



Leveraging collaboration, transparency, and fairness to enhance VSS effectiveness in achieving sustainable development

On 30 August 2021, UNCTAD launched its report “**Better Trade for Sustainable Development: The Role of Voluntary Sustainability Standards**” in a webinar chaired by **Ms. Isabelle Durant**, Acting Secretary-General of UNCTAD.

Ms. Durant highlighted the need to pursue development under the Sustainable Development Goals (SDGs) umbrella. While she indicated the role of international trade as a means of implementation for the achievement of the SDGs, she referred, as well, to the adverse social and environmental impacts resulted from the expansion in international trade. Based on that, Ms. Durant signified the necessity to transform towards sustainable trade by implementing innovative tools and instruments such as voluntary sustainability standards (VSS).

“VSS are a powerful market-based tool to scale up sustainable development if developing countries’ small farmers challenges and concerns on these standards are addressed accordingly” Ms. Isabelle Durant, Acting Secretary-General of UNCTAD.

The report was presented by two of its authors, **Mr. Santiago Fernandez de Cordoba**, Senior Economist, Trade Analysis Branch, DITC, UNCTAD and **Mr. Axel Marx**, Deputy Director, Leuven Centre for Global Governance Studies, University of Leuven.

Mr. Fernandez de Cordoba highlighted the challenging picture of the sustainability of the planet and the urgent need to transform the production and consumption paradigm to a more sustainable one. He described VSS as a seal of approval and an effective marketing tool that provides price premium and market access. He also illustrated the link between VSS requirements and SDGs.

Mr. Marx covered the findings of the report. He remarked that in order to understand the effectiveness of VSS in achieving the SDGs, it is essential to look at two dimensions: The Impact dimension and the adoption dimension. He showed that while VSS are found in all countries, there is a considerable variation between countries that mostly align with income levels and export diversification. Also, he demonstrated that 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.

To enhance VSS effectiveness, the report suggests leveraging the support by donors and multilateral organizations, integrating VSS in public policy, further harnessing the market-based potential of VSS by providing more transparency to consumers, and strengthening empowerment.

The first discussant **Ms. Mercedes Aráoz Fernández**, Former Vice-President of Peru, Professor of Economics, Universidad del Pacífico focused on the challenges associated with the fragmentation and multiplicity of standards and called for more collaboration and harmonization to overcome these challenges. She as well raised the need for addressing the power imbalances along the value chains.

“It is essential to ensure VSS don’t turn into a marketing tool only, it is also important to ensure it won’t act as an additional trade barrier to smallholders and producers in developing countries” she added.

The Second discussant **Mr. Chad Blackman**, Ambassador, Permanent Representative, Permanent Mission of Barbados to the United Nations Office at Geneva raised the question of how VSS will take place as tools for the transformation into prosperity and fight against inequality.

“The issues of sustainable trade and VSS as tools to achieve sustainability hit well on the theme of UNCTAD 15 on inequality and prosperity for all” he added.

Ambassador Blackman highlighted the role of VSS in sustainable tourism, given that tourism is one of the most common sectors for revenue for Small Islands Developing States (SIDS).

He concluded by outlining the role developing and developed countries governments could play in enhancing VSS value. While developing countries need to strengthen the capacity of local firms to meet VSS, developed countries must work on ensuring that VSS are not becoming additional barriers to international trade.

The third discussant **Ms. Monica Rubiolo**, Head Trade Promotion, State Secretariat for Economic Affairs, Switzerland, zoomed into three significant issues with regard to VSS; transparency, collaboration, and credibility.

Concerning transparency, she pointed the need for evidence on the impact of VSS on ground. Regarding collaboration, Ms. Rubiolo, emphasized the need for information sharing and cooperation among standards systems. On the subject of creditability, she signified the need for innovation and for looking into the future to make sure that VSS are innovative enough to serve what consumers and producers are looking for continually.

Ms. Rubiolo mentioned the new Free Trade Agreement between EFTA and Indonesia that allocates lower tariffs to palm-oil based products which are certified by recognized VSS. On that she commented ***“Consumers are becoming clearer on their expectation and are increasingly viewing VSS as a strong tool to convey information on how products are produced”***

Ms. Isabelle Durant wrapped up the discussion by stressing the importance of **collaboration, transparency, and fairness** in enhancing VSS impact on sustainability. She concluded by signaling the responsibility of all of us to advocate and come together to ensure the proper use of VSS to achieve sustainability and hence, SDGs.