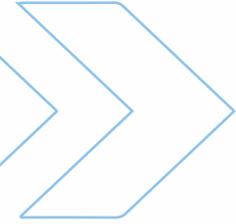


5th UNFSS Academic Advisory Council Meeting

31 March - 1 April 2025

German Institute of Development and Sustainability (IDOS)
Bonn, Germany



**The changing landscape of sustainability
governance. What next for VSS?**



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This report was prepared by Paulo Mortara Baticic (UNCTAD), Charline Depoorter (University of Basel), Santiago Fernandez de Cordoba (UNCTAD) and Axel Marx (KU Leuven).

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Executive summary

The Academic Advisory Council (AAC) of the United Nations Forum on Sustainability Standards (UNFSS) annual meeting brings together academic experts and policy experts from international organizations and national platforms. The aim of the AAC is to consolidate knowledge on Voluntary Sustainability Standards (VSS) and contribute to a comprehensive understanding of VSS effectiveness, including towards achieving the UN Sustainable Development Goals (SDGs). This report provides a summary of the discussions held at the 2025 edition of the UNFSS AAC meeting held in Bonn on 31 March-1 April 2025.

The discussions started from the observation that VSS are being confronted with and reshaped by a shift in the policy environment which introduces a series of new mandatory sustainability regulations for firms. To remain relevant, VSS must evolve beyond certification to provide tools for compliance, data traceability, and monitoring. This transition enhances their role in sustainability governance but risks imposing costs on producers in the Global South, raising concerns about equity and continued participation in global supply chains.

At the same time, VSS are moving toward broader roles as system enablers, supporting risk assessment, impact monitoring, and capacity-building while working alongside governments and development agencies. However, weaknesses in enforcement and auditing systems remain challenges. Stronger governance, greater transparency, and reforms to audit oversight are needed if VSS are to fulfil their potential as trusted intermediaries in sustainability transitions.

Finally, the effectiveness of VSS depends on evidence-based policymaking and inclusiveness. Research gaps, insufficient data, and limited longitudinal studies hinder informed decisions, while producers in developing countries face mounting compliance demands with few financial benefits. Expanding technical support, incentives, and fair value distribution will be crucial to safeguard participation. Overall, VSS stand at a crossroads: their ability to adapt to new regulatory realities while advancing equity and ensuring accountability will determine their long-term contribution to sustainable global value chains.



Background

On 31 March and 1 April 2025, the Academic Advisory Council (AAC) of the United Nations Forum on Sustainability Standards (UNFSS) met for the fifth time in Bonn. The AAC meetings bring together academic and policy experts from international organizations and national platforms to discuss research on VSS and their role as a transnational sustainability governance instrument.

The starting point of the meeting lied in the observation that the global sustainability governance landscape is rapidly changing. Voluntary Sustainability Standards (VSS) arose as voluntary, market-based instruments to address sustainability issues in an era characterized by the rise of global value chains (GVCs) and high levels of economic cooperation, despite political differences. Yet, a new global order is emerging which is far more fragmented and confrontational in nature, and characterized by more diverse regulatory approaches. On the one hand, we observe a strong trend towards deregulation and less engagement with the sustainability agenda. On the other hand, we observe an embedding of sustainability commitments in public policy tools, including in free trade agreements (e.g. Agreement on Climate Change, Trade and Sustainability (ACCTS), EFTA-Indonesia Agreement) and through a strengthening of sustainability regulation such as mandatory sustainability due diligence regulatory (MDDR) measures which have gained significant attention. This latter dynamic embodies a transformation from soft law to hard law when it comes to sustainability obligations for firms. Concomitantly, several other tools are on the rise which also ultimately strive to bring about corporate accountability, such as smart policy-mixes, different reporting requirements, jurisdictional approaches, sustainable investment, Environmental Social Governance (ESG), and enhanced product traceability, among others. All these developments will impact VSS and co-evolve in interaction with them.

The previous UNFSS AAC meeting held in 2023 focused on the gaps and synergies between mandatory sustainability due diligence measures and VSS. Discussions led to the publishing of the 6th UNFSS Flagship report “The Future of Sustainable Trade: Due diligence initiatives, voluntary sustainability standards and developing countries”.¹ Building on this, the 2025 UNFSS AAC meeting on “The Changing Landscape of Sustainability Governance: What Next for VSS?” explored (1) the role of VSS in a new international political context and what this means for VSS, policymaking and research and (2) the key knowledge gaps which remain in research on VSS and what the research needs are to address them (see programme of the meeting in Annex 1). In addition to academic experts and policy experts from international organizations and national platforms, representatives from VSS organizations were also invited to the meeting to share their insights into how their organizations are adapting to new geopolitical, geoeconomic and regulatory realities (see list of participants in Annex 2).

The UNFSS AAC 2025 2-day meeting, organized in Bonn, was structured around 4 panels on key topics related to VSS. Each panel consisted of a set of 10-minute presentations by both academics and practitioners to raise insights and points for discussion, followed by a roundtable discussion where all participants were invited to contribute.

¹ UNCTAD. (2024). *The Future of Sustainable Trade: Due diligence initiatives, voluntary sustainability standards and developing countries*. Geneva: UNCTAD. Available at: <https://unctad.org/publication/future-sustainable-trade>



► **Panel 1: Voluntary Sustainability Standards in a changing regulatory environment and fragmented world**

The first panel explored the evolving role of VSS within a rapidly shifting geopolitical and regulatory landscape. Presentations addressed the implications of emerging protectionist trade policies, the transformation of soft law into mandatory sustainability due diligence regulations (MDDR), the increasing complexity of compliance for producers and businesses, and the future of VSS.

