

SUMMARY REPORT

2021 ACADEMIC ADVISORY COUNCIL ANNUAL MEETING: RESEARCH FRONTIERS ON THE ADOPTION, IMPACT AND EFFECTIVENESS OF VSS

4-5 NOVEMBER 2021
HOSTED AT THE EUI, FLORENCE, ITALY +
HYBRID

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United Nations Forum on Sustainability Standards

a joint initiative of FAO, UNCTAD, UN Environment and UNIDO

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PARTNERS AND SUPPORTERS





> Day I

NOV,4,2021

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Opening Remarks by AAC Co-Chairs

1. The first annual meeting of the Academic Advisory Council (AAC) of the United Nations Forum on Sustainability Standards (UNFSS) was hosted by the European University Institute (EUI) in Florence on 4-5 November 2021 and was conducted in a hybrid format (on-site and online). The meeting was opened by the co-chairs of the UNFSS AAC, **Mr. Bernard Hoekman**, Robert Schuman Centre for Advanced Studies European University Institute (EUI) and **Mr. Santiago Fernandez de Cordoba**, UNFSS Coordinator, UNCTAD, who set the scene explaining the aims and objectives of the meeting.

2. In his opening remarks, **Mr. Bernard Hoekman** briefly introduced the EUI as the host institution. The EUI is a leading international and European research university in the field of social sciences with a focus on advanced studies and doctoral training. The EUI is multidisciplinary and includes the Department of Economics, the Department of History and Civilization, the Department of Law and the Department of Political and Social Sciences. The EUI aims to become more international and less European focused not only in terms of topics, but also in terms of the people trained at the EUI. He showed that the EUI's work goes beyond academia, citing the work with UNFSS AAC on Voluntary Sustainability Standards (VSS) as an example of being a partner of an international organization, and highlighted the benefits of previous joint work and exchanges on VSS.



As an academic, he concluded by defining the goal of the meeting as threefold: to present the latest research results on VSS, to identify potential areas of research, and to summarize and disseminate the findings in a report.

3. **Mr. Santiago Fernandez de Cordoba** outlined the background, aims, and objectives of the meeting. He explained that UNFSS is an initiative of five UN agencies: FAO, ITC, UNIDO, UN Environment and UNCTAD is the secretariat of the UNFSS. The AAC is a network of renowned



academic experts aiming to foster credibility in the research and analysis mandate. Mr. Fernandez de Cordoba highlighted the AAC's focus on VSS, their impact and effectiveness as a market-based tool to achieve the Sustainable Development Goals (SDGs). He explained that many countries are using (voluntarily) or have to use (mandatory) sustainability standards to implement the SDGs. However, they face many challenges in doing so and do not always achieve the desired goals. On this point, it is imperative to consider the perspective of developing countries. Against this backdrop, the members of the Forum draw on the knowledge of UNFSS to be informed about VSS in terms of the latest

data, transparency measures and use of research information. Mr. Fernandez de Cordoba explained that the structure of the event was based on the common takeaway, that evidence on VSS impacts is inconclusive and case-specific, raising concerns about their effectiveness, of the three UNFSS roundtables: Sustainability Standards and Environmental Concerns (10 February 2021), Sustainability Standards and Social Concerns (4 May 2021) and Sustainability Standards and Economic Concerns (17 June 2021). He outlined the two main pillars of the meeting, comprising academic panels and policy panels, and summarized the aims of this meeting as follows: first, help different stakeholders take a closer look at the impact of VSS from a sound, evidence-based perspective and understand their effectiveness; second, to network and promote pioneer research to provide a basis for further research; and third, to develop better policy advice based on the previously mentioned aspects. Mr. Fernandez de Cordoba gave an outlook on the next steps, starting with the meeting to hear the results (academic panels) and views (policy panels) to report them in the interest of the beneficiaries of the Forum, with a focus on developing countries.



Subsequently, the empirical research should provide a sound foundation for further research and to inquire in detail what works and what does not in the field of VSS. He also pointed to the 5th Flagship Report, to be published in 2022, which will examine the last two decades of policy tools, focusing on the role of international instruments, which can be powerful tools to help achieve the SDGs. Mr. Fernandez de Cordoba concluded his opening statement with words of gratitude for the partners and people involved in the organization and implementation of the meeting, namely the University of Leuven, the EUI, the DIE/MGG and UNCTAD.

Academic Panel 1: VSS and International Trade

1. This first academic panel was chaired by **Ms. Elisabeth Tuerk**, United Nations Economic Commission for Europe (UNECE). After introducing UNECE and its work, she highlighted the importance of VSS for both the public and private sectors as they are key tools to support and achieve the UN SDGs and sustainable development more generally. She then laid out the guiding questions for this academic panel, namely: what are the impacts of VSS on trade? Do VSS open up new markets and create trading opportunities? Or, conversely, do they constitute unintended barriers to trade? In particular, how do VSS affect the more disadvantaged participants in the global trading system, such as transitioning economies or small and medium-size enterprises (SMEs)?



2. In the first presentation, **Ms. Miet Maertens**, University of Leuven, discussed her recent paper co-authored with **Ms. Janne Bemelmans**, University of Leuven, “To Trade or not to Trade: Insights on the Trade Effects of Food Standards”, which aims to understand whether VSS promote or impede trade by focusing on tropical commodities, since VSS first emerged and are still mainly active in this sector. She made an important distinction between public and private food standards whose effects can be very different since their focus differs (product vs process standards).



She then provided an overview of the current state of evidence on the trade effects of both types of standards at the country-level as well as at the firm-level. For public standards, the evidence shows that the most impeding trade effects are found for the poorest countries and small and medium sized enterprises (SMEs). For private standards (i.e. VSS), Miet Maertens highlighted that there seems to be a positive effect, however, the evidence remains very limited on only a handful of standards. She hence first laid out the results of a firm-level study she conducted on VSS in the horticultural sector in Peru, which found that certification has no impact at all on export performance (both value and volume) which also holds true when disaggregating for specific VSS. She then presented her new paper, which analyzes the trade effects of 7 VSS on all producing countries of 5 tropical commodities. The results show positive trade effects of certification, which is more pronounced in terms of trade volume compared to trade value, which calls for further research on a potential negative price effect of VSS. Furthermore, she finds heterogeneity of trade effects across commodities (with most positive effect for bananas and no effect for cocoa), but not across exporter countries’ income groups. The research also highlights that this positive export effect is mainly driven by demand in high-income countries (as the effect is largest for exports to these countries).

