

# CONCEPT NOTE

November 2019

## VSS Academic Advisory Council

### 1. Introduction

In the interest of consolidating knowledge on Voluntary Sustainability Standards, the **United Nations Forum on Sustainability Standards (UNFSS)** and the **Leuven Centre for Global Governance Studies (GGG)** of the **University of Leuven**, with the support of the **Research Foundation – Flanders (FWO – International Coordination Action)** and the **Swiss State Secretariat for Economic Affairs (SECO)**, will be establishing a “Voluntary Sustainability Standards (VSS) Academic Advisory Council”.

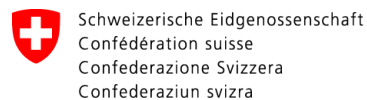
The complementarities between the partners involved in the VSS Academic Advisory Council are two-fold. First, the VSS Academic Advisory Council will bring together an international mix of experts from a wide variety of academic backgrounds, ranging from public international law, over international political economy, economics and public management, to human rights and sustainability studies. This type of multi-disciplinary approach not only reflects the implicit acknowledgement of the complexity and multi-faceted nature of analysing VSS effectiveness and the challenges associated therewith. It also offers researchers from different thematic and methodological schools a chance to collaborate with, and learn from, one another. Such collaboration in turn, allows the academics involved to create a more comprehensive understanding, a fuller picture, of their research topics.

Second, the VSS Academic Advisory Council will have direct involvement in the work of the UNFSS, spread across different regions of the world. This allows for a unique interaction between researchers and

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practitioners. On the one hand, it allows UNFSS officials to benefit from cutting-edge academic thinking and innovate data-gathering exercises and research projects. On the other hand, collaboration with the UNFSS gives academics access to the expertise and day-to-day experiences of practitioners involved in the different aspects of working on a daily basis with VSS.

## 2. 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.

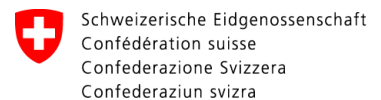
It is the only forum that systematically conducts analytical, empirical and capacity-building activities in this field at an international level. It deals with the generic and strategic challenges created by Sustainability Standards in a consistent way without endorsing or legitimizing any specific standard.

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 references 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

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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 maximize the economic, social and environmental benefits that Sustainability Standards can bring.

### 3. Leuven Centre for Global Governance (GGS)

The Leuven Centre for Global Governance Studies (GGS) is an interdisciplinary research centre of the Humanities and Social Sciences at the KU Leuven (University of Leuven). It was set up to promote, support and carry out high-quality international, innovative and interdisciplinary research on global governance. In addition to its fundamental research activities, GGS carries out independent applied research and offers innovative policy advice and solutions to policy-makers on multilateral governance and global public policy issues. In 2010, the Centre was recognized as a KU Leuven Centre of Excellence and in 2016 as a Jean Monnet Centre of Excellence.

The GGS brings together talent from throughout the University. It operates on the basis of co-ownership and the strong conviction that interdisciplinary research creates added value to resolve complex multi-faceted international problems. GGS promotes pioneering projects in law, economics and political science and actively initiates and encourages interdisciplinary, cross-cutting research initiatives in pursuit of solutions to real world problems. The cross-cutting initiatives are thematic projects around which University researchers join forces across disciplines to forge responses to complex global challenges. The cross-cutting initiatives address critical issues in relation to globalization, governance processes and multilateralism.

In full recognition of the complex issues involved, the GGS approaches global governance from a multi-level and multi-actor perspective. GGS considers non-European perspectives to global governance of great importance.

In addition to its fundamental research, the GGS carries out independent applied research and advises policy-makers on multilateral governance and global public policy issues. It regularly organizes conferences, seminars and debates on these issues, including two summer schools GGS engages with academic and policy partners from all over the world, including the European Parliament, European Commission, European External Action Service, Committee of the Regions, International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), IDEA, United Nations Industrial Development Organization, World Bank, World Trade Organization (WTO) and several national governments. GGS publishes the Leuven Global Governance Series with Edward Elgar Publishing, makes its research available through academic journal articles, working papers and policy briefs. It has been doing research on VSS for more than 10 years.

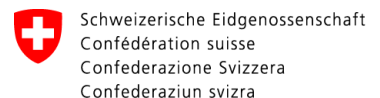
### 4. Scientific Goals of the Network

In recent years, sustainability has become a mainstream concept best evidenced by the reframing of the international development agenda in global Sustainable Development Goals (SDGs). These goals have to be attained in a world that is characterized by an increasingly integrated economy. Global trade has not only

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grown exponentially but has also undergone a marked transformation in its organization with the emergence of global commodity chains.