The panel highlighted how geopolitical tensions and economic nationalism are reshaping sustainability governance. Geoeconomics are on the rise, with trade instruments such as tariffs and subsidies being increasingly used for geopolitical and strategic purposes, often sidelining sustainability objectives. Similarly, concerns were raised about VSS and MDDR being used as tools for economic protectionism rather than to promote sustainable development. The proliferation and fragmentation of standards, combined with a disengagement of key players, such as the U.S., away from the sustainability agenda and multilateralism more broadly, further complicate global coordination. Arguments were put forward in favour of a consolidation and enhanced coherence in the VSS landscape with suggestions made to leverage multilateral platforms, such as the World Trade Organization, to restore balance and inclusivity in sustainability governance.

The proliferation of MDDR, such as the EU Deforestation Regulation (EUDR), the EU Corporate Sustainability Due Diligence Directive (EU CSDDD), the EU Corporate Sustainability Reporting Directive (CSRD), and the EU Organic Regulation, and their implications were also discussed. Compliance with these regulations may be challenging: the financial and operational burdens of regulatory compliance may lead to market exclusion, for smallholders and producers in the Global South in particular, and to supply chain disruptions. This is especially salient in the current context of regulatory fragmentation in which producers must comply with many different regulatory requirements. This might nonetheless present an opportunity to develop localized, context-specific sustainability solutions and to foster South-South cooperation.

Assessing the interplay between these MDDR and VSS, the panel discussed how the proliferation of MDDR has triggered profound transformations within VSS systems. Such transformations include VSS – such as GOTS – shifting from a niche certification approach towards a comprehensive global standards approach covering the entire supply chain. They involve integrating value-based sustainability management, aligning with international frameworks (e.g., OECD, ISO), upscaling investments in digital tools to enhance data collection and traceability to support smallholders. They also entail moving from periodic audits to continuous internal monitoring. The panel also highlighted that while VSS are increasingly expected to support regulatory implementation of such measures, they cannot offer legal protection.

The proliferation of MDDR has also triggered adaptations of tools related to VSS such as the ITC Standards Map, a global public database designed to support MSMEs in navigating sustainability standards that aggregates data on over 350 standards to facilitate transparency, harmonization, and equivalency assessments. The database is evolving to incorporate due diligence elements such as risk assessments, grievance mechanisms, and traceability systems. The tool thereby aims to support regulatory alignment and foster collective action, while also raising questions about the future role and differentiation of VSS and other sustainability initiatives.



The panel critically reflected upon whether MDDR can overcome the limitations with which VSS have traditionally been confronted. It identified four key factors for effectiveness of sustainability governance instruments, whether public or private: (1) the stringency of their design and enforcement, (2) the extent of their adoption by unsustainable producers, (3) the availability of resources to support their implementation, and (4) the presence of sufficient agency to drive businesses into sustainably governed value chains. Both VSS and MDDR face challenges in these areas, including (1) challenges for enforcement, (2) limited ability of these instruments to reach unsustainable economic actors, due to self-selection bias and leakage effects, (3) insufficient financial support for implementation especially for producers in low-income countries, and (4) dominance of business interests over both private and public governance instruments. One way forward might lie in hybrid governance models combining public instruments such as MDDR and private instruments like VSS that enhance their complementarities and foster synergies.

Roundtable discussion

The roundtable discussions further reflected on the two dominant trends shaping the current sustainability landscape: the rise of top-down sustainability approaches (from developed countries) and the growing influence of geoeconomic power relations. These dynamics are reshaping how VSS and MDDR are perceived and implemented and increasingly influence sustainability efforts.

There was broad agreement that VSS and MDDR should be viewed as complementary rather than conflicting as VSS can offer the procedural infrastructure and local adaptability needed to implement MDDR effectively. However, the proliferation of standards, driven by voluntary market dynamics, remains a challenge as it generates a diversity of compliance requirements – although some participants expect VSS to converge over time. New legislation may harmonize data requirements and drive VSS convergence in this respect, but VSS will still need to address sector- and region-specific issues. Participants also emphasized the importance of inclusive governance, calling for greater involvement of local stakeholders and recognition of diverse sustainability pathways. The discussion acknowledged that the impacts of MDDR will vary significantly across sectors, requiring tailored approaches. In addition, concerns were raised about the potential downsizing of MDDR in favour of deregulation, which might also affect VSS and the broader sustainability agenda.

Lastly, the group reflected on the broader geopolitical shifts affecting trade and sustainability. Market fragmentation, shifting export patterns, and the declining dominance of traditional powers are reshaping the global order. In this context, VSS must adapt to remain relevant, ensuring they reflect bottom-up perspectives and contribute meaningfully to sustainable development. The role of national standards platforms in the Global South and of international organizations was seen as critical in supporting VSS effectiveness, particularly through providing support for cooperation and mutual recognition, aligned with shared sustainability goals such as the SDGs.

Key research priorities were identified focusing on clearly identifying the impact and distributional effects of MDDR. In addition, there is a need to better understand the different responses VSS have towards MDDR developments and how they can position themselves in the sustainability governance landscape. Finally, new developments are leading to new regulatory instruments. What emerges is a patchwork of many different instruments with overlapping objectives and strategies. This creates a need for further alignment, and more research on how this alignment can be shaped and who should take the lead should be conducted.



► Panel 2: The changing face of VSS design and implementation

This panel delved into the evolving nature of VSS in response to shifting regulatory approaches, competitive pressures, and the emergence of new actors in the sustainability governance space. The discussions focused on how VSS are adapting their design, auditing, monitoring, and reporting mechanisms to remain relevant and effective in a rapidly transforming landscape.