3. The second presenter, **Mr. Marcelo Olarreaga**, Geneva School of Economics and Management, University of Geneva, introduced his recent paper on “Child Labour and Global Value Chains”. The paper explores the relationship between the internationalization of production through global



value chains (GVCs) and child labor at the sector level, using data for 26 low- and middle-income countries.

Mr. Olarreaga started by pointing out that an increasing number of initiatives aim to tackle child labor in GVCs, including VSS but also the UN Guiding Principles on Business and Human Rights (2011), the OECD Guidelines on Multinational Enterprises (2011), the UK Modern Slavery Act (2015), or the Switzerland Responsible Business Initiative (2020). Yet, he asked whether participation in GVCs helps reduce child labor and distinguished between upstream and downstream insertion in GVCs. He presented the existing literature on child labor and GVCs. Some studies show a negative correlation between export and child labor, but this does not hold when controlling for income. In addition, a few studies find that exports increase child labor in the short-run.



He argued that these studies overlook GVCs and the displacement of child labor across sectors. He presented the conceptual framework of his study and the sources of ambiguity about the supply and demand of child labor

on the market. Ambiguity on the supply side stems from two contradicting effects involving that (1) when wages increase, supply of child labor is expected to increase as the opportunity cost of not working is higher; but also that (2) when wages decrease, supply is expected to increase as parents are encouraged to send more children to work to compensate for their wage decrease. Likewise, the ambiguity on the demand side stems from two contradicting effects involving that (1) when exports increase, demand for labor, and hence child labor, increases (volume effect), but also that (2) when exports increase, exposure of firms to negative consequences of child labor increases and hence the demand for child labor decreases (awareness effect).

Mr. Olarreaga presented the findings of his paper, showing that sectors that participate in GVCs by providing inputs to exporting firms in third countries (forward linkages) have fewer cases of child labor. In contrast, sectors in which a large share of exports have foreign imported inputs embedded in them (backward linkages) experience higher incidences of child labor. He however nuanced these findings, arguing that only the forward linkages results are statistically significant.

4. Next, **Mr. Mattia Di Ubaldo**, and **Mr. Vikrant Shirodkar**, University of Sussex Business School,

presented their research on “Voluntary Sustainability Standards and Trade Agreements with Environmental Provisions: Complements?”. Mr. Shirodkar first put forward the different ways in which businesses and governments try to reduce pollution. Among efforts to do so, he distinguished between voluntary standards, such as ISO 14001, the EMAS, or the Responsible Care Global Charter,



and stringent public regulations and policies. He noted that the latter can hypothetically generate two effects: either reduce pollution (Porter hypothesis) or encourage firms to relocate in jurisdictions where environmental regulations are laxer (Pollution haven hypothesis).

Their research aims to understand whether greater levels of ISO 14001 adoption lead to reduced pollution at the country level, and what the effect of EU’s effort of introducing environmental principles in bilateral trade agreements is on this relationship. Presenting their theoretical background, Shirodkar argued that the diffusion of ISO 14001 can be driven by lead firms who exert coercive pressure on suppliers, as well as mimetic and normative pressure on neighboring firms, and that policies such as the EU’s environmental provisions in trade agreements can reinforce this effect and put increased pressure on firms to adopt ISO 14001.

He then presented the research hypotheses: (1) greater ISO 14001 adoption levels reduces pollution, and (2) this effect is greater among countries that have trade agreements with environmental provisions with the EU. They used a panel dataset of 147 countries over the 1999-



2014 period. As an independent variable, the (log of) number of ISO 14001 certificates in a country was used. As dependent variables (pollution), various greenhouse gases and air pollutants data from the Environmental Performance Index (EPI) were used. As a moderator, the degree of legalization of environmental provisions with the EU was obtained from the DESTA project. They also controlled for a number of income, export, governance and demographic variables.

Mr. Shirodkar presented the findings, which showed mixed effects of ISO 14001 adoption and of environmental provisions in EU trade agreements as moderator: a positive effect can be observed on some greenhouses gases and air pollutants, but not on others. Mr. Shirodkar highlighted the relevance of the research for developing countries engaged in manufacturing and exporting.

5. Lastly, **Mr. Lars H. Gulbrandsen**, Fridtjof Nansen Institute, presented his current work on a case of supply-side driven seafood certification, that examined supply and demand for farmed salmon certification in the UK and Norway. In this research, he focused on salmon certified by the Aquaculture Stewardship Council (ASC) in Norway, as Norway is a large supplier of salmon and ASC-certified salmon. He pointed to the assumption from the literature that growth in the supply of certified products is driven by market demand, to which producers respond, and which increases sales and/or yields price premium.



Against this backdrop, he presented his research puzzle: he observed a growing supply of ASC-certified salmon from Norway, but a lack of demand for it in Norway and the UK, which leads to ASC-certified salmon being sold as non-certified. He investigated the reasons for (1) such lack of demand and (2) the continuing increase in the supply of ASC-certified salmon despite lack of demand. He used descriptive statistics and semi-structured interviews with various stakeholders (ASC, NGOs, salmon farming companies, retailers).

In his conclusions, he argued that the sustainability challenges associated with salmon farming, as well as the perceived weaknesses of the ASC help explain the limited NGO support for ASC-certified salmon. The lack of NGO support and campaigns for the ASC in turn results in a lack of retailers' interest in buying ASC-certified salmon. Yet, he posited that Norwegian salmon farming companies continue to supply ASC-certified salmon to improve the industry's reputation and to prepare for future increases in demand.



6. Commentator **Ms. Vera Thorstensen**, Fundação Getulio Vargas, wrapped up the session, overall observing that the results on the impacts of VSS remain limited and not highly robust. Hence, she raised the question of whether firms do and can trust VSS in solving sustainability issues. In addition, she critically reflected on whether VSS will survive in the increasingly complex regulatory framework in which they operate, in particular concerning the increasing amount of measures imposed by governments.

7. Several comments and questions were raised by the audience, including on whether the proliferation of VSS is a challenge for their effectiveness, whether VSS will become redundant, whether VSS are worth the investment, and whether their measured effectiveness (if/when any) is sufficient to solve sustainability issues such as climate change.



Policy Panel 1: From Research to Policy Actions

1. The policy panel was chaired by **Mr. Bernard Hoekman**, Global Economics at the Robert Schuman Centre for Advanced Studies, EUI. He welcomed the impulse givers of the policy panel. He continued his opening statement by underlining the importance of interchanging VSS research and policy as they reinforce each other in actions.

