



Objectives and Challenges of

The UN Forum on Sustainability Standards (UNFSS)

The Emerging Intergovernmental Forum of Dialogue
on Voluntary Sustainability Standards



Importance of VSS

- VSS are of key importance for market entry and sustainable development.
- Unless pro-actively addressed, VSS can become a serious market entry hurdle and a key challenge in particular for small-scale producers.
- Real developmental opportunities exist in the light of strong dynamics in markets for sustainably produced products, which generally expand much faster than conventional markets.

Share and Growth Rates of Sustainable Produce

	Share in global supply, 2009 (%)	Sales growth, 2005-2009 (%)
Coffee	17	433
Tea	8	2000
Cocoa	1	248
Bananas	20	(2007-2009) 63
Conventional food		10-12

Source: The SSI Review on Sustainability and Transparency, 2010.



Importance of VSS (cont'd)

Voluntary (i.e. private) Sustainability Standards (VSS) are often viewed as a technicality, when VSS are tools that can be used to:

- Advance sustainable production and consumption methods (including opportunities for energy/material/resource efficiency and cost savings).
- Promote competitiveness in the growing and lucrative “sustainability” markets.
- Can lead to internalization of environmental and social costs.



Benefits and Costs of VSS

Benefits of VSS use may arise at different levels:

- Enterprise level
- Sectoral level
- National level
- International level

Costs and benefits might arise at different points and levels (i.e. those bearing costs might not necessarily earn many of the benefits). Thus, governmental task to even out interests.



Some Key Systemic Challenges of VSS

- Multiplicity and lack of interoperability of VSS – bearing on compliance costs
- Stringent, complex and multi-dimensional standards may reinforce marginalization of smallholders and less developed countries – compounding already existing weaknesses.
- Fear that VSS might (directly or indirectly) undermine the hard-won disciplines in the WTO Agreements on TBT and SPS measures.
- Risk of being used as anti-competitive instruments for achieving vested commercial interests.
- Spate of VSS may jeopardize integrity of their sustainability objectives and fuel confusion at producers' and consumers' end – “green-washing”.
- Many VSS tend to be one-dimensional on addressing risks – challenge of holistic approach.
- Many VSS are part of an export-led approach/international supply chains – challenge of reflecting national priorities and respecting appropriate trade intensity of exporting countries.

Rational for Creating UNFSS

- VSS as means to Sustainable Development, not as ends in themselves
- Contextualize VSS into the macro-economic development perspective (i.e. not only market access and market shares agenda).
- UNFSS should focus on public interest & public goods related to VSS.
- VSS need to be recognized as strategic policy issue (mitigating economic, food, climate and water crises).
- Understood within overall life cycle of products and related services (and within context of avoidance, minimization and management of 'real' risks)
- Also of increasing importance for South-South trade.
- **VSS** represent a new meta-governance system for international supply chains, largely outside WTO rules.

Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

Governance/
Standard-
setting

Overcoming
capacity
gaps

Devising
flanking/support
policies

Assuring
policy
coherence

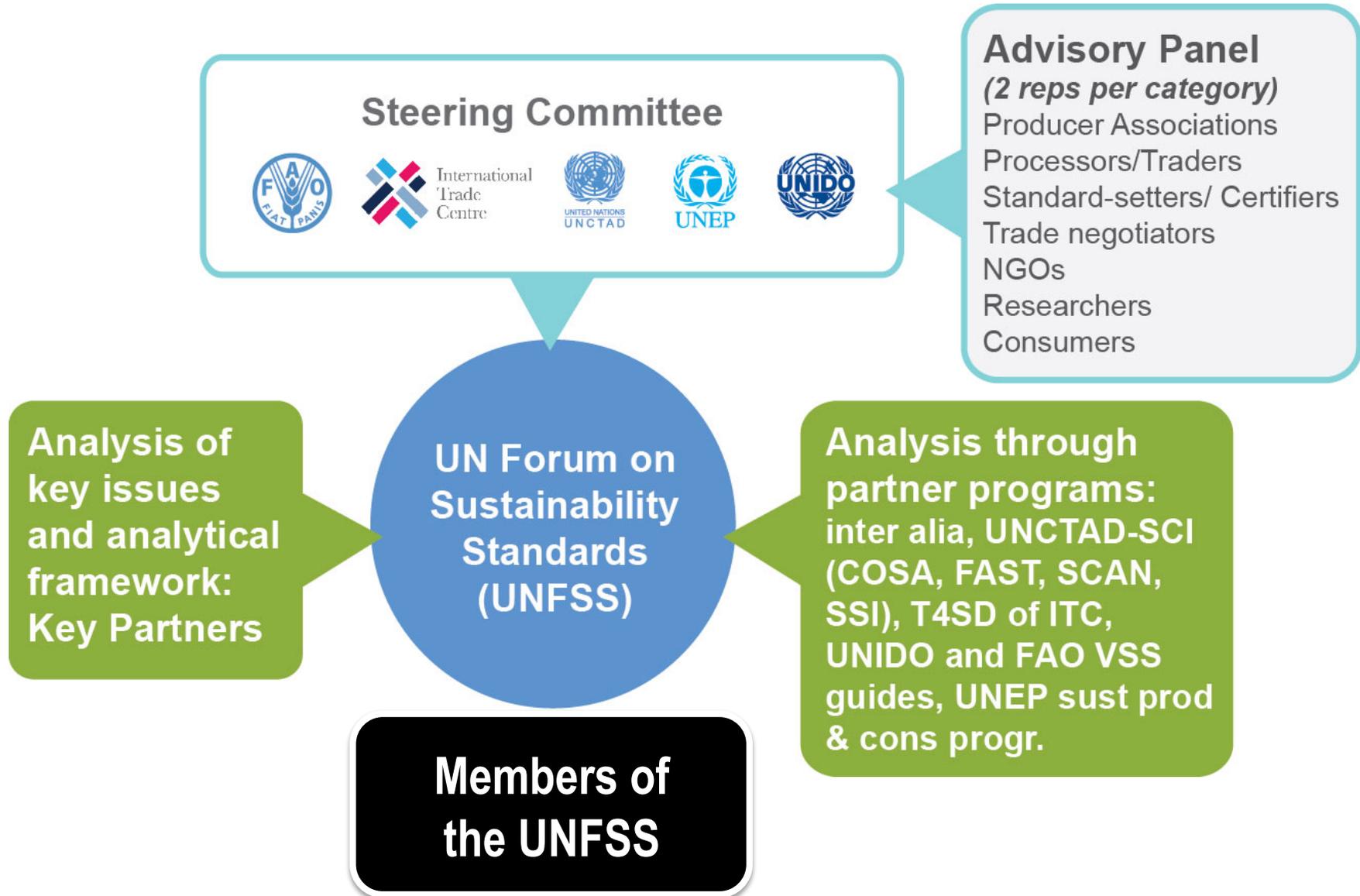
Facilitating
stakeholder
dialogue



UNFSS Added Value

- An **unbiased and credible policy dialogue** that guides and benefits from analytical, empirical and capacity-building activities.
- Structured to promote “**ownership**” by developing countries and assure the “**demand-driven nature**” of UNFSS activities.
- The only inter-governmental (and multi-stakeholder) forum that deals with **generic and strategic issues of VSS in a consistent and pro-active way**.
- Capitalizes on the strengths and specialization of each of the five UN organizations that partner on UNFSS.
- Better coordination of activities among UN partner organizations.

Proposed UNFSS Structure



Cluster of Activities of UNFSS

Informed policy
dialogue on developmental
and market-access
impact of VSS

Analytical &
empirical work
(including flagship
analytical report)

Upon specific request
from developing countries,
assist with analysis
of VSS



Activities of UNFSS (cont'd)

- Briefing sessions to consult with stakeholders in building UNFSS have been and will be held in: West Africa, East Africa, S/E Asia, Central America and China.
- Analytical and informational tools: decision making guides for policy-makers; background on impacts of VSSs; UNFSS flagship report; UNFSS Discussion Paper series
- Annual meetings
- Biannual meetings of Advisory Panel...
- Working Groups...



In a Nutshell

- While there are arguments for and against voluntary sustainability standards (VSS), in many international markets VSS have become a reality and have long since graduated from niches. Therefore there is a need to discuss and analyze VSS more systematically to maximize their benefits and minimize their costs, in particular for small-scale producers and less developed countries.
- VSS can effectively address some acute problems, overcome policy inertia, policy and market failures.
- VSS are the new 'power tools' in international trade that form a meta-governance system largely outside the WTO, but may have a critical bearing on market access, market exclusion and the achievement of national sustainability goals.
- The five UN agencies partnering in the Forum are all actively working on VSS. They will aim at pooling resources, synchronizing efforts, and assuring policy coherence, coordination and collaboration among United Nations agencies. The effort is thus a concrete and very practical example of the "The UN Acting as One" to maximize impact and efficiency.



UN Forum on Sustainability Standards

THE Emerging Forum of Intergovernmental (and Concerned Stakeholder) Dialogue on Voluntary Sustainability Standards

It's high time to start our work!

All documents for the meeting are available at: www.unfss.org