The pivotal role of auditors and audit markets in shaping the credibility and impact of VSS was highlighted. Audit firms often possess more resources and influence than the VSS they audit for and play a central role in the sustainability governance landscape by influencing both private standards and public regulatory frameworks. In addition, the competitive nature of audit markets can affect both the cost and quality of certification, raising concerns about the consistency of audits across auditing firms and about the integrity of sustainability claims. The geographic concentration of major audit firms in developed countries, despite most certified production occurring elsewhere, adds further concerns about their ability to perform context-sensitive audits. These considerations are particularly relevant in the face of rising MDDR in which audit firms will probably play a key role in supporting companies' compliance efforts.

The growing influence of intermediary actors, particularly large trading companies, in shaping sustainability governance was also put forward. These actors increasingly develop in-house sustainability schemes, which are perceived as more operationally flexible than third-party certifications. While such schemes may offer cost efficiencies and closer oversight over supply chain practices, they also risk reducing VSS to mere "tick-box" compliance tools rather than transformative instruments. This calls for VSS to rethink their positioning and value proposition. However, VSS's commitment to data protection and their role in representing producer interests rather than corporate agendas remains an advantage they should capitalize on to reinforce trust and legitimacy. The emergence of equivalence frameworks between in-house sustainability schemes and VSS, as well as the proliferation of specialized service providers - offering traceability and geolocation capabilities - was recognised as a trend that adds complexity to the sustainability ecosystem and challenges the traditional role of VSS.

The panel also discussed corporate reporting, which is key to ensure corporate accountability, under national MDDR (such as the French Loi de Vigilance, the German Supply Chain Act or LksG, and the Norwegian Supply Chain Transparency Act), and the role of VSS therein. Reporting practices across national MDDR vary significantly both in depth and in specificity of reporting requirements. While some legal frameworks require detailed disclosures on human rights and sustainability risks and impacts, others allow for more general and discretionary reporting. The limited integration of VSS into corporate reporting systems was noted as a missed opportunity, given their potential to provide structured data and field-level insights, and support risk identification and mitigation. Integrating VSS in corporate reporting could enhance the quality and consistency of MDDR reporting and strengthen transparency and accountability.

Further instances of how the emergence of MDDR is causing profound transformations within VSS systems were discussed. For example, Rainforest Alliance shifted from a harm-reduction focus to a regenerative agriculture approach. Regenerative agriculture, through an agroecological and integrated system management approach, aims to enhance biodiversity, ecosystem services, and resilience. In addition, it strengthens agroecosystems, reduces reliance on synthetic inputs, and improves farm income by cutting costs. Rainforest Alliance also developed a tiered standards approach to accommodate producers at different levels of sustainability performance, and has integrated new services aligned with emerging MDDR such as the EUDR. This example also emphasized the importance of satellite-based environmental monitoring while underscoring the need for human engagement to address social dimensions.



Insights from OECD alignment assessments of VSS against MDDR requirements provided a broader perspective on their credibility and effectiveness. These assessments evaluate alignment with due diligence guidance, implementation practices, and governance structures. While no initiative has achieved full alignment, the process has fostered learning and capacity building. The findings suggest that specialized and well-resourced VSS tend to perform better and that the need for structured engagement between regulators, companies, and VSS was emphasized as a pathway to improved coherence and impact.

Overall, the panel emphasized that VSS must move beyond traditional certification models. As regulatory expectations intensify and new actors enter the field, VSS need to clarify their value proposition, strengthen their data systems, and engage more deeply with both producers and regulators. The emergence of corporate in-house sustainability schemes presents both risks and opportunities, and the future of VSS will depend on their ability to balance credibility, flexibility, and inclusivity in a complex and competitive environment.

Roundtable discussion

The roundtable discussion further delved into the evolving role and adaptation of VSS in the context of increasing regulatory pressure, shifting market dynamics, and emerging sustainability service providers. One key theme was the relationship between VSS and auditing companies, which varies significantly across standards. Some VSS, such as Fairtrade, maintain direct links with their auditors (e.g. FLOCERT), while others rely on third-party or emerging auditing firms, particularly in response to new MDDR. This has led to a fragmented auditing landscape, with varying requirements across jurisdictions and regulations. Discussions also highlighted challenges related to shortages of qualified auditors, regional and developed/developing countries disparities in number of available auditors, and other recruitment challenges.

Participants reiterated that reporting requirements between MDDR differ significantly, sometimes leading to superficial disclosures while other measures require far more detailed disclosures. In this context, discussion focused on the EUDR, particularly its strong focus on geolocation data requirements.

The transformation of standards was also further examined. For instance, Rainforest Alliance shift toward a continuous improvement rather than strict compliance model aims to stimulate adoption, although questions were raised concerning sustainability effectiveness of such approaches. The initiative now emphasizes regenerative agriculture and collaborates with other actors to implement landscape-level programs. This raised broader reflections on the purpose and scope of sustainability initiatives and the need to clarify their intended outcomes.

Another recurring topic was the role of VSS as data providers, which is beyond their traditional certification functions. The scalability and harmonization of data generated by VSS and MDDR requirements remain a challenge, especially as new actors such as sustainability solutions providers enter the space. These actors may complement VSS by offering implementation support, traceability mapping, and capacity-building services.

Key research gaps were identified and discussed, particularly around implementation practices of VSS, their channels of effect, and the scalability of some sustainability initiatives such as living incomes programmes. The need to encourage a move from sustainable towards regenerative practices was also emphasized.



► Panel 3: Understanding VSS impacts and effectiveness

This panel focused on the empirical evaluation of the effectiveness of VSS, emphasizing the need to move beyond theoretical assumptions and review-based generalizations toward more nuanced, data-driven insights. Presentations addressed the heterogeneity of VSS impacts, the role of intermediaries in VSS implementation, and the methodological challenges in measuring sustainability outcomes across different sectors and governance levels.