2. The first impulse giver was **Mr. Joseph Wozniak**, International Trade Center (ITC). He started with pointing out that this year's 10th anniversary of the Standards Map was not only a reason to celebrate but also an opportunity to pause and reflect on the history and future of VSS, and led to a new [ITC report](#). He proceeded with disclosing that, since the emergence of VSS, together with



the input of ISEAL, smart roadmaps on VSS sustainability requirements for value chain actors have been built. As a result, VSS are progressively relied upon in public policies, for example, in trade agreements, public procurement policies or due diligence frameworks. Mr. Wozniak continued by focusing on the implications thereof on small and medium enterprises (SMEs), which, he stated, are oftentimes assessed positively.

Nevertheless, the right systematic measures need to be in place to avoid certification from becoming a barrier for (OECD) market entry. In this context, VSS and other sustainability frameworks can provide SMEs a way to export markets. However, from the SME side, this requires strong capacity building, which takes a significant amount of effort and resources.

Mr. Wozniak ended by questioning whether the current trends in plateauing VSS coverage, consolidation of VSS, and advancement of company codes of conduct might indicate that the certification market has reached a certain maturity or saturation. Nevertheless, he predicted that VSS will have a significant role in future trade agreements and Human Rights Due Diligence approaches, but alignment between how the EU, the OECD and VSS approach due diligence is needed for VSS to offer solutions in Human Rights Due Diligence approaches. In addition, special consideration has to be paid to SMEs working within regional or domestic markets, as these often fall outside the VSS framework.

3. **Mr. Santiago Fernandez de Cordoba** and **Ms. Niematallah Elamin**, UNCTAD, together took the role of second impulse givers in presenting the [UNCTAD report](#) "Better Trade for Sustainable



Development: The role of voluntary sustainability standards". Mr. Fernandez de Cordoba started by reflecting on the questions raised in the previous panel (Academic panel 1), and mentioned that the difficulties UNCTAD faces in advising member states most often relate to the limitations that exist in modelling certified trade flows due to data availability issues. He continued with introducing the report, which argues that GVCs are key elements for the diffusion of VSS, and this diffusion facilitates the sustainability 'upgrading' of GVCs. However, he stated that the effectiveness of VSS in promoting sustainable trade has both an adoption and an impact dimension. Continuing with the adoption dimension, he



described the widespread adoption of VSS, but recognized that adoption in developing countries, and in particular in Least Developed Countries, remains lower due to several uptake barriers that actors in these countries face, including (1) costs, (2) lack of incentives, (3) governance gaps, and (4) opposition against VSS.



Ms. Niematallah Elamin focused on the impact dimension and introduced a meta-analysis on VSS sustainability impact studies performed by the TRANSSUSTAIN project of the University of Münster. She concluded that the evidence on the sustainability outcomes of VSS is mixed and still incomplete, stressing the need for further research. She ended by presenting four policy recommendations to enhance the potential of VSS in improving trade, especially in developing countries: (1) leveraging the support by donors and multilateral organizations as costs of certification are still high; (2) further integrating VSS in public policy to increase their adoption; (3) further harnessing the market-based potential of VSS by providing more (evidence-based) transparency to consumers; and (4) strengthening empowerment and inclusiveness of VSS systems.

4. Next, **Ms. Karin Kreider**, ISEAL Alliance, took the floor as third impulse giver and presented some of her organization's reflections on informing action for a sustainable future. She started by giving an overview of ISEAL's history, membership, and recent innovations, concluding that they plan to work more closely with a wider range of VSS and similar systems to scale, and will try to deliver impact and innovate. She continued with introducing key trends in sustainability systems. She highlights (1) the diversification of sustainability strategies, which go beyond but still build on certification, to reach improved sustainability; (2) the fact that VSS partner with producers/SMEs in order to incentivize sustainability improvements using approaches other than certification; (3) the innovations in credibility assurance that minimize costs; and (4) the changes in due diligence and government engagement involving VSS. Next, she presented how ISEAL is involved on VSS impact research, and the important role of Evidensia in this. She ended by highlighting the importance of research for informing action for a sustainable future, by broadening the scope of empirical research to other sectors, products and sustainability systems, and by focusing on systemic impacts.



5. **Ms. Mercedes Aràoz Fernández**, Universidad del Pacifico, took the role of discussant. She thanked the impulse givers for their interesting contributions. Next, she underlined that the possibilities of VSS are great. However, she highlighted that before full commitment to VSS, including public policies' reliance on VSS, we first need to prove their impact, especially with regard to developing countries, in order to reduce the risk of VSS acting as trade barriers, excluding the most vulnerable population, and reducing livelihoods.
6. **Mr. Bernard Hoekman** concluded the panel by presenting some of his takeaways, including the difference between voluntary and mandatory standards and the question of the direction in which sustainability governance will evolve; the need for a better understanding of the broader range of sustainability systems; and the question of how the current trends in due diligence governance will involve and affect VSS systems.
7. Many comments were raised by the audience. A first remark regarded the large number of (unsupervised) VSS, which calls for more order and a reduced number of VSS on the market to increase their impact, the need for more research on VSS systems, also with regard to other counterfactual (governance) systems. Another remark related to the need to think on the scope of VSS research, pertaining especially to the definition of 'VSS' and 'adoption'. Other comments related to, among others, the gender dimension of VSS, their role in GVCs in relation to other



(company) sustainability systems, their relation with public governance, and the costs related to VSS and resulting exclusion of certain parties from the VSS system.

Academic Panel 2: VSS and Sustainability Concerns

1. This panel was chaired by **Mr. Axel Marx**, Leuven Centre for Global Governance, University of Leuven.
2. The first presentation was delivered by **Ms. Elizabeth Bennett**, Lewis & Clark College. Her presentation focused on the status of living wages in VSS. She started by explaining how living wages are pivotal for sustainable development. Ms. Bennett stated that increasing wage significantly contributes to raising income. In developed countries, wages equal 60-80% of total household income, while in developing countries, wages represent 30-60% of total household income. She also presented how living wages address wealth inequality, support savings and active virtuous economic growth cycle. She elaborated how the issue of living wages is a priority to international organizations, including the UN, ILO and others, and how this is reflected in the SDGs. She highlighted how the living wage gaps remain a significant challenge to the international economy. She raised questions on how VSS have traditionally approached the issue of living wages, how this is changing, and what the remaining challenges are. She also asked what would motivate VSS to play a greater role in achieving the living wage goal.



She showed that many “reputable” standards do not include living wages in their criteria. Based on a review of ISEAL-Member’s standards requirements, Elizabeth Bennett concluded that only 40% of them include living wage in their written standards, whereas 60% simply require a minimum legal wage or do not have a wage standard at all. In addition, by reviewing voluntary apparel standards with social claims, it was highlighted that 73% of them include living wage and 27% include only legal minimum wage. Moreover, her presentation showed that most VSS with living wages standards do not require compliance, i.e., suppliers are not required to pay living wages to gain certification, and auditors are not required to check compliance with this. Ms. Bennett’s study went further and investigated how the most committed VSS are managing living wages standards. She showed that even the most committed VSS do not require living wage payment and that living wages standard implementation remains aspirational.

