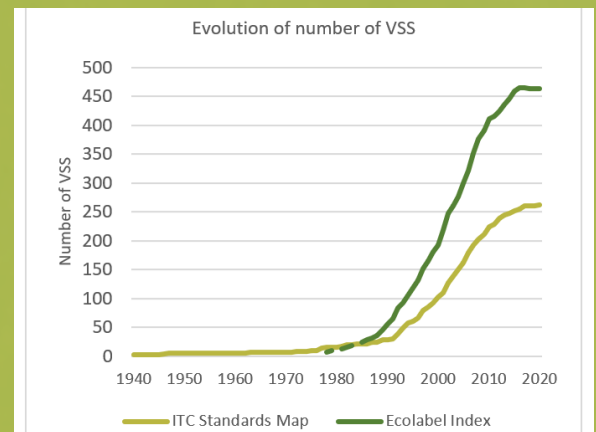
The Emergence of Global Value Chains (GVCs) allows for the diffusion of standards



Key Takeaways

- ✓ The nature of trade has changed and the emergence of global value chains (GVCs) allows producers in developing countries to be integrated in global economic dynamics which can contribute to their economic development.
- ✓ GVCs allow for the diffusion of social and environmental standards throughout production processes.

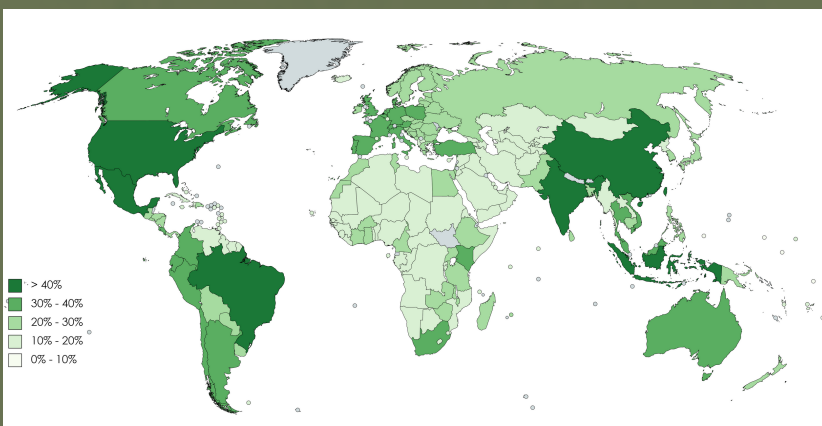
The emergence, development and use of VSS



Key takeaways

- ✓ Proliferation on VSS started in the 1990s and through the early 2010s.
- ✓ The major drives for VSS emergence and adoption include: consumer demand, brand protection, government regulations, reaction to failure of multilateral efforts, and reaction to other VSS

VSS adoption

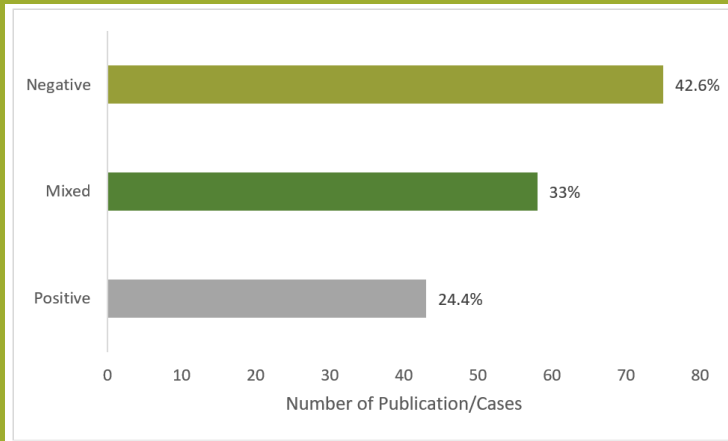


VSS adoption intensity map per country (as a percentage of all VSS)

Key Takeaways

- ✓ VSS are found in all countries, but there is considerable variation between countries, which can be expected on the basis of the size of the economy.
- ✓ Although the variation in VSS adoption scores appears to more or less align with income levels, income level alone does not necessarily predict the VSS adoption ranking.
- ✓ Many developing countries and in particular Least Developed Countries (LDCs) show lower adoption levels. These countries face several barriers to VSS uptake including the costs involved in obtaining VSS, a lack of incentives, a governance gap, and the political opposition towards VSS.

Capabilities of VSS to increase sustainability outcomes



Key Takeaways

- ✓ Despite the rise of a new extensive body of literature that has assessed the impacts of VSS on the ground, the evidence is still too **limited** to draw any firm conclusions.
- ✓ The pertinent literature that has investigated the impacts of VSS on the ground reaches **different** conclusions.
- ✓ The pertinent literature evaluates the impacts of VSS on social sustainability issues more positively than for economic and environmental sustainability outcomes.

Enhancing VSS Effectiveness: Policy Recommendations



Leveraging the support by donors and multilateral organizations



Integrating VSS in Public Policy



Further harness the market-based potential of VSS by providing more transparency to consumers



Strengthening Empowerment and addressing the power imbalances in the value chains.