The panel opened with a comprehensive overview of the current evidence base on VSS effectiveness. It was noted that while economic and environmental impacts have been relatively well studied, social outcomes remain understudied. The dominance of research on certain commodities (such as coffee) and on certain VSS (such as Fairtrade) in the literature has also skewed the understanding of the impact of VSS. Furthermore, it was stressed that trade-offs between sustainability goals, spillover effects across sustainability dimensions and across different governance levels (e.g. farm level, regional level, national level), demand-side factors, and long-term impacts are insufficiently studied, pointing to the need for more robust indicators as well as longitudinal approaches which assess impacts over time. The latter is especially relevant since we might expect that impacts of VSS on sustainability outcomes only gradually materialize. Through longitudinal analysis, we can better capture trends on key sustainability indicators.

The panel discussions continued by highlighting the critical role of intermediaries in shaping VSS implementation, through a case study from the Indonesian cocoa sector. Certificate holders, often large buyer companies that act as gatekeepers of certification for thousands of smallholder farmers, influence how standards are translated into practice through decisions on the delivery of key certification interventions to farmers such as internal audits, premium distribution, and training modalities. The analysis revealed significant variation in outcomes depending on the design and delivery of such interventions. For example, the distribution of in-kind premiums (such as agricultural inputs) was associated with improved productivity and income at farm-level, while cash premiums showed limited impact, potentially due to the capture of such premiums by other intermediaries along the chain before it reaches farmers. These findings underscore the importance of transparency and oversight in intermediary-led VSS implementation and suggest that due diligence frameworks could benefit from lessons learned in VSS practice.

Another case study on VSS in the livestock sector, as a relatively underrepresented domain in VSS research, was discussed. The sectors' complexity - ranging from diverse production systems to conflicting sustainability metrics - poses challenges for standardization and impact measurement. To illustrate the case, the presentation highlighted how different standards incentivize either intensification or extensification depending on whether emissions are measured per unit of output or per hectare. This divergence reflects broader debates about what constitutes sustainable livestock production. The need for clearer definitions on sustainable production processes, harmonized metrics, and better data infrastructure was emphasized, particularly due to the overlapping regulatory and financial frameworks that farmers must navigate.

The role of VSS in broader multi-stakeholder sustainability initiatives was also explored. A case study in Indonesia and Peru found that while early efforts focused on dialogue and stakeholder engagement, more recent sustainability governance initiatives have scaled up to jurisdictional and landscape levels. While these initiatives have incorporated a growing number of sustainability dimensions, politically sensitive issues such as land and labour rights have received less attention over time. Additionally, the decision-making power of these initiatives has remained concentrated among international actors rather than local producers. The



findings suggest that scaling up governance does not automatically lead to more inclusive or transformative outcomes, and that context-sensitive models are needed to balance global leadership with local empowerment.

The panel also reflected on the role of research itself in shaping VSS trajectories. It was argued that researchers must be mindful of the political and institutional contexts in which their findings are used. Engaging directly with VSS organizations can enhance the relevance and accuracy of studies. The importance of clearly defined research objectives, transparent methodologies, and thoughtful dissemination strategies was underscored as essential for producing actionable insights that support both policy and practice.

Overall, the panel highlighted the need for more granular, implementation-focused research on VSS. Understanding how standards operate in practice across different sectors, geographies, and governance levels is crucial for assessing their effectiveness and informing the design of other regulatory frameworks. The integration of mixed-method approaches, improved data systems, and stakeholder engagement is key to advancing the evidence base on the effectiveness of VSS.

Roundtable discussion

The roundtable discussion explored critical questions around the design, implementation, and evaluation of VSS. It places particular focus on how to improve impact and accountability in a rapidly evolving regulatory and political landscape.

The role of intermediaries in implementation was another point of attention in the discussion. Evidence showed that intermediaries significantly influence outcomes through audit frequency, premium distribution methods, and training delivery. However, their role remains understudied, and implementation heterogeneity is poorly documented.

Relatedly, participants emphasized the need for stronger design features within VSS, particularly regarding implementation requirements. While many standards mandate basic interventions to be delivered to farmers - such as annual training or premium distribution - they often lack guidance on how these should be executed by certificate holders. Recommendations included specifying delivery mechanisms and limiting the involvement of intermediaries to ensure that benefits reach producers more effectively. Enhanced transparency in how certificate holders implement VSS and deliver these interventions emerged as a key concern to advance assessments of VSS effectiveness and improve accountability. These considerations of enhanced transparency were nonetheless weighed against concerns over commercial sensitivity and competitiveness.

The discussion also addressed the responsibilities of researchers in communicating findings. One example highlighted the reputational risks when nuance is omitted from publications, requiring extensive post-publication clarification. Researchers were encouraged to engage with VSS organizations early, understand their governance structures, and consider the political context in which their work may be used.

Methodological challenges were also brought up, particularly in conducting comparative and longitudinal studies. Participants noted the difficulty of isolating VSS impacts due to overlapping interventions, selection biases, and data limitations.

This led the conversation towards broader questions about the purpose and utility of VSS research. Should the goal be to isolate VSS impacts and focus on the sustainability additionality of certification or to understand them within a broader, holistic governance framework and focus more on how they contribute to the transition of production processes and behaviour to more sustainable practices? The consensus leaned toward the latter, recognizing the complexity of



the current sustainability governance landscape and the need for inclusive, context-sensitive research that informs both policy and practice.

► **Panel 4: Scaling up VSS and spillovers of sustainability impacts**

The final panel addressed broader systemic implications of VSS. Discussions explored the spillover effects of VSS and pointed to potential unintended consequences of MDDR, the importance of assurance systems, and the need for sector-wide transformation strategies, offering insights into the evolving role of standards in global sustainability governance.