In answering the critical question of what accounts for the VSS living wage “Implementation Gap”, she first discussed how the gap originated in the 1990s. She questioned whether setting such goal was aspirational, and discussed whether the methodology of estimation is too challenging. The gap was sustained due to several reasons, including, among others, a lack of benchmarking and consensus on the concept; brands’ and suppliers’ unwillingness to pay or inability to afford living wages; the fact that no VSS system attempts to be the first to include living wages; competition with own-brand benchmarks; and the cherry-picking use of VSS.

In conclusion, Ms. Bennett mentioned the main takeaways as follow: sustainability requires living wages; VSS scholarship incorrectly assumes that VSS promote living wages; VSS scholarship incorrectly assumes that poor wage outcomes are caused by supplier or auditor fraud; many VSS wage standards are set at the legal minimum; VSS with living wage standards do not implement them; and wages will not be improved with increased VSS uptake.

3. The second speaker, **Mr. Robert Heilmayr**, University of California, focused on the contribution of corporate protected areas to biodiversity conservation in tropical commodity crop landscapes. He stated that around 16% of the Earth’s land surface is currently allocated to public protected areas. A large body of research shows that these areas – with some exceptions – are located in places



that avoid conflict with other uses, especially agriculture. In some cases, the people and companies that are developing agriculture in these landscapes have joined sustainability programs, such as the Rainforest Alliance or the Roundtable on Sustainable Palm Oil certification programs. As of 2012, only around 1% of global croplands were protected under these standards, but this has likely grown in the near ten years since that assessment.

Most of these standards require protection of High Conservation Values (HCV). The HCV approach aims to protect critical environmental and social values in commodity landscapes. To do this, the approach involves a three-step method: identification, management, and monitoring.



This research raises the question of how corporate protected areas differ from public protected areas in their potential conservation value. To address this question, and by using georectified and digitized maps from RSPO auditing reports, Mr. Heilmayr's research focused on high conservation value areas designated within oil palm plantations in Indonesia. He found that the HCV coverage only amounts to 1.1% of public protected area (PPA) coverage.

A substantial portion of the land is controlled by growers who are members of the RSPO, which, since 2010, requires that, before land development, growers undertake a new planting procedure which includes identifying and setting aside HCV areas.

To measure conservation costs, threats and value, the study looked at different measures and concluded that HCV areas are at lower elevations, and in flatter landscapes, than public parks. In terms of forest cover and deforestation, HCVs had slightly less forest than public protected areas in the year 2000, when forest cover in both groups hovered at around 90%. However, they had much higher deforestation rates (around 1.7% per year) than public protected areas (0.2% per year). As a result, by year 2019, HCV areas had only 70% forest while public protected area coverage remained at around 90%.

Moreover, extant forests in HCV areas have a much higher risk of deforestation compared to those in public parks. Many public protected areas protect forests with the lowest risk of deforestation, while HCVs protect the highest risk forests.

In terms of biomass carbon storage, HCV areas harbor less than 1% of the aboveground biomass found in public protected areas. In terms of biodiversity conservation, the initial analysis suggests that due to their location, HCV areas may be protecting different types of biodiversity than public protected areas.

4. The third presenter, **Ms. Shaila Seshia Galvin**, Graduate Institute of Geneva, presented her new research project "Accounting for Nature: Agriculture and Mitigation in the Era of Global Climate Change". She introduced her recently launched book "Becoming Organic", which focuses on how contemporary concerns with sustainability inform agrarian practice and processes of agrarian change.



Ms. Galvin explained that agriculture is paradoxically positioned in relation to climate change: it significantly contributes to it, and is simultaneously and directly threatened by it. In addition, agricultural activities are increasingly seen to harbor important mitigation potential. She explained that the Accounting for Nature project aims to generate new understandings of the way that accounting practices shape human-environment relations and climate change mitigation strategies in agrarian settings. More specifically, it investigates how accounting knowledge and practice are embedded in global climate science and policy on agriculture-driven greenhouse gases (GHG), as well as how accounting practices address the dynamic materialities of agriculture-driven GHGs (methane, nitrous oxide, carbon dioxide) within agrarian environments. Finally, it explores how accounting practices are operationalized in agrarian settings (with a focus on Canada, India, and Argentina).



The project design and methods include examining accounting as a form of knowledge and set of practices that structures mitigation efforts in agriculture, and studying how accounting practices structure mitigation interventions and shape agricultural practices within specific agrarian settings. The data is collected through semi-structured interviews, ethnographic study of document, and participant observation, including in the context of stakeholder conferences and summits.

She concluded by explaining the project contributions, relevance and impact by stating that it will improve understandings of the social dimensions of climate change mitigation and expanding the “intellectual climate” of climate knowledge and policy.

5. **Mr. Thomas Dietz**, University of Münster, focused on explaining compliance with VSS based on his study on certified coffee producers in Colombia. This study aimed to understand the effect of premiums (paid to certified coffee producers) on compliance with environmental VSS, and is motivated by the increasing gap between certified production volumes and certified sales volumes, which presents a problem.

Using a household survey during the period 2016 to 2019, a total of 591 producers were surveyed in three regions in Colombia’s coffee belt. Using a quasi-experimental research design, premium payment was used as a treatment. Also, 233 out of 551 producers show complete information on premiums. 118 producers were under the treatment group and 70 producers belonged to the control group. The analysis method used was Robust OLS Regression to look for causal relations.

The study covered many outcome variables including soil cover, buffer zone, coffee waste water treatment, and others. The treatment explanatory variables included producers receiving a premium, training, help from VSS, help from cooperatives, and others. In addition, other control variables were used, including demographic variables.

When differentiated between farmers who get a premium and those who do not, significant results on four outcome variables (buffer zone, coffee wastewater treatment, warehouse is organized, and pesticide safe disposal) were observed.

Dietz concluded that: (1) premiums drive compliance, and even low premiums have significant effects; (2) missing premiums are a problem and will remain a problem if the amount produced and sold are distinct; (3) the gap between certified production volumes and certified sales volumes may present a structural problem for compliance; (4) cooperative support drives compliance; (5) if VSS systems are embedded in dynamic markets for standard compliant products, they may work well; and (6) there is a need to put more efforts in the development of markets for certified products.