Parallel to this reorientation, there has been a rapid proliferation of sustainability certification schemes or what are now commonly known as Voluntary Sustainability Standards (VSS), which the United Nations Forum on Sustainability Standards (UNFSS) defines as “*standards 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.*”<sup>1</sup> The public at large will recognize VSS by the labels and certificates on products.

According to the Ecolabel Index Database, the number of VSS have grown by almost 400% between 1989 and 2018, now reaching 463 VSS operating worldwide<sup>2</sup>. Owing to their rapid development by both private as well as state agents, VSS have played an instrumental role in shifting markets toward more sustainable commodity chains for commodities such as cocoa, coffee and palm oil, which are crucial sources of economic growth for many producer countries.

Along with the rapid growth in their numbers, there is an acute interest among producers, consumers, policy-makers, academics and corporations about questions such as: how to incorporate VSS into their policies and agendas, whether they are effectively designed to monitor and evaluate their systems, whether they are successful in achieving their purported sustainability objectives, and what other unintentional changes they generate. The economic rationale for VSS is linked to the existence of asymmetric information regarding production processes. The markets for environmentally safe or socially responsible goods may not be able to exist if producers that are respectful of the environment and other social goals associated with SDGs cannot credibly convey this information to consumers who care about how products are made.

Setting of sustainability standards, labeling and third-party certification schemes through VSS are part of the private sector response to this challenge. Over the past decade, a growing number of studies have tried to address these diverse concerns. Despite these efforts, two large scale-meta-reviews of VSS effectiveness conducted by the FAO in 2014 and ITC in 2011 – including over 100 studies – report that there is a **lack of rigorous, evidence-based research** on this topic. Besides the lack of original research, commentators including ISEAL also observe that the variety of methodological approaches used and the subsequent **lack of consistent metrics makes it very difficult to compare results** across different regional and commodity contexts and results in substantial knowledge and evidence gaps in our understanding of the impacts of sustainability standards. **There is thus a pressing need to gain a more comprehensive insight into the effectiveness of VSS as a governance tool to pursue sustainable development and the SDGs.**

The **Academic Advisory Council (AAC)** is designed to pursue the following scientific objective: understand the effectiveness of VSS and the determinants of effectiveness. Currently, different disciplines approach questions related to effectiveness of VSS from different theoretical perspectives and focus on different

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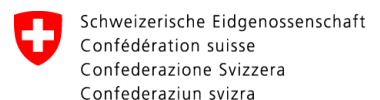
<sup>1</sup> UNFSS (2013) *Voluntary Sustainability Standards*. United Nations Forum on Sustainability Standards, p. 3

<sup>2</sup> These figures are obtained from the Ecolabel Index database <http://www.ecolabelindex.com/>

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dimensions of effectiveness. The AAC's **objective is to bring these different perspectives into one overarching network on the effectiveness of VSS**, thus contributing to a comprehensive understanding of VSS effectiveness. "Effectiveness" is defined along multiple dimensions which all will be covered and assessed.

The first dimension, goal-attainment effectiveness, focuses on the impact of VSS on a range of social, economic and environmental indicators such as improvement in biodiversity, wages and safety of workers and integration in global supply chains. The second dimension, process effectiveness, analyses the degree to which VSS are adopted by economic operators and what drives this adoption. The third dimension, constitutive effectiveness, focuses on the degree to which VSS change the overall approach of actors involved in the policy process towards sustainability, i.e. the degree to which their theories of change are used more widely.

## 5. VSS Academic Advisory Council Objectives

The VSS Academic Advisory Council will draw upon its significant research expertise in VSS to develop a **'framework on effectiveness'** that will integrate the disparate existing research on VSS and elucidate key concepts, thereby creating a state-of-the-art framework that can be used as the foremost academic resource on VSS and as a springboard for further research.

To do so, this establishment will bring together a network of prominent international scholars and research centres to catalogue existing work and develop a common terminology for the research into and assessment of the effectiveness of VSS, ultimately bringing coherence to a currently fragmented field and allowing for a more productive academic debate. Finally, the VSS Academic Advisory Council will develop a set of recommendations for economically beneficial and inclusive policies and development programs based on best practices, taking into consideration developing countries' individual economic, social and environmental concerns. The UNFSS and the GGS will jointly facilitate and coordinate the VSS Academic Advisory Council, fostering a direct and comprehensive exchange between academics and practitioners.

