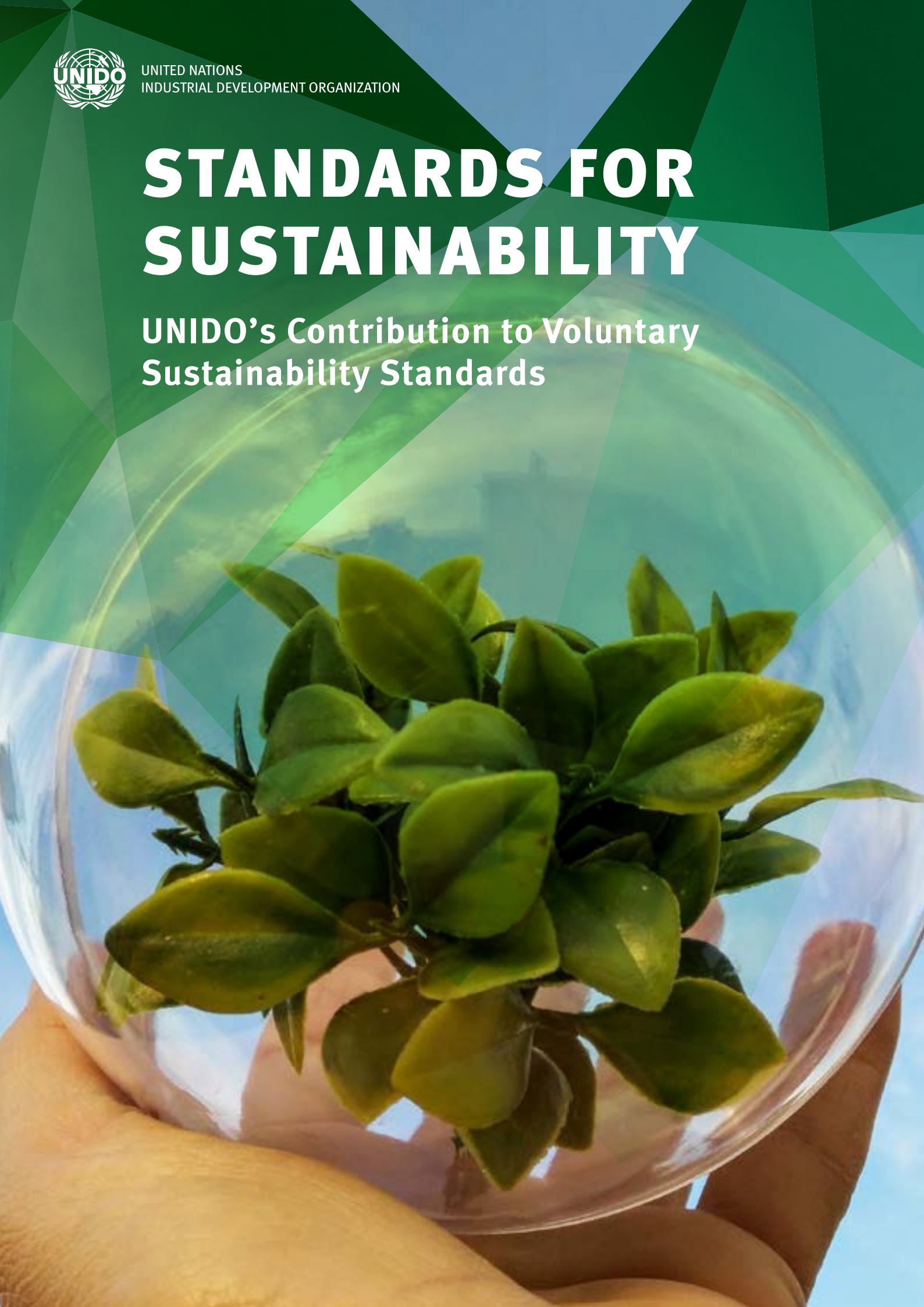




UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

STANDARDS FOR SUSTAINABILITY

UNIDO's Contribution to Voluntary
Sustainability Standards





THE ROLE OF VOLUNTARY SUSTAINABILITY STANDARDS

International trade is a powerful tool to stimulate economic progress and reduce poverty, for which standards play an important role. Research shows that standards that uphold not only the quality, but also the sustainability of methods of production can be the key for developing countries to unlock new markets.