6. **Ms. Rupal Verma**, IISD presented a study that mapped transitional interlinkages between VSS and SDGs co-authored with Philip Schleifer, University of Amsterdam; Clara Brandi, German Development Institute; Matteo Fiorini, European University Institute; and Katharina Bissinger, University of Giessen. The study worked on three research questions. First, it questioned what the linkages and disconnects are between the landscape of VSS and the SDGs. Second, it addressed what linkages to the SDGs VSS are creating in their rhetoric, activities, and organizational structures. Finally, it explored what motivates VSS to link their policies and organizational processes to the SDGs.

The study followed a mixed methods approach including quantitative mapping of 232 VSS (from ITC Standards Map) and 125 SDG targets; a qualitative content analysis based on websites and organizational records of 232 VSS; a structured survey questionnaire of 50 VSS managers; and semi-structured interviews of 10 VSS managers, each from a different economic sector.



Based on the initial mapping, it was shown most VSS link to SDG 12 (Responsible Consumption and production), while small number of VSS link to SDG 13 (climate action) and SDG 10 (reduced inequalities).

In sum, the mapping analysis revealed significant variation in the number of VSS linkages across the SDGs and their targets.

To answer whether VSS are creating linkages to the SDGs in their rhetoric, activities, and organizational structures, the study showed that 48% of VSS make rhetorical references to SDGs. Also, 43% describe activities (e.g., workshops) linked to SDGs, while 37% describe changes to their organizational structures (e.g., committee).

Through interviews, the study investigated the motivations of VSS managers and categorized the motivations into three groups: instrumental logic, managerial logic, and normative logic.

Ms. Verma concluded her presentation by stating that VSS-SDG mapping uncovers areas of synergies but also some surprising disconnects. In addition, the SDGs structure the policies and organizational processes of many, but not all VSS. Moreover, she raised a critical question on whether the intensifying transnational linkages for sustainable development translate into tangible impacts on the ground.



7. The commentator of this panel, **Ms. Eve Fouilleux**, French Agricultural Research Centre for International Development, highlighted the main outcomes of the session, including the implementation gap of VSS in achieving living wages, the differences between public and private areas in targeting conservation, the limited effect of VSS in targeting biodiversity and deforestation, the importance of a premium as driver of compliance, and finally, the link between VSS and the SDGs. Based on that, she questioned the impact of VSS on sustainability outcomes and referred to it as not quite successful. In her views, this is due to the poor implementation of VSS, the proliferation of VSS, and the impossibility of mainstreaming VSS, among others. She raised a critical question on why VSS are still promoted as promising instruments to achieve sustainability while their impact on ground is quite limited and unclear. This is partially explained by the fact that that many actors, including VSS systems and sometimes governments, would like VSS to survive regardless of what they actually do or do not achieve on the ground, she added.



8. The session was concluded by the chair, **Mr. Axel Marx**, who thanked the presenters for these interdisciplinary perspectives and session.



Day 2

NOV,5,2021

ACADEMIC PANEL 3: VSS WHAT NEXT?

- Chair: Emilie Vandecandelaere, FAO

Presentations:

- *The Future of VSS Growth: Adoption Dynamics of the FSC*, Charline Depoorter and Axel Marx, University of Leuven
- *The impact of VSS to vulnerable groups and the possible way forward*, Li Li, University of International Business and Economics
- *Four Faced: Does improved compliance to VSS undermine environmental sustainability?* Benjamin Cashore, National University of Singapore
- Commentator: Philip Schleifer, University of Amsterdam

POLICY PANEL 2: VSS AND DUE DILIGENCE

- Chair: Ariel Macaspac Hernández, DIE; Clara Brandi, DIE

Impulse givers:

- Luca Maiotti, OECD
- Archana Negi, Jawaharlal Nehru University

Commentators:

- Axel Marx, University of Leuven
- Engela Schlemmer, University of the Witwatersrand
- Jorge Pérez, Universidad Anáhuac

ACADEMIC PANEL 4: VSS IN PUBLIC POLICY

- Chair: Bernardo Calzadilla-Sarmiento, UNIDO

Presentations:

- *The Myth of Democratic Legitimacy*, Hamish van der Ven, University of British Columbia
- *A policy mix approach to biodiversity governance: the case of Colombia*, Eric F. Lambin, Stanford Woods Institute for the Environment
- *Pan-tropical insights on the contextual effectiveness and equity of forest-focused supply chain policies*, Rachael Garrett, ETH Zürich
- Commentator: Santiago Fernandez de Cordoba, UNCTAD

POLICY PANEL 3: THE ROLE OF NATIONAL VSS PLATFORMS IN POLICY ACTION

- Chair: Ruby Lambert, UNCTAD

Impulse givers:

- Manish Pande, Quality Council of India
- Hussalmizzar Hussain, Standards Malaysia
- Dolores T. Brito, INMETRO Brazil
- Vivian Xia, China Association for Standardization

CONCLUDING SESSION BY AAC CO-CHAIRS

- Mercedes Aràoz Fernández, Universidad del Pacífico
- Axel Marx, University of Leuven



Academic panel 3: VSS What next?

1. The academic panel was opened by the chair, **Ms. Emilie Vandecandelaere**, Food and Agriculture organization (FAO), who thanked the organizers for the opportunity to chair this panel with such promising presentations. As an introduction, she highlighted the importance of the UNFSS as a platform for knowledge-sharing and policy discussion. Furthermore, she illustrated how FAO has been involved in working on the topic of VSS, and other types of sustainability systems in GVCs. Next, she introduced the topic of this academic panel and very happily welcomed the speakers.



2. The first presentation by **Ms. Charline Depoorter** and **Mr. Axel Marx**, University of Leuven, discussed their recent paper “The Future of VSS Growth: Adoption Dynamics of the Forest Stewardship Council”. Mr. Marx introduced the topic by highlighting two current trends that motivated this research: (1) research on the effectiveness of VSS mostly focuses on the impact on the ground, disregarding the adoption effectiveness of VSS; and (2) the recent stagnation in adoption dynamics of VSS. Ms. Depoorter continued by presenting the case study of Forest Stewardship Council (FSC), and the observation that the adoption of this VSS has been stagnating since 2013 despite its increasing institutionalization.



Their research studies this puzzle by disaggregating the adoption of the FSC at country- and country-group level to understand the dynamics behind the global stagnation in the FSC and identify potential determinants for these dynamics. They rely on a mixed methods approach to (1) analyze 20 years of

global and country-level data, and (2) focus in depth on selected country case studies.

Their results point to the fact that the observed stagnation in FSC adoption at the global level hides very distinct adoption dynamics across countries' income groups and at country-level. Across countries' income groups, they find a stagnation in adoption in high income countries. Adoption is still increasing in middle income countries, while low-income countries seem excluded from the system as adoption remains extremely low.