The panel explored the intersection between VSS and political behaviour with a study on the Brazilian soy sector. The study's core hypothesis is that VSS, through their public audits, might lead to increased political engagement of certified producers in favour of sustainability: audited producers have more pressure to follow up on their sustainability commitments, including through campaign donations, due to their increased accountability and vulnerability to public backlash. Drawing on data from certified soy producers and political campaign donors, the analysis found the opposite: certified entities that are publicly audited are more likely to donate to right-wing political campaigns. This might be explained by the economic gains that political parties offer to producers, who hence hedge between sustainability efforts and economic gains. The findings raise questions about the effectiveness of transparency mechanisms in keeping economic actors accountable.

The role of assurance systems was also presented from the perspective of accreditation bodies. As the boundaries between product, process, and management system certification blur, the need for precision and credibility becomes more pressing. Assurance providers are increasingly central to verifying compliance and maintaining trust in sustainability claims. Collaborative efforts to define credible standards - such as joint initiatives between global accreditation forums - were presented as essential responses to tightening regulatory frameworks, including the EU Green Claims Directive. The emphasis was placed on aligning standards with robust theories of change, transparent governance, and rigorous monitoring and evaluation systems.

The panel also discussed a study of the anticipated impacts of MDDR in terms of vulnerabilities to key sustainability issues and in terms of costs distribution. Using input-output models and firm-level surveys, the analysis revealed sector-specific vulnerabilities, especially in food and agriculture in relation to forced and child labour, and insufficient levels of preparedness to implement MDDR. Compliance costs with MDDR were also found to be substantial, especially in OECD countries, of which a disproportionate share is likely to fall on upstream producers. The findings underscored the importance of targeted capacity-building and complementary measures to ensure equitable outcomes. Tools such as fair value distribution programs were proposed to support more inclusive transitions.

Sectoral transformation was further explored through the lens of the coffee industry. Multi-stakeholder Initiatives, such as the Global Coffee Platform, were presented as key vehicles for aligning diverse actors towards shared sustainability goals. Reference codes, equivalence mechanisms, and reporting frameworks were highlighted as tools for harmonizing efforts and enhancing transparency. While a significant portion of traded coffee is certified, gaps remain in integrating regenerative agriculture principles and ensuring consistent verification. The need for common language and sector-wide coordination was emphasized as critical to upscaling impact.

The discussion also underlined emerging challenges such as declining consumer willingness to pay for certified products, data protection concerns, and the complexity of managing sustainability data flows. It was argued that VSS should return to core economic principles



and foster internal motivation within firms to engage with sustainability principles, rather than relying solely on external drivers such as reputational risk mitigation or regulatory compliance. The potential for new VSS to emerge in sectors like e-commerce and artificial intelligence was flagged, suggesting that VSS must adapt to novel sustainability risks and opportunities.

Key research gaps identified in the panel include the need to better understand the political, socio-economic, and environmental spillovers of VSS and the channels of effects generating these spillovers. Further work is also needed on the distributional impacts of MDDR, including how compliance costs and vulnerabilities are transferred across global value chains, and what complementary measures can ensure fairness and inclusion. Finally, as VSS evolve, their ability to navigate political, economic, and institutional complexities will be central to their continued relevance and effectiveness. Success will depend not only on expanding coverage but also on ensuring credibility, inclusivity, and coherence across sectors and governance levels.

Roundtable discussion

The roundtable explored key issues shaping the future of VSS, sectoral transformation, and the shifting regulatory landscape. A central theme was the growing interest in regenerative agriculture and the debate over its positioning relative to agroecology. Participants questioned whether the sector's shift toward regenerative practices risks sidelining more holistic sustainability approaches and emphasized the need for clarity in definitions to avoid greenwashing. There was also broad support to revise equivalence mechanisms, develop common indicators and sustainability frameworks across VSS, and other sustainability initiatives to cover multiple sectors.

Accreditation systems were highlighted as underexplored areas with significant potential for research. Assurance bodies hold large datasets that could be valuable for understanding implementation and compliance trends, and researchers were encouraged to engage directly with these organizations.

Finally, the conversation turned to the role of VSS in emerging markets, including China. Participants noted growing interest in sustainability frameworks, particularly in the mineral sector, and emphasized the importance of bridging producer and consumer expectations. The potential for VSS to support inclusive development was reaffirmed, provided they are adapted to local contexts and supported by robust data governance.



Main takeaways

The meeting underscored the profound impact of the changing regulatory environment on VSS. On the one hand, VSS try to navigate the challenges and uncertainty generated by disengagement with the sustainability agenda, deregulatory efforts, and the rise of geoeconomics. As sustainability obligations shift from voluntary to mandatory frameworks, VSS are actively repositioning themselves: aligning with emerging regulations, redefining their roles, and increasingly functioning as data (e.g. traceability, satellite mapping) solutions, which also raises critical questions about data ownership, governance, and interoperability.

Throughout the two-day meeting, several knowledge gaps that could serve as entry points for future collaboration were identified. One major area lies in assessing VSS impacts through revised theoretical foundations and through enhanced study designs such as longitudinal studies. Yet, theoretical foundations require further development, and while longitudinal studies offer methodological rigor, they require significant time and resources to be carried out, and their ability to capture meaningful change over time remains uncertain. Generally, data availability continues to be a constrain on empirical analysis. Mapping the available data across VSS systems and existing research would be a way forward.

The two-day workshop clearly highlighted that VSS are operating a new political and regulatory landscape which has significant implications in broader sustainability governance frameworks. To remain relevant and impactful, VSS must adapt to a more complex and politically charged sustainability environment. The main takeaways from the workshop and their implications for VSS, the policy-community, and researchers can be summarized along 5 lines trying to provide some guidance on “what is next for VSS”.

