

Workshop on trade and biodiversity: Evidence and options for using sustainability standards to strengthen the post-2020 global biodiversity framework

22 September 2021

Workshop Report



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Convention on
Biological Diversity



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Key messages

- Voluntary Sustainability Standards (VSS) provide incentives to **companies and producers** to adopt practises that are in line with environmental, social and economic objectives.
- **Consumers** are key drivers demanding sustainable consumption and production. VSS improve the traceability of material and goods. They allow consumers to get a better understanding of where a product originates, how it was produced and how it was brought to market.
- **Companies** have the potential to play vital roles in biodiversity conservation. VSS is an entry point for biodiversity mainstreaming for multiple actors along the supply chain. VSS offer companies the opportunity to have their sustainability progress recognized. VSS can have positive spillover effects beyond the certified producer or company, for instance by establishing good practise in a sector.
- VSS are an effective mainstreaming opportunity for engaging businesses in the implementation of the **post-2020 global biodiversity framework**, for example as part of policy tools and instruments set up for the framework or as part of National Biodiversity Strategy and Action Plan guidance documents or capacity-building efforts.

1. Workshop context and approach

Voluntary Sustainability Standards (VSS) are norms and standards that are used to ensure that a product is harvested, produced, processed or transported in accordance with certain sustainability metrics, such as environmental impact, basic human rights, labour standards and gender equality. Today more than 500 VSS exist, which apply to many countries' key exports, such as coffee, tea, bananas, cocoa, palm oil, timber, cotton and organic agri-foods.

The [post-2020 global biodiversity framework](#) includes global biodiversity targets, negotiated by country parties of the [Convention of Biological Diversity \(CBD\)](#). The new framework will contribute to the 2030 Agenda and the Sustainable Development Goals (SDGs), which gave international trade a prominent role as “an engine for inclusive economic growth and poverty reduction”. With VSS increasingly being referenced in trade agreements to foster sustainable development and good governance, VSS can be an effective tool to provide incentives for governments and companies to adopt practices that are in line with environmental, social and economic objectives without reinventing the wheel.

UNCTAD, having a [specific mandate](#) on trade and biodiversity as well as on private standards, including sustainability standards, collaborated on this workshop with ISEAL, a membership organization for sustainability standards and similar systems with two decades of experience working to support and challenge VSS systems to adopt credible practices and upscale sustainability impacts. This workshop brought together multiple issues on the table that are in line with and contribute to the discussions of the [fifteenth session of the United Nations Conference on Trade and Development \(UNCTAD 15\)](#) and the [fifteenth meeting of the Conference of the Parties to the CBD \(CBD COP15\)](#).

The workshop convened leading experts and stakeholders to emphasize and strengthen the importance of sustainable trade for the post-2020 global biodiversity framework and how VSS can be used as effective tools for achieving biodiversity targets. The aim of the workshop was to show that sustainable and legal trade of biodiversity-based products and services can create effective incentives for the conservation and sustainable use of biodiversity. Thus, VSS can potentially be a vital component to strengthen the implementation and monitoring mechanisms within the new framework. The workshop also referenced the extensive evidence-based studies and academic research that support the roles of VSS in strengthening sustainable trade and biodiversity.

The workshop opened with a 'setting the scene' panel, followed by a panel on challenges, evidence and cases of the biodiversity conservation impacts of using sustainability standards and supporting the global biodiversity framework. Then, participants were divided into six breakout groups, each with an expert moderator, to address one or more of these pre-identified discussion questions: What are the best roles that VSS can play in the implementation of the post-2020 global biodiversity framework? What are the best roles for governments to play in promoting VSS as part of the post-2020 global biodiversity framework or in relation to VSS specifically? How can the post-2020 global biodiversity framework increase the use and effectiveness of VSS for biodiversity conservation? Each moderator then presented their summaries and main findings from the break-out discussion in the main plenary. The workshop also included simultaneous English and Chinese translation.

This report illustrates some of the key takeaways from the panel and breakout group discussions presented during the workshop to motivate concrete actions that facilitates the adoption of VSS within the new global biodiversity framework.

2. Topics around Voluntary Sustainability Standards today

The panel sessions and the breakout discussions revealed several issues/themes on VSS and were emphasized throughout the session.