Against this background, the objectives of the VSS Academic Advisory Council includes:

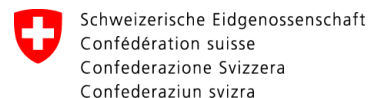
### 1. Establishing a network of experts on VSS, with researchers, universities and research centres

The establishment of the network of researchers, universities and research centres would substantiate the most important and cutting-edge research on VSS and effectiveness, creating a platform for the exchange of relevant data, research outcomes, and policy developments, as well as to showcase innovative research developments and share relevant data. The aim of establishing this network is to encourage and facilitate an informed exchange between and among researchers working on different aspects of VSS and effectiveness, creating space for the development of common frameworks and concepts, and provide a more comprehensive assessment along the different dimensions of VSS effectiveness.

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## 2. Foster pioneering research and academic debate in this field via knowledge exchange and policy dialogues

The UNFSS and the GGS will bring members of the network together in a yearly workshop for participants to share their latest research, provide feedback to other researchers, explore research synergies and potential for collaboration, and identify topics for future research. Key stakeholders (practitioners) and researchers will be invited to present their views on some of the outstanding challenges or hot topics identified within the field. These workshops aim to spark an interactive discussion among the various stakeholders involved in VSS and effectiveness, and by inviting stakeholders to take part, the workshops will give researchers the opportunity to test their results among practitioners and gain crucial feedback.

## 3. Bring together for the first time the divergent strands of research on VSS while widening its engagement in the fields of sustainable development, trade policy, public governance, international political economy, etc.

By participating in the VSS Academic Advisory Council, researchers would be able to collaborate with various leading scholars in the fields of sustainable development, trade policy, public governance and international political economy, etc. Since the AAC aims to launch calls for joint academic contributions, the scope for such collaboration is significant and could considerably enhance the international profile and academic output of participating researchers, e.g. through joint publications or research stays and exchanges. In doing so, the AAC would generate additional exposure for the research into the effectiveness of VSS in pursuing sustainable development and the SDGs that is already being conducted.

## 4. Provide inputs to the empirical and theoretical researches and develop a common foundation upon which further research can be conducted

Last but not least and most importantly, the careful selection of partners to participate in the VSS Academic Advisory Council would also benefit the works of UNFSS. The selected high calibre of expertise does not only become part of the UNFSS community but will also be credited as substantive input givers to the UNFSS research publications and dialogue/ workshops discussions.

## 6. VSS Academic Advisory Council Engagements

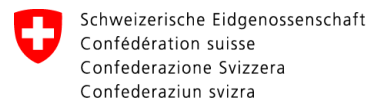
Interaction between partners and stakeholders is one of the primary by-product within the framework of the UNFSS. The UNFSS regularly holds policy discussions on sustainability standards, workshops on data collection methods, international seminars and regional briefing sessions and dialogues where the expert inputs from the VSS Academic Advisory Council during these events would significantly add value to the discussions.

One of the most prominent output of the UNFSS is the '**International Convention on Sustainable Trade and Standards (ICSTS)**', as well as the **thematic dialogue series** such as the one on 'Sustainable Trade between Peru and the EU' held in Peru between the UNFSS and the Andean Community Secretariat to support

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Peruvian SME exporters in implementing sustainable measures. The first international multi-stakeholder dialogue on sustainability standards can be dated back from the ‘VSS Stakeholders’ Conference’ organized in Berlin, Germany in 2016, which was followed by 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), convening body of the India National Platform on Private Sustainability Standards (India PSS Platform), with the support of the 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.

In September 2019, the Brazilian National Institute of Metrology, Quality and Technology (INMETRO), the Federation of Industries of the State of Rio de Janeiro (FIRJAN) and UNFSS co-organized the 2<sup>nd</sup> ICSTS in Rio de Janeiro. The 3-day convention welcomed more than 500 participants from 20 different countries, to name a few – US, EU, ISO representatives from 10 LATAM countries, India, China, Japan, South Africa, Canada etc. which was hosted in Casa Firjan. The dynamic mix of participants from international organizations, government officials, academia, industry associations, standards-setting organizations to private companies and civil society needed perspective that looks upon issues from all sides of the value chain.

By working jointly on these events, the VSS Academic Advisory Council will be able to participate in the academic research as well as learn from the perspectives of the other stakeholders, including policy-makers, business representatives and representatives from the international organizations.

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