▶ 1. From voluntary approaches to mandatory sustainability due diligence

Regulatory momentum - particularly within the EU - is shifting sustainability from a voluntary to a mandatory domain. Instruments such as the Corporate Sustainability Reporting Directive, Corporate Sustainability Due Diligence Directive and the EU Deforestation Regulation are introducing binding due diligence obligations, with global supply chain implications. This momentum is now shifting again towards weakening some of these instruments. To remain relevant, VSS must adapt from being solely certification schemes to becoming tools for regulatory compliance, while at the same time offering solutions for more significant market transformation towards sustainability. Currently, they are increasingly expected to provide traceability systems, data infrastructure, and compliance verification. However, this role redefinition imposes significant cost and capacity burdens - especially on smallholders, cooperatives, and producers in the Global South - raising equity concerns and threatening participation. These concerns must be recognized and dealt with.

▶ 2. Evolving roles: from certifiers to system enablers

Relatedly, the discussions highlighted that leading VSS are redefining their roles, moving beyond certification and toward becoming service providers that support companies with risk assessment, impact monitoring, and capacity building to fulfil their legal compliance obligations. New partnerships with governments and development agencies can amplify their reach but require clear frameworks and alignment with public policy goals. As a result, VSS can complement mandatory sustainability due diligence regulations by providing systems and engagement mechanisms that legal instruments may lack. This positions them as key intermediaries in this new sustainability governance landscape.



▶ **3. Structural challenges in VSS design and implementation**

Weaknesses in VSS design and implementation - such as enforcement challenges, reliance on powerful and under-scrutinized audit firms, limited engagement with low-performing producers, and insufficient delivery of key interventions - undermine their transformative potential. This calls for reforms, including clearer auditor oversight, adaptive systems that prioritize capacity-building over box-ticking compliance, and enhanced transparency about VSS implementation by certificate holders and other intermediaries.

▶ **4. Knowledge and evidence for policy**

A more evidence-based approach to VSS policy is critical. Research shows significant variation in VSS impacts across geographies, sectors, and scales, with notable evidence gaps. There remains a need to rebalance the research focus towards a more diverse set of VSS, more varied and consistent sustainability metrics, and multi-level and multi-actor approaches. Methodological shortcomings, confidentiality of implementation data, and lack of longitudinal studies continue to hinder research. Addressing these knowledge gaps, as well as strengthening platforms that translate research into actionable insights and foster collaboration between academia, policy, and VSS actors, are crucial to ensure informed policymaking.

▶ **5. The importance of inclusiveness for sustainability**

Inclusiveness in different aspects of VSS systems should be increased. The limited engagement of many developing countries and producers within VSS frameworks was noted throughout the panel discussions, alongside concerns that VSS may be perceived as instruments of neocolonialism. In addition, ensuring access to global markets and fair value distribution along the value chains remain key areas of improvement for VSS. Furthermore, producers in developing countries are struggling to comply with VSS and with increasing mandatory sustainability requirements while at the same time not reaping the potential benefits from certification. From a policy perspective, several initiatives can be taken by VSS to address these issues such as by enhancing technical support and capacity-building, training, and financial and trade incentives, as well as by mobilizing other actors towards these efforts.



Annex 1

Programme of the UNFSS AAC annual meeting 2025

Monday, 31 March 2025

9:00 – 9:30 [Arrival and Registration](#)

9:30 – 10:15 [Opening Remarks and Tour de Table](#)

Welcome words:

Anna-Katharina Hornidge (Director, IDOS)

Opening remarks:

Clara Brandi (IDOS)

Axel Marx (Leuven Centre for Global Governance Studies)

Santiago Fernandez de Cordoba (UNCTAD)

Tour de Table

10:15 – 12:30 [Panel 1: VSS in a changing regulatory environment and fragmented world](#)

This panel aims to discuss the implications of a changed international and regulatory context for VSS. These changes include the emergence of new regulatory tools (due diligence-based initiatives), ESG requirements and developments in other private approaches (jurisdictional approaches, corporate initiatives e.g. company pledges) on the one hand, and increasing disengagement with the sustainability agenda amid geopolitical turbulences on the other hand. The panel will assess the possible implications and effects of these recent developments on VSS and how VSS can position themselves vis-à-vis these developments. This panel will explore the following questions: what role do/can VSS play in a changed geopolitical/geo-economic context (challenges/opportunities)? How do VSS relate/engage with other regulatory initiatives? What are the implications for VSS governance?

Moderator: **Mercedes Aráoz Fernández** (Universidad del Pacífico)

Panelists:

Yixian Sun (University of Bath) - Transnational sustainability governance amid geopolitical turbulence

Claudia Kersten (GOTS) - Challenges and Opportunities in a new Regulatory Environment. Insights from GOTS

Shemina Amarsy (ITC) - Standards Map, complexity/differences between VSS and their changing role vs. regulations from ITC's perspective

Martin Schüller (Fairtrade Deutschland) - EU-Regulations in the context of HREDD and Fairtrade

Thomas Dietz (University of Münster) - Can Due Diligence Initiatives Overcome the Weaknesses of VSS? Preliminary Insights and Potential Future Research Directions

Vera Thorstensen (Fundação Getulio Vargas) - New geoeconomic framework and the role of private standards (online)

Roundtable discussion



12:30 – 14:00 [Lunch Break](#)

14:00 – 16:00 [Panel 2: The changing face of VSS design and implementation](#)

The changes in the regulatory landscape and the emergence of new types of competitors will significantly affect VSS design and implementation, including premiumization, labeling, monitoring, auditing and reporting practices. Questions which will be addressed in this panel include: Who are new 'solution providers' that are emerging in the space of VSS? How do they relate to VSS (complements versus competitors) and how do they affect VSS design and implementation? What type of reporting practices are emerging? What kind of monitoring and auditing data are being required/needed? How to balance transparency and data protection to avoid adverse effects? What is the role of and implications for VSS (including the governance of VSS)?