Consumers play an important role for VSS, as they are one of the key drivers of sustainable consumption and production. Consumers around the world are increasingly aware of the effect of their consumption choices on sustainability and expect sustainability measures across supply chains. VSS are a good way to show the consumers that a supply chain is improving its sustainability. The labels on the product certifying certain VSS allow consumers to get a better understanding of where the product originates, how it was produced and how it was brought to market. It is possible for consumers to be conscious of their purchasing decisions when they are made aware of other factors beyond the price. VSS therefore provide added value to good practises which are applied by actors along the supply chain. VSS labels and related environmental claims, backed up by credible assurance practices like certification, help distinguish green products on the market against their brown counterparts. Additionally, VSS can be incentives for companies to respond to consumer demand and adopt and promote practices that are in line with environmental, social and economic objectives. Recent consumer surveys support this conclusion, noting that consumers increasingly favour sustainable purchases.¹

If a **company** wants to increase its positive sustainability impacts, the complexity of that endeavour can be quite intimidating. VSS can help by providing good practises, guidelines, advice and capacity building to guide and inform that process. This need not entail certification, especially at the beginning of the process. VSS can provide a company with good practice examples from the same sector and/or the same or similar geographical location, as well as capacity building and risk management. VSS are implemented through systematic procedures and capacity building. Many VSS require company practices to be assured or validated, such as through collecting data, verifying procedures, or independent third-party certification involving an audit and other outcome measures. While assurance requirements and modalities vary, VSS offer companies the opportunity to have their sustainability progress recognized, which can incentivize continuous improvement and prevent falling back to lower standards. For some companies, it can be a challenge to track, trace and measure the sustainability of their product further down the supply chain. VSS can improve the traceability of

¹ <https://www.accenture.com/acnmedia/PDF-134/Accenture-COVID19-Consumer-Behaviour-Survey-Research-PoV.pdf#zoom=40>

materials and goods, and link actors from different stages of the supply chain and thereby help to raise awareness of the importance of sustainability considerations or enhance mutual understanding for circumstances, dependencies, and risks. This includes the awareness of the importance of biodiversity. VSS can therefore be an entry point for biodiversity mainstreaming for multiple actors along the supply chain.

VSS can become de facto mandatory when importing markets and/or buyers require them as pre-requisite documentation. VSS can indicate areas where regulations around trade and production could be necessary or desirable. VSS can also be supported by minimal requirements or sector regulation. Regulations can define the floor of acceptable sustainability levels and can also reference VSS to be used to verify compliance with those requirements. VSS can push the ceiling of sustainable practices to recognise companies for going beyond the minimum requirements.

While the **uptake of VSS** has been increasing over time and reached significant scale (for example in the case of the LEAF (Linking Environment and Farming) standard in the UK or with the GlobalGAP standard, it remains too limited, and growth is not linear. For example, it is estimated that around 1.5% of agricultural land is certified as organic². For some commodities the share of certification is however much higher. The example of the Forest Stewardship Council as one VSS shows that 5% of forests are certified according to their census³. There is evidence that the adoption and use of VSS can have positive spillovers beyond the producer/company, for instance from a certified farm area to neighbouring farms or from systemic impacts such as defining sustainability for a sector

During the workshop, several **challenges were raised on the application of VSS** especially for governments and producers in developing countries: The implementation of VSS required along the whole supply chain is complex and costly. Some VSS might be unverified and be used for greenwashing. Capacities and resources may also be lacking, which can exacerbate inequities because some countries or regions might be able to meet higher standards than others. In some cases, VSS can be a disadvantage for developing countries in global supply chains with VSS becoming sort of a barrier to trade or to access some markets. In many cases, developing countries produce the major commodities and play the largest role in biodiversity conservation. Therefore, producers in developing countries are an important part of the supply chain and require therefore support in implementing VSS, some of which is detailed below in section five, but can also include access to finance, reduced costs, and increased capacity building. Also, strong implementation at producer level is important for the credibility of VSS. Furthermore, actors in supply chains need to work with a credible VSS, but the proliferation of VSS often competes with good governance along the supply chains.

3. Considering Biodiversity in Voluntary Sustainability Standards

Traditionally the link between VSS and biodiversity has been minimal, with VSS being used as a tool to foster more sustainable practices and in response to consumers' increased awareness towards sustainable consumption. However, in recent years there has been evidence that VSS are playing an increasingly important role in biodiversity conservation. For example, the United Nations State of the World's Forests 2020 report⁴ recommends using VSS to trace responsibly managed forest products, improve environmentally friendly agricultural practices, and to support companies in meeting sustainability targets. Research published in 2020 by the Netherlands Environmental Assessment Agency concluded that within deforestation-free commodity value chain approaches, VSS were the only tool with evidence of showing positive impacts in conserving forests, while Public-Private Partnerships (PPPs) and corporate pledges could also prove to be promising⁵.