Such **voluntary sustainability standards (VSS)** specify 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, environmental impacts, community relations, and land-use planning. VSS play an important role in guiding buyers and producers to better social and environmental outcomes in supply chains.

They also play a role in meeting genuine consumer interest to understand and improve the conditions under which the products they buy are manufactured and traded. The **COVID-19 pandemic** has further increased interest among retailers and consumers who want more clarity on where their products originate. In this regard, certifications and quality standards are important tools to achieve transparency and traceability of product origins in international trade, especially considering their efficiency to detect any possible causes of diseases. Additional benefits of certification relate to consumer protection, Good Manufacturing Practice, and corporate social responsibility. VSS have thus become highly desirable for brands that want to build trust with consumers.



RELEVANCE OF VSS FOR PEOPLE, PLANET AND PROSPERITY

The social and environmental issues associated with international trade that are concerning to many consumers of imported products have salience in light of international commitments made by countries to protect the environment and defend human rights. With rising consumer awareness on sustainability issues stimulating demand for VSS—and big retailers and private businesses requiring VSS, thus making them mandatory—VSS serve as an entry point for many producers from developing countries, creating greater export opportunities.

The private sector can contribute to more sustainable business practices through trade with VSS, which also have the potential to generate significant economic, social and environmental benefits. This highlights the relevance of VSS for three of the five Sustainable Development Goal (SDG) pillars, namely **people, planet and prosperity**, thereby also making VSS key to the operationalization of the SDGs and to supporting both developed and developing countries to meet SDG targets. The sustainable practices promoted by the more than two hundred existing VSS align to some extent with the SDGs.



People

There are substantial VSS linkages for SDGs focusing on social issues (e.g. SDGs 1, 2, 3 and 4), and almost all existing VSS address both social and environmental issues. Given this, VSS can also affect outcomes such as child education, nutrition, and gender equality (in addition to environmental protection) through various intended and unintended channels.

Sustainability standards also generate gender-sensitive assurances in the operational procedures and norms established by companies to drive systemic changes for women in supply chains and improve their overall working conditions. VSS can potentially contribute to higher incomes for women in agriculture and women can also receive financial support provided through certification. This includes pre-financing or premiums that can contribute to women's ability to access productive inputs and credit. When producer organizations support these measures, it can enhance women's rights to productive agriculture resources.

Fairtrade and UTZ are examples of VSS involving specific gender and non-discrimination policies that could help promote women's status and reduce prevalent gender disparities in access to information, inputs, and services. Furthermore, VSS promote gender equality in agriculture by potentially contributing to household food security; women's rights to productive agricultural resources; gender equality in education; women's unpaid domestic labour; women's decision making and empowerment; and decent work for women.