At country-level, they identify three types of adoption dynamics: saturation (e.g. Croatia, Poland), growth (e.g. Russia, Indonesia), and decline (e.g. Republic of Korea, Austria). Based on selected qualitative country case studies for these three dynamics, they put forward three types of

determinants of FSC adoption dynamics which, by interacting, determine FSC adoption dynamics at country-level: (1) market forces, (2) government forces; and (3) competitive forces. The first two forces can either increase or decrease adoption, while competitive forces might either lead to a zero-sum or a positive-sum game. Ms. Depoorter concludes by stating that there is still potential for FSC growth, but special consideration has to be paid to further include lower middle- and low-income countries into FSC dynamics, and into VSS dynamics in general. To achieve this, further in-depth case studies are needed to better understand the factors that can encourage or hamper VSS adoption.



3. The second presenter was **Ms. Li Li**, Institute of International Economy University of International Business and who's presentation was titled “The impact of VSS to vulnerable groups and the possible way forward”, in which she focuses on the case of child labor in the cobalt value chain in DCR. After the publication of a NGO-report which denounced the use of child labor in artisanal and



small scale mining (ASM) in DCR, these companies stopped buying from ASMs in DCR. As a result, many children and households lost (part of) their income which in turn will worsen the situation of poverty and child labor. Ms. Li offers several reasons why the use of VSS in the cobalt sector has not solved the problem of child labor. First, most VSS have been developed from the perspective of value chain actors in developed countries, rather than from the perspectives of producers or vulnerable groups in developing countries, who, as a result, face difficult



meeting the VSS requirements. Second, she argues that VSS do not address the existing problems, but rather only try to keep them out of GVCs. Third, the lack of grievance mechanisms limits the opportunity of stakeholders to raise complaints. Ms. Li concludes with offering three suggestions on the way forward for VSS to improve the situation of vulnerable groups: (1) more attention has to be paid on the impacts of VSS on the producer society, and extra effort for the inclusion of SMEs and vulnerable groups in the development of VSS systems are needed; (2)

to develop standards for assessing the sustainability effectiveness of VSS, especially considering for vulnerable groups; (3) to implement grievance mechanisms.

4. The third presentation, titled “Four Faced: Does improved compliance to VSS undermine environmental sustainability?”, was given by **Mr. Benjamin Cashore**, National University of Singapore. Mr. Cashore started by briefly describing the emergence of the FSC, and noted that VSS and the use of markets for sustainability has coincided with global economic improvements (SDGs 1 & 8) but environmental deterioration (SDGs 13 & 15). He allocates this inability of VSS to impact SDGs 13 and 15 to (1) their focus on economic utility as dominant rationale rather than environmental improvements, and (2) the problem application of the VSS community. Next, he introduced a theoretical framework that typifies four ways to ways to classify (environmental) sustainability solutions, and which can be used to conceptualize and measure VSS compliance and effectiveness. He argues that the failure of the majority of VSS and other market-driven tools is due to a conflation of Type 1 (Commons) and Type 4 (Prioritization) through a focus on reducing deforestation and promoting “reforestation” or “regeneration”. In addition, he pointed to the fact that this typology also explains the poor measurement of effectiveness in VSS impact studies, i.e. the *rate* of deterioration reductions. He concluded by proposing some recommendations which focus on the problem conception of VSS, and acknowledging the limits of VSS in solving (type 4) environmental sustainability.



5. Next, **Mr. Philip Schleifer**, University of Amsterdam, took the role of discussant. He commented the presenters on their excellent projects, which showcase the research agenda on VSS well. He first focused on the study of FSC adoption dynamics, and questioned whether these dynamics translate into different types of value chain development and how it relates to deforestation (rates). Next, while referring to the presentation on VSS and vulnerable group effects, he broadened the topic and stated that excluding local norms from VSS can have problematic effects on the ground. Mr. Schleifer ended with confirming that too narrow problem conceptions of VSS can have very serious implications, and





pointed to the potential role of VSS within a policy-mix to address broader issues that require far-reaching measures.

Policy Panel 2: VSS and Due Diligence

1. This session was opened and moderated by **Mr. Ariel Macaspac Hernández**, DIE. The aim of Policy Panel 2 was to have a critical discussion about due diligence and VSS. The topic became predominant against the backdrop of the Netherlands, France and Germany having initiated national legislation on due diligence. The method of a town hall meeting used in this panel was briefly presented, where impulses are followed by critical questions from the audience, stimulating reflections on the topic from outside the “expert bubble”.



2. The first impulse giver **Mr. Luca Maiotti**, OECD, presented the “OECD Due Diligence Guidance for Responsible Mineral Supply Chains” and its impact. Due diligence was defined as an ongoing process to identify, mitigate and address the issues in value chains. The objective of the Guidance is to provide clear, practical guidance for companies to ensure they do not contribute to conflict



or human rights abuses through their mineral and metal production and procurement practices, with the guidance being applicable to all minerals on a global scope. The method applied in the Guidance is a 5-step risk-based due diligence process, relevant to all companies throughout the mineral value chain, upstream and downstream companies, with the exact responsibility depending on the location in the value chain. The different stakeholders involved are seen as assuming different roles: companies are required to implement due diligence and the 5-step framework, governments create an enabling environment, and civil society monitors the sector’s governance and companies’ activities throughout the value chain. Mr. Maiotti stated that overall, regulations in responsible value chains are on the rise, prompted by studies showing the lack of uptake of voluntary standards by industries. The Guidance is adhered to by 37 OECD Members and 9 non-Members and referenced in a range of international declarations, regulations and initiatives with several countries considering additional legislation. The legal status varies from industry requirements to soft law and even hard law. On the uptake and impact of the Guidance, he referred to the UNSC reporting that due diligence programs based on the Guidance have improved transparency and security in the mineral sector in the Great Lakes region of Africa, but progress varies widely across metals.

Answering the question on how these laws are implemented and what behavior is looked at to monitor their implementation, he mentioned the use of public disclosure and the conduct of risk assessments as ways to disclose misconduct, relying on known organizations and people. Capturing the global picture would be limited by resources, but Germany is an example of having published the final report of the monitoring process of the “National Action Plan for Business and Human Rights” (NAP), adopted on 8 October 2020, where the extent to which companies based in Germany with more than 500 employees are meeting their due diligence obligations enshrined in the NAP was reviewed. The report also describes the methodology and indicators used.