There is a broad agreement that voluntary action, especially by the private sector, is needed to reverse biodiversity loss. Companies have the potential to play vital roles in biodiversity conservation. This potential must be realized since biodiversity is aggravating at a record pace, including in marine,

² https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/SustainableMarkets2020-layout_20201012_web.pdf

³ idem

⁴ [United Nations State of the World's Forests 2020 report](#)

⁵ <https://www.evidensia.eco/resources/1107/outcomes-of-deforestation-free-commodity-value-chain-approaches/>

wetland, grassland and forest ecosystems.⁶ Private actors who adopt and apply VSS are making important contributions to biodiversity conservation.

However, many have mentioned during the workshop that there is still comparably limited evidence and studies on the impacts of VSS on conservation. In the agriculture sector, there is slightly more knowledge on the contribution of VSS to farmer income on productivity than for example on species diversity or invasive species. Comparatively fewer studies have assessed VSS impacts on biodiversity. To strengthen biodiversity considerations in VSS, it could be beneficial to encourage more VSS to include biodiversity components into their standards and implement biodiversity conservation impacts measurement programs. VSS can also learn from other VSS that are already measuring biodiversity conservation impacts or other issues, such as soil health. Nevertheless, there is significant confidence in the research conducted around biodiversity impacts.⁷

Because VSS are often not well understood by the conservation community, they have not yet played their full potential within the area of biodiversity conservation. Moreover, the complexity of sustainability standards can be challenging, and can lead to inequalities and vulnerabilities, especially for small producers in developing countries. It would be desirable for VSS to evolve in a direction of stronger biodiversity consideration. VSS could also pay more attention to benefit-sharing mechanisms and ensure more equitable benefit sharing among the stakeholders in supply chains and value chains.

An example of VSS playing a role in biodiversity is the certification of the Roundtable for Sustainable Palm Oil (RSPO). The RSPO scheme requires palm oil producers to protect and enhance ecosystem and biodiversity. RSPO currently has more than 5,000 members around the world. The share of the global volume of RSPO-certified sustainable palm oil is 19%. In China alone, there are 268 RSPO members. In 2020, the uptake of certified palm oil in China was around the 6% while it was 4% for 2019 and the 2% for 2018. While the share is still low, the uptake of certified palm oil has accelerated in recent years. RSPO certified palm oil has 36% lower greenhouse gas emissions and a 20% lower biodiversity impact from land use change compared to conventional palm oil.⁸

RSPO certification should be an assurance to the consumer that the standard of palm oil production is sustainable based on global multistakeholder consultation and robust assurance mechanisms. At the heart of the certification are the RSPO principles and criteria. RSPO builds on seven principles and aims for prosperity of people and the planet. They are reviewed every five years, most recently in 2018 which strengthened, among other things, requirements on no-deforestation, no new prompting on pit, no use of fire, protection of the label, human rights and a decent living wage.

4. VSS and the post-2020 global biodiversity framework

In the past, the nexus of VSS and biodiversity conservation has been largely untapped. While the negotiation of the post-2020 global biodiversity framework is ongoing, it was mentioned numerous times during the workshop that **mainstreaming** will need to be at the heart of implementation. Efforts will need to be made by governments, economic sectors, financial institutions, and society at large. VSS can bridge those actors and translate global biodiversity objectives into local and sectoral action. Especially when it comes to business engagement, VSS are a practical way to engage businesses in the implementation of the post-2020 global biodiversity framework.

The awareness of the importance of biodiversity is increasing among VSS, also because of the development of the post-2020 global biodiversity framework. The processes which will be established to implement the post-2020 global biodiversity framework should be open to VSS to make sure that the potential of VSS is being used. As previously mentioned, **VSS need to be applied more widely, in terms of geographic and volume of uptake** to fulfil their potential for biodiversity objectives. VSS

⁶ Biodiversity loss is among the [global top threats according to the World Economic Forum](#) and the trade of unsustainable production and consumption patterns of [biodiversity based products and services have been identified as one of the indirect drivers of biodiversity loss](#) in a report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).