Moderator: **Ariel Macaspac Hernandez** (GIGA)

Panelists:

Graeme Auld (Carleton University) - Auditors, Audit Markets, and Sustainability Governance

Janina Grabs (University of Basel) - VSS and new competitors. Implications for demand and business models

James Harrison (University of Warwick) - Corporate reporting under the German Supply Chain Act

Henk Gilhuis (Rainforest Alliance) - How VSS can support companies to meet growing demands on ESG reporting and legal compliance

Lauren Shields (OECD) - Learnings from OECD alignment assessments: Evaluating VSS's uptake of OECD due diligence recommendations (online)

Roundtable discussion

16:00 – 16:30 [Coffee Break](#)

16:30 – 17:30 [Discussion next activities of the AAC](#)

Axel Marx (Leuven Centre for Global Governance Studies)

Santiago Fernandez de Cordoba (UNCTAD)

Clara Brandi (IDOS)

18:30 [Dinner @ Brauhaus Bönnsch, Sterntorbrücke 4, 53111 Bonn](#)



Tuesday, 1 April 2025

9:00 – 9:30 Arrival

9:30 – 9:45 Opening Remarks

Clara Brandi (IDOS)

Santiago Fernandez de Cordoba (UNCTAD)

9:45 – 12:00 Panel 3: Understanding VSS impacts and effectiveness

In essence, global sustainability governance targeting firms and value chains aim to change corporate/producer behavior and generate tangible sustainability impacts. Three decades of VSS research has focused on impacts. In this panel, we aim to discuss current approaches towards impact studies (focus on producer behavior versus sustainability indicators), possible new avenues and needs for impact research, discuss data needs and data availability, focus areas for research (biodiversity, others) and explore ways for possible further collaboration between academia, VSS and international policy community.

Moderator: **Archna Negi** (Jawaharlal Nehru University)

Panelists:

Miet Maertens and Eva Boonaert (KU Leuven) - Understanding heterogeneity in VSS impacts: Lessons, limitations, and moving beyond review studies

Charline Depoorter, Janne Bemelmans and Axel Marx (University of Basel/ UC Louvain/ KU Leuven) - The role of intermediaries in VSS implementation in shaping economic outcomes in the Indonesian cocoa sector

Evelien de Olde (Wageningen University & Research) - Adoption of sustainable farming practices vs reporting measurable impact

Kate MacDonald (University of Melbourne) - Scaling-up Multi-Stakeholder Sustainable Commodity Governance? Evidence from Indonesia and Peru (online)

Cameron Plese (RSPO) - Putting Research Findings Into Action: Lessons and Learnings from RSPO

Roundtable discussion

12:00 – 13:30 Lunch Break



13:30 – 15:30 **Panel 4: Scaling up VSS and spillovers of VSS sustainability impacts**

To remain an agent of (sustainable) change, VSS need to be adopted and used, and/or might influence sustainability beyond the certified borders (spillover effects). In this panel, we aim to explore these two dimensions further. This panel will address the following questions: What are some of the main trends in and challenges related to VSS adoption? How do different actors (business, governments with new measures and inclusion of VSS in trade agreements, national platforms, donors) approach VSS uptake? Which initiatives can be taken to scale up VSS? What is a desired level of uptake? How to distinguish credible from non-credible VSS in the context of stimulating adoption? In terms of spillovers, we aim to identify and discuss different types of (positive and negative) spillover effects, assess what this might mean for other forms of sustainability governance and discuss the implications for VSS.

Moderator: **Bernard Hoekman** (European University Institute)

Panelists:

Rodrigo Fagundes Cezar (Fundação Getulio Vargas) - The Spillovers of VSS and Its Effects on Producers' Political Behavior

Sönke Fischer (ASI) - Defining credibility of schemes in light of regulations - an assurance practitioners' perspective

Stefan Pahl (UNIDO) - Who pays? Modelling the (unintended) impacts of sustainability supply chains regulations (online)

Annette Pense (Global Coffee Platform) - Change in the coffee sector via VSS and complementary approaches

Li Li (University of International Business and Economics) - New issues in VSS governance - from the perspective of sustainable trade

Roundtable discussion

15:30 – 16:00 **Conclusion**

Main takeaways: **Axel Marx** (Leuven Centre for Global Governance Studies), **Charline Depoorter** (University of Basel)

Looking ahead: **Bernard Hoekman** (EUI), **Mercedes Aráoz Fernández** (Universidad del Pacífico)

Closing words: **Santiago Fernandez de Cordoba** (UNCTAD), **Clara Brandi** (IDOS)