3. The second impulse giver, **Ms. Archna Negi**, Jawaharlal Nehru University, highlighted the perspective of developing countries. She presented how efforts on due diligence represent both risks and opportunities for VSS, especially in developing countries. She highlighted four aspects in the context of due diligence for further discussion: (1) the conceptual clarity; (2) global



frameworks; (3) developing countries' concerns; and (4) links with VSS. She highlighted the importance of semantics and its use as a deliberate tactic to reach consensus.

Regarding global frameworks, she gave a brief historical overview. She highlighted the trend towards mandatory due diligence for human rights and responsible conduct, particularly in Europe with the French Duty of Vigilance Act, the Dutch Child Labor Due Diligence Act and the German Act on Corporate Due Diligence in Supply Chains.



Then, focusing on developing countries concerns, Ms. Negi cited India as an example of being in the process of developing a NAP. The process came to the forefront due to COVID-19 and the challenges for informal migrant workers in India. She highlighted that the challenges faced in India are also applicable in other developing countries, namely: the complexity to put the rights-holders at the center of the debate due to intersectionality, the dispossession of communities from their right to access and control over natural resources, the absence of "national baseline assessments", the predominant structure of work with a lack of decent jobs and extreme informalization, the lack of social protection and unionization (particularly for informal workers), existing domestic legislation potentially conflicting with the implementation of the NAP, and the limited ability of the micro, small, and medium enterprises to engage with NAP.

She concluded her impulse with food for thought on four binaries: (1) mandatory vs. voluntary standards, (2) Domestic vs. international standards: (3) Developed vs. developing economies and (4) Human rights standards vs. environmental sustainability standards.

4. Commentator **Mr. Axel Marx**, University of Leuven, in response to Ariel's question about whether due diligence is a moral issue and whether it is altruistic or beneficial for Europe to be concerned about human rights violations in different contexts, replied that human rights commitments are in the first place a legal obligation and bound states. In the case of failed implementation by states, attention shifts to the private sector. It is here where the discussion on due diligence emerges. He discussed mandatory vs. voluntary distinction and expanded on current approaches towards due diligence. Here he focused on the contentious issue of corporate liability and explored the idea of using VSS as a safe harbor in the context.

5. Commentator **Ms. Engela Schlemmer**, University of the Witwatersrand, was asked by Mr. Hernández if she, as a lawyer, could provide insights into the jurisdiction issue of due diligence that paves the way to the legal standing of who can sue companies. She summarized that there is no general answer and emphasized the complexity of enforcing due diligence for international companies. Ms. Schlemmer pointed out that linking due diligence enforcement to VSS results in VSS becoming mandatory. She suggested critically reflecting about whether this helps to achieve the objective. In terms of implications, she highlighted that the scope could easily be underestimated, comparing the implications for consumers in the developed world with those in the developing world. On the point that the public sector shifts responsibility to the private sector, Engela Schlemmer concluded her remarks by raising the question of how to ensure support to vulnerable people.





6. Commentator **Mr. Jorge Pérez-Pineda**, Universidad Anáhuac, in response to Mr. Hernández’s question about due diligence or VSS as an instrument to interfere in domestic affairs of other countries from the perspective of International Relations, described the process of standards evolving over time as a normal development. He compared the situation to Corporate Social Responsibility (CSR), which was voluntary at the beginning and became mandatory over time. He supported the argument of Axel Marx and Bernard Hoekman that not all burdens should be borne by the private sector and the Global South. Mr. Pérez-Pineda concluded his remarks by focusing on the Global South’s adaption to given standards, raising the question of why the private sector of the Global South has been absent from the development of due diligence and how these countries can avoid damage to their reputations.



Academic Panel 4: VSS in public policy

1. The panel was opened by **Mr. Bernardo Calzadilla-Sarmiento**, UNIDO, who highlighted UNIDO’s recognition on the importance of VSS in facilitating global trade and integration in GVCs. UNIDO has also been working on assisting SMEs towards the digital age of the evolution of standards development and conformity assessment. UNIDO also acknowledges the work of UNFSS on the shared prosperity for all people and community, as well as safeguarding the environment and the planet. VSS are also becoming more in demand in UNIDO’s technical assistance support. In reference to the panel, Mr. Calzadilla-Sarmineto mentioned the complementary role of standards in regulatory frameworks, a “circular relationship” between the standards and policies which fits in the concept of public good and good governance.
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2. **Mr. Hamish van der Ven**, University of British Columbia, presented his work on “The myth of democratic legitimacy”, which refers to stakeholders’ influence over VSS. This project has been on-going for a couple of years and was presented as a working paper in Academic Panel 4. The motivation for this paper stems from the fact that stakeholders’ engagement and inclusion are a growing feature of global governance. The overarching research question for this paper is whether credible procedures with regard to stakeholders’ engagement leads to improved environmental impacts by analyzing how stakeholders’ input affects the output or the written content of sustainability standards. These questions have been further streamlined down to (1) who participates, and if some actors are better represented than others, (2) the type of input (intention or nature) that stakeholders provide, and (3) if there are any observable changes to the content of sustainability standards in response to stakeholders’ input. The methodology includes assembling the dataset of 7945 of stakeholders’ comments submitted during stakeholder engagement at the standards development and revision phases for 6 VSS – the Responsible Jewellery Council Principles and Code of Practices, the Aquaculture Stewardship Council for Freshwater Trout Standard, the Better Cotton Initiative, the Aluminium Stewardship Council Chain of Custody Standard, the Alliance for Stewardship International Water, and the Sustainable Agriculture Network’s Standards for Agriculture and Cattle Groups and Farms.
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Mr. van der Ven concluded by highlighting the key takeaways of his research: business interests are over-represented in comparison to other stakeholder groups, but not necessarily more



influential. Besides, most stakeholder input either seeks to maintain the status quo or clarify existing rules. Moreover, stakeholder input seeking to weaken the stringency of a VSS is significantly more likely to be accepted than other types of input, and significant variation exists between VSS on each of these questions. Thus, it is unclear whether stakeholders' engagement leads to better, more stringent standards. This raises the question whether good governance can serve as a proxy for improved social and environmental outcomes.

- 3. Mr. Eric F. Lambin**, Stanford Woods Institute for the Environment and UC Louvain, presented his research on "A policy mix approach to biodiversity governance: the case of Colombia".

The paper analyzes the policy ecosystem, or the policy mix, to protect biodiversity in Colombia. Not only is there a rapidly increasing number of policy interventions, but he also highlighted a sequence in those policy interventions. Initially, they mostly took the form of command-and-control interventions for protected areas for land use. Then, a new layer of incentive interventions appeared in order to facilitate compliance, as well as a series of enabling measures to monitor land rights. Later in the sequence of the policy mix, international funding also appeared in order to support existing policies, followed by value chain initiatives, including VSS.