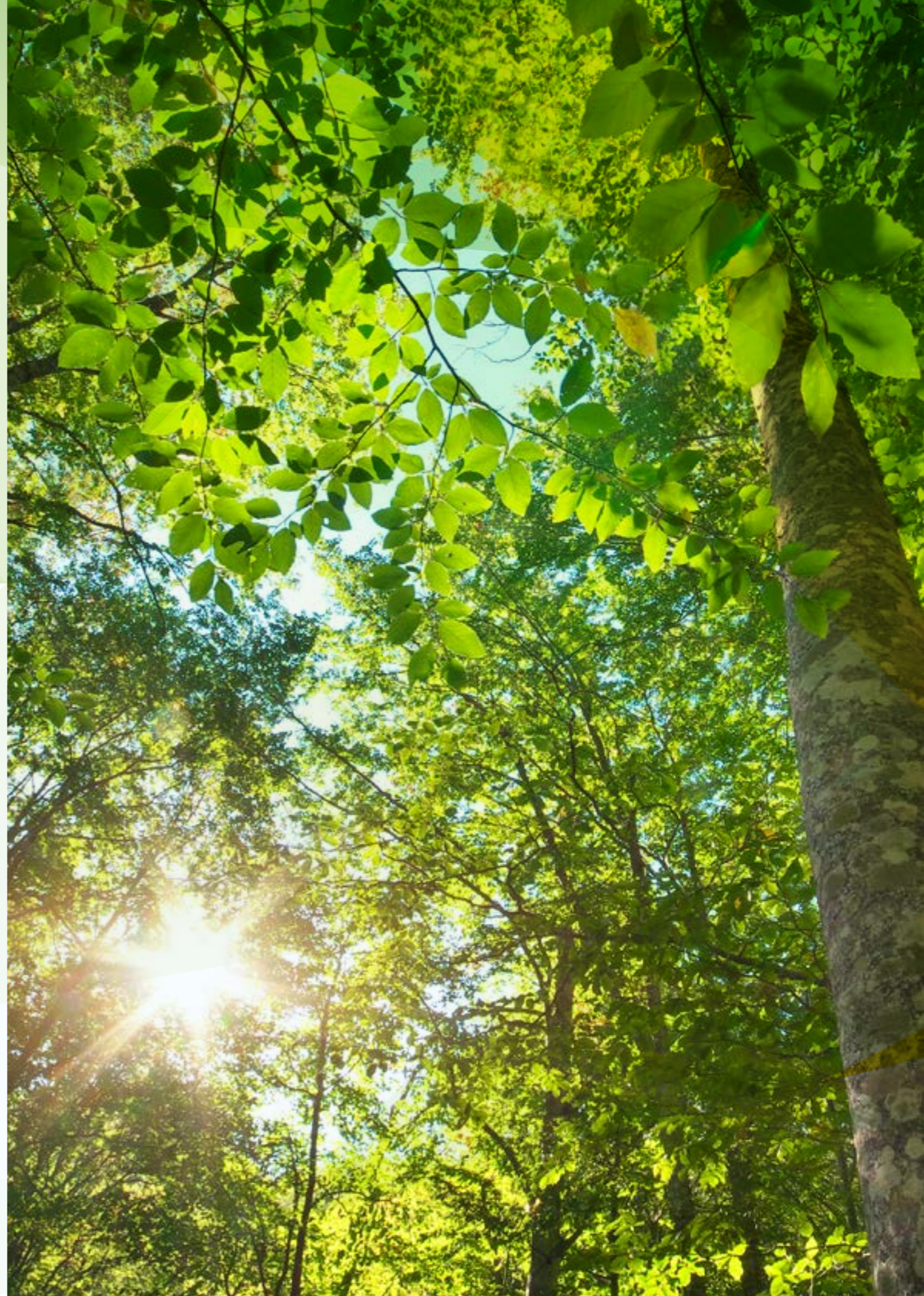
Planet

There are also substantial VSS linkages for SDGs focusing on the environment (e.g. SDG 15). VSS such as Fairtrade, Forestry Stewardship Council (FSC), Marine Stewardship Council (MSC), Organic, Rainforest Alliance, and UTZ are designed to address ecological and ethical concerns, and are often seen as a promising market-based tool to enforce standards where functioning governmental regulation mechanisms are absent.



Prosperity

The SDGs with the most VSS linkages primarily concern the economic dimensions of sustainable development (i.e. SDGs 8 and 12). Agriculture is the sector most covered by VSS and, on average, participating farmers in agricultural value chains are found to derive economic benefits from them. For example, the implementation of VSS can help farmers in developing countries improve their farming techniques and product quality, allowing them to participate in high-value added supply chains and markets. In turn, VSS can lead to higher and more stable prices for certified farmers.





UNITED NATIONS FORUM ON SUSTAINABILITY STANDARDS

Despite these opportunities presented by VSS, many decision-makers in developing countries have difficulty finding credible standards, compliance is costly, small-scale producers risk exclusion, and standards are not harmonized, causing unnecessary duplication. As a result of this lack of infrastructure and the necessary public finance, many businesses in developing countries are prevented from exporting to more profitable markets in developed countries.

In response to these challenges facing decision-makers in developing countries, the United Nations Forum on Sustainability Standards (UNFSS) was established in 2013 as a joint initiative of the Food and Agriculture Organization (FAO), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP), and the United Nations Industrial Development Organization (UNIDO).

Serving as a neutral, independent dialogue forum, the UNFSS helps producers, traders, consumers, standards-setters, certification bodies, trade diplomats, non-governmental organizations and researchers to find relevant information on VSS, share their experiences, obtain technical help and influence decision-makers at the intergovernmental level. The UNFSS is rooted in the existing mandates and activities of the five participating agencies and addresses the sustainable development value of VSS by pooling resources and synchronizing efforts. Moreover, the UNFSS assures policy coherence, coordination and collaboration among the agencies that comprise it, while each member agency has its own projects and related work on VSS and sustainable development.