Annex 2

List of participants

Name	Surname	Position	Organization
Nora	Aboushady	Senior Researcher	IDOS
Shemina	Amarsy	Senior Advisor	ITC
Mercedes	Araoz Fernandez	Professor	University of Miami
Graeme	Auld	Professor	Carleton University
Janne	Bemelmans	Postdoc researcher	Université Catholique de Louvain (UCLouvain) & TRASE
Elizabeth	Bennett	Associate Professor of International Affairs, Director of Political Economy	Lewis & Clark College
Marc	Bermann	Head of Politics and International Affairs	Fairtrade Germany, FTD
Eva	Boonaert	Doctoral researcher	University of Leuven (KU Leuven)
Clara	Brandi	Head of Dept. Transformation of Economic and Social Systems	IDOS
Karel	Callens	Senior Advisor	FAO
Angéline	Camus	Government affairs manager Europe	
Benjamin	Cashore	Professor and Director	Lee Kuan Yew School of Public Policy
Gloria	Castillo	Specialist	Inacal
Rodrigo Fagundes	Cezar	Assistant Professor	Fundação Getulio Vargas, Brazil
Gabriel Esteban	Chavez Gonzalez	Sustainable Sourcing Manager	Global Coffee Platform
Evelien	de Olde	Assistant Professor	Wageningen University
Rogério	de Oliveira Correa	Researcher - Desk Officer of Brazilian NP	INMETRO - Brazilian National Platform on VSS
Charline	Depoorter	Postdoctoral researcher	University of Basel
Britta	Deutsch	Project Manager	Aid by Trade Foundation
Thomas	Dietz	Professor	University of Münster, Germany
Emmanuel	Escoto Gonzalez	ASTM International	ASTM International
Beatriz	Fernandez	Programme Management Officer	UNEP
Santiago	Fernandez de Cordoba	UNFSS Coordinator	UNCTAD/UNFSS
Sönke	Fischer	Assurance Services International	Assurance Services International
Lystra	Fletcher-Paul	Consultant	UNCTAD
Clovis	Freire Junior	Head a.i. Commodities Branch	UNCTAD
Rachael	Garrett	Assistant Professor of Environmental Policy	ETH Zürich
Henk	Gilhuis	Lead Research & Impacts	Rainforest Alliance
Janina	Grabs	Associate Professor of Sustainability Research	University of Basel
Sophia Leticia	Groll	Associate Programme Management Officer	United Nations Environment Programme (UNEP)
James	Harrison	Professor, School of Law	University of Warwick
Ariel	Hernandez	Senior Researcher	German Institute for Global and Area Studies (GIGA)
Felicia	Hoeer	Project Manager	GIZ Green Button
Bernard	Hoekman	Director, Global Economics at the Robert Schuman Centre for Advanced Studies	European University Institute
Johanna	Isman		ASI Strategic Development Director
Maria Lucia	Justo Guillen	Consultant	UNEP
Marion	Karmann	Senior Research Engagement Manager	Forest Stewardship Council (FSC) International
Claudia	Kersten	Managing Director	Global Organic Textile Standard (GOTS)
Karin	Kreider	Executive Director	ISEAL



UNFSS Academic Advisory Council
Meeting 2025

Name	Surname	Position	Organization
Li	Li	Professor	University of International Business and Economics, UIBE
LU	LIU	Project manager	China Association for Standardization
Kate	Macdonald	Associate Professor	University of Melbourne
Miet	Maertens	Professor in Agricultural and Development Economics	KU Leuven
Othmane	Maktoum	Head of Division	Morocco Ministry of Industry and Trade
Nayara	Martins	Student Assistant	University of Basel
Axel	Marx	Deputy Director for Leuven Centre for Global Governance Studies	KU Leuven
Matteo	Mascolo	Lead EU Affairs & Engagement	FSC
Emily	McIntyre	Manager, International Policy	Standards Council of Canada
Etsuyo	Michida	Professor	Nanzan University (from April 1, 2025)
Paulo	Mortara Batistic	Associate Economic Affairs Officer	UNFSS/UNCTAD
Preshanthie	Naicker	Director	National Department of Forestry, Fisheries and the Environment
Archna	Negi	Associate Professor	Jawaharlal Nehru University (JNU)
Hermogene	Nsengimana	Secretary General	African Organisation for Standardisation
Kari	Otteburn	Postdoctoral Researcher	KU Leuven
Manish	Pande	Director and Head	Quality Council of India
Annette	Pensel	Executive Director	Global Coffee Platform (GCP)
Anakarina	Pérez Oropeza	Head of Strategy	FSC International
Jorge Antonio	Perez-Pineda	Research Professor	Universidad Anahuac Mexico & Universidad Nebrija
Martin	Peter	Deputy Head Trade Promotion	Swiss State Secretariat for Economic Affairs - SECO
Cameron	Plese	Head of Government Affairs	Roundtable on Sustainable Palm Oil
Maryam	Rahmanian	Consultant	FAO
Carmel	Rawhani	Impact Evaluation, Research and Learning Manager	Fairtrade International
Charlotte	Reich	Researcher	IDOS
Muhamad Amin	Rifai	PhD Researcher	Ku Leuven
Rodrigo	Rupérez	Consultant	UN Trade and Development (UNCTAD)
Moeka	Sakai	MSc Economics, Student	University of Bonn
Pilar	Santacoloma	Agrifood Systems Officer	FAO og UN
Engela C	Schlemmer	Professor of Law, Dean of Law	University of the Witwatersrand
Martin	Schüller	Referent Entwicklungspolitik, Klima und Umwelt	Fairtrade Deutschland e.V.
Manon	Sennechael	Consumer Information Specialist	UNEP/OPN
Lauren	Shields	Lead, Sustainability Initiatives	Organization for Economic Cooperation and Development (OECD) Center for Responsible Business Conduct
Nadine	Stiller	Coordinator	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Virpi	Stucki	Head	UNIDO
Joana	Sulaj	PhD Candidate	Ruhr University Bochum
Yixian	Sun	Associate Professor in International Development	University of Bath
Doris	Theisen	TA	IDOS
Vera	Thorstensen	Professor FGV - Head of the Center on Geoeconomics of Trade	FGV
Vera	Thorstensen	Professor	Fundação Getulio Vargas



UNFSS Academic Advisory Council
Meeting 2025

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Víctor	Torres Valdovinos	Coordinador de Política Mercantil	Secretaría de Economía
Franck	Trolliet	Programme Manager, Monitoring and Evaluation	FSC
Elvira Maria Laura	Uccello	Consultant	Food and Agriculture Organization of the United Nations - FAO
Valéa	Vadaleau	Head of Business Development	Aid by Trade Foundation
Peter	Waiyaki	Monitoring and Evaluation Associate	African Organization for Standardization
Mark	Wielga	Director	Nomogaia
Weijia	Xia	Director	China Association for Standardization
Chahir	Zaki	Professor	University of Orléans