⁷ Evidensia Knowledge Matrix shows a high confidence in biodiversity conservation impacts of agriculture sector VSS. <https://www.evidensia.eco/work-with-evidence/knowledge-matrix/>

⁸ <https://www.evidensia.eco/resources/1006/certified-palm-oil-reduces-greenhouse-gas-emissions-compared-to-non-certified/>

can be integrated as part of policy tools and instruments set up for the post-2020 global biodiversity framework. While a direct mention in the framework is desirable, VSS could be strengthened if they are referred to within the National Biodiversity Strategies and Action Plans (NBSAPs), as well as NBSAP guidance documents and in the long-term strategic framework for capacity-building. Capacity building can involve all actors of the supply chains, in particular actors at producer and grassroots levels. VSS with their broad and diverse audiences could amplify biodiversity issues and therefore should be considered in communication strategies.

It is widely accepted that the post-2020 global biodiversity framework will need to address **negative incentives** as important drivers of biodiversity loss. Incentives will need to be redirected, repurposed, reformed and eliminated. Certified producers are much more likely to adopt and retain good practice in sustainable use of biodiversity than others.⁹ VSS can support in setting positive incentives.

The post-2020 global biodiversity framework can contribute to a strengthened focus of VSS on biodiversity conservation issues. The current negotiation text of the post-2020 global biodiversity framework includes Target 15, which aims for *All businesses (public and private, large, medium and small) assess and report on their dependencies and impacts on biodiversity, from local to global, and progressively reduce negative impacts, by at least half and increase positive impacts, reducing biodiversity-related risks to businesses and moving towards the full sustainability of extraction and production practices, sourcing and supply chains, and use and disposal*. If this target is adopted by the 15th Conference of the Parties to the Convention on Biological Diversity in 2022 in Kunming, China, it would provide an entry point for the engagement of organizations and companies working with VSS.

VSS can be used as a tool for monitoring progress towards implementation of the new targets. VSS could for example contribute data, and also knowledge. UNCTAD could develop guidance how this could take place.

5. The role of governments in the application of VSS

VSS are to a large extent the domain of businesses and non-governmental organizations (NGOs), with governments often playing limited roles. When governments do play a role, it is often sector-specific without promoting individual businesses or VSS. Governments have an interest to promote good practices and increase their uptake. Supporting VSS is a way to do so. Governments, international organizations as well as NGOs or other public actors can drive the expectations on sustainability, which can be a reason for business sectors to take up sustainability practises through VSS or other means.

Therefore, it was recommended at the workshop that the **role of governments in facilitating VSS** lies rather at a meta level, in supporting uptake of VSS in their country through several ways. For example, governments have a role to play in coordinating data gathering and quality control. Claims made by VSS or objectives of VSS should be verified and evaluated. Governments can also support consumer information and consumer education so that consumers are enabled to make informed choices. In some instances, governments might be compelled to regulate standards, for public, animal or plant health purposes for instance. Governments can develop meta level guidance for this purpose. Many of the participants and panellists agreed that governments also have a role to play in ensuring transparency of VSS and in guiding businesses in a country to develop and/or apply VSS. Governments can furthermore incentivize participation in VSS, for example, by bringing actors along the supply chain together. Successful VSS can reduce the necessity to regulate, limit the regulatory burden and promote voluntary compliance.

Governments can convene different actors of the supply chain. Governments can also play a role as facilitators of information and take the leading role to enhance harmonisation, data exchange, aggregation of information and quality assurance of VSS. Governments themselves can lead by example and **strengthen VSS and biodiversity in many policy areas**, for example by establishing green procurement processes, strengthening recognition of VSS in trade policies and agreements, by

⁹ <https://www.evidensia.eco/resources/21/the-effectiveness-of-standards-in-driving-adoption-of-sustainability-practices-a-state-of-knowledge-review/>

establishing regulations on specific commodities and in improving export promotion measures. As the example of voluntary carbon market schemes show, governmental action and support can lead VSS to obtain a critical mass for becoming a quasi-mandatory standard.

Also, multilateral trade fora could be used to promote VSS and biodiversity regionally, for example under the European Union, the Association of Southeast Asian Nations (ASEAN), or the Asia Pacific Economic Cooperation (APEC).

There are regional and global business, and biodiversity groups and networks which support the links between businesses and biodiversity. They could contribute to VSS uptake and strengthen biodiversity aspects in them.

This workshop report was prepared by Andreas Obrecht, Lika Sasaki, and Lorena Jaramillo of the Trade, Environment, Climate Change and Sustainable Development Branch (TED) and Siti Rubiah Lambert, Trade Analysis Branch (TAB), Division on International Trade and Commodities (DITC) of UNCTAD in close cooperation with Joshua Wickerham and Sabrina Mengrani, ISEAL.