A series of analysis and information-sharing activities are undertaken to facilitate this dialogue, including the production of a flagship report on topical VSS issues; support for national initiatives through National Platforms; Informed Policy Dialogue on VSS and its contribution to achieving the SDGs; and dissemination of information and awareness building, including through the [UNFSS website](#).



UNFSS

United Nations Forum on Sustainability Standards
a joint initiative of FAO, ITC, UNCTAD, UN Environment and UNIDO



UNIDO'S CONTRIBUTION TO VSS

The United Nations Industrial Development Organization (UNIDO) is the specialized United Nations agency supporting developing countries to facilitate industrial development for poverty eradication, globalization of trade and environmental sustainability. UNIDO's mandate is best captured in SDG 9 which speaks to inclusive and sustainable industrial development (ISID), and aims at enhanced economic competitiveness, social inclusion and safeguarding the environment.

UNIDO considers VSS to be a major tool for opening opportunities for the integration of business operators into global markets and value chains. UNIDO's interventions with respect to VSS help businesses—particularly small and medium-sized enterprises (SMEs)—to achieve and prove conformity with market requirements, compete on international markets and connect to global value chains.

Its work spans policy and governance advice to the development of Quality Infrastructure (QI) institutions and conformity assessment services, including the support of the private sector in achieving compliance with international public and private standards and technical regulations.

These actions are a response to the fact that global trade increasingly takes place within value chains, and in a system that is governed by multilateral trade rules such as World Trade Organization (WTO) agreements on behind-the-border regulations like technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS).

In addition, the quality and compliance of products and services with market requirements and standards on consumer health and safety, environmental impact, labor conditions and/or sustainability (including voluntary standards) have become key elements of competitiveness in global business relations.

As UNIDO recognizes the potential of VSS to contribute to export-led growth, wealth creation and poverty reduction, and, if properly used by countries, to serve as an effective tool to achieve the SDGs, it contributes to VSS through:

- » knowledge sharing and awareness raising;
- » partnerships; and
- » technical cooperation.



KNOWLEDGE SHARING & AWARENESS RAISING

UNIDO contributes to the UNFSS's biennial **Flagship Report**, which is a pivotal tool for all stakeholders from the public and private sectors to gain substantial information, through a transparent network, on trending topics important to the evolution of VSS. The report, in publication since 2013, has covered topics ranging from public policy issues and objectives, to VSS and the role of government, to VSS trade and sustainable development, to scaling up VSS through sustainable public procurement and trade policy.

