



Better Trade for Sustainable Development: The role of Voluntary Sustainability Standards (VSS)

Date: Monday August 30, 2021

Time: 14:00- 15:00 Central European Standard Time (CEST)

The 2030 Agenda for Sustainable Development of the United Nations constitutes the most important and comprehensive global sustainable development agenda for the next decade. SDG 17 of the 2030 Agenda singles out international trade as a key policy instrument to contribute to all other SDGs and defines it as “an engine for inclusive economic growth and poverty reduction, [that] contributes to the promotion of sustainable development”.

The expansion of international trade in the last decades, although it has brought economic and societal benefits across the globe, sometimes led to failure in addressing the adverse social and environmental impacts. Sustainable trade takes place when these adverse impacts are mitigated, and the international exchange of goods and services yields positive social, economic and environmental benefits. Today, there is a growing recognition that to achieve sustainable and inclusive growth, it is necessary to adopt responsible business practices through the entire value chain, and for not only more, but a better investment.

For trade to become a ‘sustainable engine’, one approach that seems to be increasingly used is to *internalize* social, economic and environmental concerns in international trade. This can be done by different means and policy instruments and tools. In this webinar, we discuss one of the promising tools that can contribute to sustainable trade and sustainable development: **Voluntary Sustainability Standards (VSS)**, which comprises certification schemes, labelling programs, and private standards.

Over the last decades, VSS have emerged as new tools to address key sustainability challenges such as biodiversity, climate change, and human rights. The United Nations Forum on Sustainability Standards (UNFSS) defines VSS 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.*”

While VSS indeed hold potentials to contribute to sustainable development, assessing the link between VSS and the three pillars of sustainability is a complex process. In addition, the on-ground evidence on their impact and effectiveness don't all the time resemble the theory.

In addition, while VSS often contribute to linking developing countries (where many producers are based) to developed countries, however, the expansion and increased influence of VSS have become an increasing concern for suppliers, particularly those in developing countries. Due to the high compliance costs, small-scale producers might be excluded from global value chains. In addition to these preexisting challenges, the current pandemic implies further complications for developing countries.

Against this background, this webinar covers **the means of maximizing VSS contribution to sustainable development and minimizing their risks**. Building a way forward in understanding the association



between VSS and sustainability concerns is one of this dialogue main objectives. The dialogue is compounded with questions such as:

- What are the possibilities and limitations of VSS to make international trade more sustainable, in particular with regards to developing countries development opportunities?
- What evidence do we have on the economic, social and environmental impacts of VSS on the ground, mostly in developing countries? And how to improve their favorable impacts?
- What are the barriers to VSS uptake specifically in the context of developing countries and how to overcome these barriers?
- What are the roles of policymakers and other stakeholders (NGOs, donors... etc) in assisting in overcoming these barriers and help in maximizing the favourable impacts of VSS?

Opening and Chair

- Ms. Isabelle Durant, Deputy Secretary-General, UNCTAD

Presentation of the Better Trade for Sustainable Development: The Role of Voluntary Sustainability Standards

- Mr. Axel Marx, Deputy Director, Leuven Centre for Global Governance Studies, University of Leuven
- Mr. Santiago Fernandez De Cordoba, Senior Economist, Trade Analysis Branch, DITC, UNCTAD

Discussants

- Ms. Mercedes Aráoz Fernández, Professor of Economics, Universidad del Pacifico
- Ms. Monica Rubiolo, Head Trade Promotion, State Secretariat for Economic Affairs, Switzerland (TBC)
- Mr. Chad Blackman, Ambassador, Permanent Representative, Permanent Mission of Barbados to the United Nations Office at Geneva (TBC)