Further information on the workshop can be found on the workshop webpage: <https://unctad.org/meeting/workshop-trade-and-biodiversity-evidence-and-options-using-sustainability-standards>

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For further information on UNCTAD's BioTrade Initiative, please visit <https://unctad.org/biotrade> or contact the BioTrade team at biotrade@unctad.org.

To learn more about Voluntary Sustainability Standards and its governance mechanisms, please visit <https://unfss.org/>.

Annex I: Agenda

Workshop moderator: Lika Sasaki, Programme Management Officer, UNCTAD

Setting the Scene

Moderated by Joshua Wickerham, Membership and Engagement Manager, ISEAL

- Isabelle Durant, Deputy Secretary-General, UNCTAD
- Karin Kreider, Executive Director, ISEAL
- Bianca Brasil, Programme Officer Business Engagement, Convention on Biological Diversity (CBD)
- Zhang Jianping, Director, Center for Regional Economic Cooperation, Chinese Academy of International Trade and Economic Cooperation, Ministry of Commerce of PRC
- Martin Peter, Deputy Head of Trade Promotion, Swiss State Secretariat for Economic Affairs SECO

Panel discussion: Challenges, Evidence and cases of the biodiversity conservation impacts through use of sustainability standards and supporting global biodiversity framework, Q&A

Moderated by Lara Koritzke, Communications and Marketing Director, Union for Ethical BioTrade (UEBT)

- Vidya Rangan, Senior Manager, Evidence and Impacts, ISEAL
- Siti Rubiah Lambert, Sustainability Expert, UNCTAD
- Wan Jian, Roundtable on Sustainable Palm Oil, Stakeholder Engagement Representative, China
- Axel Marx, Deputy Director, Leuven Centre for Global Governance Studies

Breakout group discussions

Moderated by experts from the Secretariat of the Convention on Biological Diversity, University of International Business and Economics (UIBE) / UNFSS, Department of Environment, Forestry and Fisheries in South Africa South-North Institute for Sustainable Development, IUCN, ISEAL and UNCTAD.

Concluding remarks by organisers

Annex II: Links related to the post-2020 global biodiversity framework process

UNCTAD BioTrade website on post-2020: <https://unctad.org/topic/trade-and-environment/biotrade/Post-2020-framework>

SBI-3 meeting documents: <https://www.cbd.int/meetings/SBI-03>

SBSTTA-24 meeting documents: <https://www.cbd.int/meetings/SBSTTA-24>

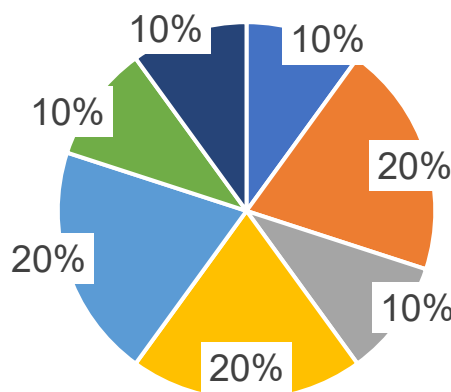
CBD Website on post-2020: <https://www.cbd.int/conferences/post2020>

UNEP-WCMC post-2020 timeline tool: <https://post2020.unep-wcmc.org>

Online workshop website: <https://unctad.org/meeting/online-workshop-trade-and-biodiversity-post-2020-global-biodiversity-framework>

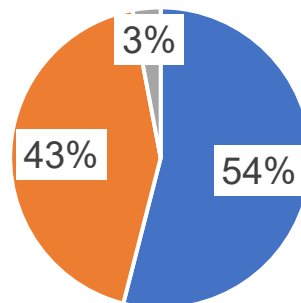
Annex III: Participation

- Educational/ research institution
- Private sector/ consultancy/ independent
- Intergovernmental organisation
- Government or public sector
- Non profit organisation
- Standards-setter etc.
- Unspecified



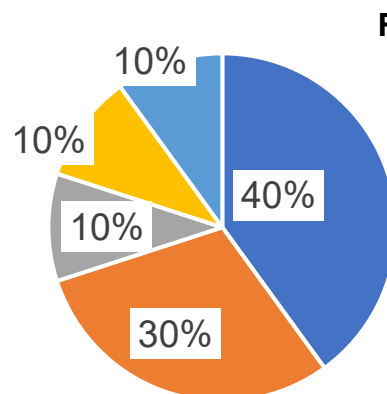
Affiliation

- Female
- Male
- Prefer not to say



Gender

- Europe
- Asia and Oceania
- Latin America and the Caribbean
- North America
- Africa



Regional distribution