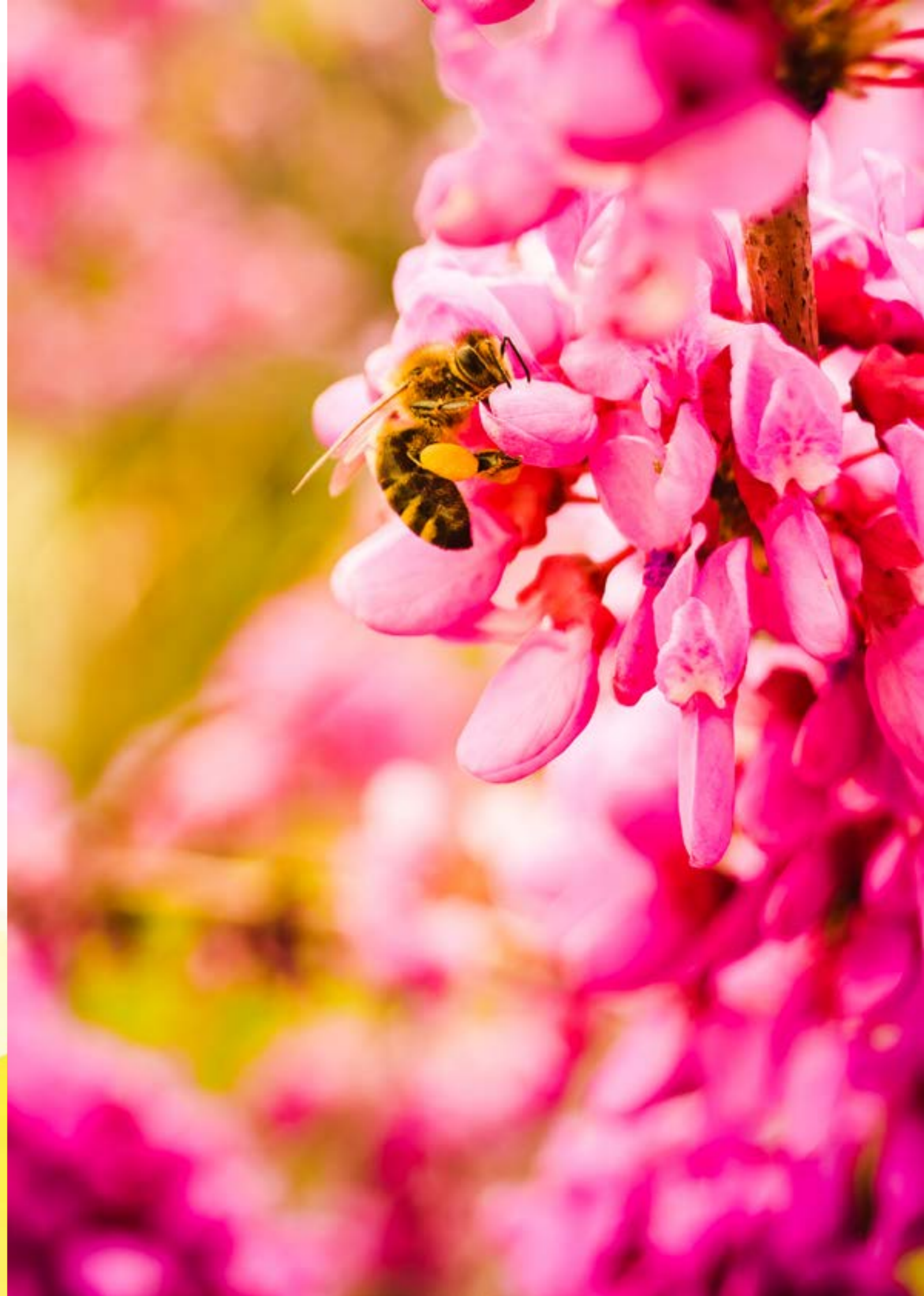
In the UNIDO publication ***Making Private Standards Work for You: A guide to private standards in garments footwear and furniture sectors***, producers in the respective sectors are provided with insights into the landscape of private standards and with guidance for turning private standards to their advantage.

UNIDO's ***Rebooting Quality Infrastructure for a Sustainable Future*** explains that "through voluntary measures, the private sector can also give a substantial contribution to sustainability in trade along value chains, by actively supporting the exchange of environmentally and socially friendly goods, services and technologies".

The private sector's contribution to achieving the SDGs through the adoption of sustainability standards was further showcased **during the International Quality Infrastructure Forum**, organized by UNIDO in cooperation with the African Union Commission, and held in Brussels, in 2019.

Working within its **Informed Policy Dialogue** function, the UNFSS interacts regularly with leading institutions and experts from both the public and private sectors, while drawing decision-makers and national experts from developed and developing countries into the dialogues supported by the Forum. These dialogues usually take the form of conferences, expert meetings, case studies or technical reports. This form of dialogue provides the most accurate and credible information on VSS, given the heightened concerns expressed by developing countries. The UNFSS Informed Policy Dialogue feeds into the International Convention on Sustainable Trade and Standards (ICTS), which serves to create awareness on the challenges and opportunities of VSS schemes such that the central reason to comply with VSS is the achievement of the SDGs. Most importantly, the ICTS provides a space for national and local stakeholders to participate in international dialogues that are supported by the United Nations, particularly the five United Nations agencies behind UNFSS. UNIDO Representatives have participated in both ICTSs held to date, in Brazil (2019) and India (2018).

Additional knowledge exchange takes place within the UNFSS's **VSS Academic Advisory Council (AAC)**, designed to pursue the scientific objective of understanding the determinants and effectiveness of VSS. The AAC brings together a global mix of experts from a wide variety of academic backgrounds, ranging from public international law, international political economy, economics and public management, to human rights and sustainability studies.





PARTNERSHIPS

National Platforms

In several emerging countries, including Brazil, China, Colombia, India and Mexico, the UNFSS supports **National Platforms**, which are national initiatives created and shared by stakeholders under each countries' respective coordinating body to reflect local priorities. They provide a neutral forum to exchange information and learn about VSS, as well as to collect information on national standards, assess the needs of decision-makers, policymakers and other stakeholders, link national demands with international expertise, and institutionalize VSS to strengthen communication. The experiences and lessons learned from these National Platforms are fed into policy dialogues of the Forum, and applied to other countries in similar situations.

ISEAL

At the global level, in addition to its contribution to the UNFSS, UNIDO is partnering with key players in VSS, including the ISEAL membership alliance of credible sustainability standards. A strategic alliance with ISEAL has resulted in promoting sustainability standards through major global events including one associated with projects in Colombia (2016) and in Indonesia (2017).

Global Sustainable Seafood Initiative (GSSI)

At the sectoral level, UNIDO joined the Global Sustainable Seafood Initiative (GSSI) in 2020 as an Affiliated Partner. The GSSI aims to ensure clarity, confidence and choice in the supply and promotion of certified seafood as well as to promote improvements in seafood certification schemes. UNIDO joining FAO in this partnership with GSSI will strengthen the global efforts to promote sustainable fisheries development, and increase its long-term contribution to securing better livelihoods in producer communities and protecting the natural environment.



TECHNICAL COOPERATION

There is a general trend towards standardization and application of standards driven by valid motives that include consumers becoming more demanding regarding the safety and quality of products as well as managerial and technological innovations (e.g. in production processes and product design). Other motives include increased awareness and concern for social and environmental sustainability issues among many governments, consumers, non-governmental organizations and civil society organizations. Despite this trend, the ability of developing countries and economies in transition to compete in global markets and participate in international value chains is often hampered by their difficulties in demonstrating compliance with quality requirements defined in standards (including VSS which, as previously mentioned, have become de facto mandatory standards) and trade rules.

As all VSS require producers to incur certain costs associated with changing their production techniques and obtaining certification for their output, those unable to adapt face exclusion from global markets. At the same time, because VSS also generate potential benefits—certification may expand demand (improve access to importing markets) and the shift towards greater sustainability may be associated with productivity improvements—overcoming such challenges is essential to help producers meet increased global demand for VSS and reap their benefits.

UNIDO helps its Member States to tackle related challenges by working with them to set up a QI, which is one of the specialized services the Organization provides to promote ISID. This approach contributes to economic development and the well-being of people through the strengthening of a country's industrial base as a platform for social inclusiveness, economic competitiveness, environmental sustainability and integration into the global trading system.

UNIDO's approach to QI development is systemic and holistic, from building awareness to helping initiate, develop and strengthen a fit-for-purpose QI that runs efficiently and cost-effectively. UNIDO promotes good practice, capacity building and training, and **fosters global cooperation in the development of standards-setting, measurement and compliance along value chains**. It works with partners from the public and private sectors, academia, national and international organizations engaged in standards development, and global metrology, standards and conformity assessment practice.

In supporting its Member States with strengthening their quality systems, UNIDO contributes to the work on VSS in its project countries, examples of which include the Global Quality and Standards Programme (GQSP) in Colombia, Indonesia and Peru, funded by Switzerland through its State Secretariat for Economic Affairs (SECO).





Ensuring sustainability of coffee and cocoa from Peru

The **Global Quality and Standards Programme (GQSP) Peru project** is strengthening the quality of the Peruvian coffee and cocoa value chain by improving the technical competence and sustainability of the National Quality System, enhancing SME compliance with standards and technical regulations, and promoting culture for quality.

After a mapping of mandatory and voluntary standards for the EU and US markets, and identifying quality requirements, the project designed targeted interventions to address quality gaps in the public and private sectors. The GQSP Peru is currently supporting the National Quality Institute (INACAL) to develop relevant standards, including on Good Manufacturing Practices, sensory evaluation for chocolate and environmental footprint. Additionally, UNIDO is helping INACAL to promote standards on Good Manufacturing Practices and Good Agricultural Practices, among others.

The project is also supporting the National Service of Agrarian Health (SENASA) to strengthen its functions to control the organic production by strengthening its seeds authority,

improving their organic production control systems, and supporting the implementation of internal systems controls and the implementation of the organic seal.

As part of the support to SMEs to comply with VSS, and increase awareness on quality culture, the project designed a series of five webinars on organic certification for coffee and cocoa. The series included the participation of 16 national and international experts who presented and discussed organic agriculture, voluntary standards, certifications, benefits and trends, organic and speciality coffee, organic and fine aroma cocoa, main challenges of the organic certification in Peru and the organic certification process.

Additionally, the project supported the Cocoa and Chocolate Show organized by the Peruvian Association of Cocoa Producers (APPCACAO) through a Conference on ISO 34140 – Sustainable Cacao together with the ISO Cocoa Committee Chairman Mr. J.H.M. Steijn.



Sustainable practices in Colombia

For entering global markets

Colombia seeks to be recognized as a regional leader in the production and export of cosmetics manufactured using natural ingredients by 2032. However, to export to international markets, the sector needs to meet the technical requirements in terms of quality throughout the entire value chain. Closing this gap was the objective of the **Safe+ quality programme for the cosmetic sector**.

UNIDO has supported Colombia's efforts to integrate into the regional and multilateral trading systems by enhancing its trade capacities and performance. This was carried out through a quality programme aimed at the cosmetic sector's production chain.

The main outcomes of UNIDO's intervention have been strengthening of the National Quality Infrastructure; fostering Colombia's integration into the regional and multilateral trading systems; and improving the cosmetic sector's capacity to comply with international quality, private and sustainability standards.

For preserving the environment

Through its technical cooperation activities, the **Quality Programme for the Chemical Value Chain**, as part of the **Global Quality Standards Programme Colombia**, has promoted the adoption of standards and technical quality requirements to prepare more than 50 micro, small and medium enterprises for the challenges and demands of international markets by generating technical capabilities within their companies. These technical capabilities will enable them to offer products with greater added value, reducing their impact on human health and the environment.

The technical assistance provided relates to sustainability in the context of VSS and beyond, and includes the:

- » Adoption of the Globally Harmonized System (GHS);
- » Implementation of green seals; and
- » Sustainability pilot for containers and packaging in the chemical sector.





Standards for sustainability of fisheries and aquaculture in Indonesia

In Indonesia, under the **SMART-Fish programme (2015–2019) and the Global Quality and Standards Programme (2019–2022)**, UNIDO has sought to contribute to strengthening the trade capacity of shrimp, seaweed, pole and line tuna, milkfish, pangasius and catfish to increase exports, while ensuring the conservation of biodiversity by promoting sustainability standards.

In the course of development of the Seaweed Production Standard of the Aquaculture and Marine Stewardship Council (ASC/MSC), the programme in collaboration with WWF Indonesia facilitated involvement of seaweed industry stakeholders, which mainly consists of small farmers, to ensure their needs and interests are accommodated in the standard. In addition, UNIDO supported the development of ASEAN Tuna Eco Label (ATEL). ATEL certification is expected to be a more affordable and less cumbersome sustainability standard that is consistent with FAO guidelines.

The programme supported Pole & Line and Hand Line Tuna Association of Indonesia (AP2HI) since 2015 in their efforts to obtain MSC certification. Regular public–private round table series were held to draw a roadmap for MSC certification

together with local and international organizations. The programme also supported compliance with the Chain of Custody (CoC) standard of MSC. In 2020, AP2HI's P&L tuna successfully obtained MSC certificate.

UNIDO supports development of Indonesian Good Aquaculture Practices (IndoGAP) as a third-party certification covering sustainability, safety and social aspects. In 2015, the programme supported the Ministry of Marine Affairs and Fisheries (MMAF) to join the pilot benchmarking of Global Sustainable Seafood Initiative (GSSI) as a basis for further developing the IndoGAP standard and certification scheme in line with FAO guidelines. The IndoGAP certification is planned to be rolled out in 2021, and fully assessed by the GSSI in 2022.

Looking to build future human resources in line with sustainable industry, UNIDO has supported the Jakarta Polytechnique University of Fisheries to diversify degree courses in aquaculture, fisheries and seafood processing technologies and engineering, and mainstreamed sustainability, productivity, traceability and innovation in university curriculum and course outlines.



THE WAY FORWARD

VSS support the integration of socially and environmentally responsible behavior, particularly in the private sector, which is an important stakeholder for realizing the 2030 Agenda for Sustainable Development and related SDGs.

The rising demand from retailers and consumers for transparency in value chains has been further exacerbated by the COVID-19 pandemic, making VSS more important than ever.

In view of this, UNIDO will continue its work, in cooperation with relevant stakeholders, to assist countries in leveraging VSS to build back more sustainably and inclusively post-pandemic and to reach their SDG targets, taking into account the triple bottom line of people, planet and prosperity.





UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

**Department of Digitalization, Technology
and Innovation (DTI)**
Vienna International Centre,
P.O. Box 300, 1400 Vienna, Austria
Email: dti@unido.org
www.unido.org