Focusing on Colombia, he showed that all policies linked to biodiversity can be categorized according to a temporal scale, a governance scale (international, national, etc.), terrestrial ecosystem, and lead actors. He found that 186 policies are actively dealing with biodiversity conservation, more than what was expected from a single country. It was also found that standards account for about 20% of these policies. Over time, the number of interventions has increased exponentially, especially after 2000. As interventions proliferate, there is a need for coordination to orchestrate them, which has been observed later in the sequence. These many interventions may be complementary but can also be antagonistic. When policies are disaggregated according to the different sectors or topics, there seems to be some increase coinciding with international conferences that set global agendas that typically require countries to make commitments.

Moreover, most VSS under study emanate from the private sector, as well as from the government of Colombia, which has both private and public sustainability standards. The standards are largely issued at the international scale by international organizations, which appear to fill in policy niches that are outside the realm of public interventions.

Most importantly, he found that such policy mix addresses the main threats of biodiversity, and highlighted that the policies are more or less matching the causes of biodiversity loss. This means that the policy mix in Colombia is doing a good job in addressing the main threats to biodiversity. The key takeaway from this presentation was that there is clearly a significant positive result of coordinating or orchestrating role to be played by the central government within such polycentric governance.

- 4. Ms. Rachael Garrett**, ETH Zurich, presented her recent paper on "Pan-tropical insights on the contextual effectiveness and equity of forest-focused supply chain policies".



The paper is motivated by the idea that agricultural expansion is the major driver of deforestation globally, particularly for beef (cattle), oil palm, soy, cocoa, plantation rubber, coffee and plantation wood fiber in South America, West Africa and, signification, in Indonesia. For cattle, oil palm and soy, VSS adopted by global commodity traders such as ADM, Bungee, Cargill, or Dreyfus, are mostly oriented towards market exclusion mechanisms (MEMs), i.e. committing to zero deforestation by excluding sourcing from farmers that deforest after a cut-off date. She argued that the effectiveness and equity of VSS are influenced by commitments' design and scope, but also by many



contextual factors such as value chain characteristics, public governance context, land use history, producer characteristics, etc.

The key takeaway about MEMs is that it is often considered as likely to have an impact if the companies having made these policies control a majority of the market. Otherwise, there are too many opportunities for producers to keep selling to uncommitted actors. However, findings from this research show that market shares vary widely, e.g. for beef cattle, only 30% of the market are covered by firms who have committed to zero deforestation, and that 34% is covered by companies who have rather worked with the public prosecutor's office and have only committed to zero *illegal* deforestation. Thus, not much of the market is covered by such commitments, which explains the inconsistencies in results and the ineffectiveness measured on the ground, as there are many leakage markets available. On the soy moratorium, there are at least 95% of market actors committed to zero deforestation. Hence, unlike beef cattle, commitments linked to this product seem more effective at reducing deforestation. For cocoa in Ivory Coast and oil palm in Indonesia, around 60-75% of these commodities are likely to be traded by companies who have made some type of deforestation commitment, although it is not always zero deforestation.

The study also looked at the number of tiers of suppliers committed within a value chain, which adds to the complexity of the effectiveness to measure and target zero deforestation. However, it differs significantly by commodity and region. For example, soybean production in the Amazon is a less complex value chain, as farmers sell directly to committed traders through formalized cooperatives. However, in beef cattle, there are more tiers in the value chain, as well as in oil palm, where only a small amount of the market is vertically integrated. An even more complex situation could be observed in cocoa, as there are many informal intermediaries. Besides, it is mainly chocolate retailers who make commitment, rather than traders. Hence, this waters down the impact and potential effectiveness of MEMs.

These research findings suggest that MEMs have an effect on market equity, as companies and retailers may consider excluding small holder farmers altogether if they do not commit to some form of deforestation. Thus, to conclude, MEMs effectiveness depends on market share and is less effective when committed firms do not control enough of the market. Rachael Garrett also highlights that complex value chain arrangements exacerbate equity issues with MEMs, that government support to committed actors does not ensure equity or effectiveness, but also that a lack of government support can substantially undermine zero-deforestation efforts.

5. Mr. Santiago Fernandez de Cordoba, UNCTAD, provided some takeaways from the 3 presentations from an economic perspective. He pointed to three key issues that were presented: (1) multistakeholder engagement; (2) policy mix and sequencing; and (3) the complexity of value chain characteristics. With respect to multistakeholder engagement, he expressed that this topic should have been discussed years ago, especially on how to design VSS and their considerations. This is highly relevant to the issues discussed and addressed at the United Nations in public policy and governmental interventions. Mr. Fernandez de Cordoba stated that this means that there is more scope for governments to intervene on the credibility of multistakeholder initiatives, especially in developing and emerging economies.

With regard to the policy mix and sequencing for biodiversity objectives, as the case of Colombia resulted in better coordination between policy mixes to achieve the biodiversity targets, Mr. Fernandez de Cordoba highlighted that governments have become crucial actors in a polycentric governance framework and can coordinate different forms of policies, with an opportunity for VSS to fill policy gaps on biodiversity threats which are not part of the public command and control.

On the complexities of value chain characteristics to determine the effectiveness of VSS to pull out agriculture producers out of MSEM, he argued that governmental intervention can play a role in some areas.

In light of all these findings, Mr. Fernandez de Cordoba highlighted the role of governments in the application and facilitation of VSS. Hence, his concluding remarks pointed back to the need to link



back the role of governments in future research, especially where there seems to be the lack of governmental involvement in developing countries with regard to the uptake of VSS.

Policy Panel 3: The role of National VSS Platforms in Policy Action



1. This session was chaired by **Ms. Ruby Lambert**, Sustainability Expert, UNCTAD and provided inputs on the role of National VSS Platforms in policy actions.

2. The first speaker, **Mr. Manish Pande**, Quality Council of India (QCI), introduced QCI by highlighting its establishment as the youngest body completing the Indian Quality Infrastructure. He mentioned that QCI is institutionalizing an ecosystem approach to quality. He also went through its organizational structure.

Manish Pande went through the project analysis and documentation division (PADD) key areas of expertise, which include: designing private standards, benchmarking international standard, SDG mapping and impact study for VSS frameworks, and the design and development of voluntary certification schemes, among others. He mentioned that voluntary certifications operate within the compliance ecosystem in India.

He then explained the objectives of the India National Platform, which include: knowledge exchange, strategies to foster collaboration, building an ecosystem, supportive policies, and harmonization of VSS. He highlighted the first ICSTS by India PSS platform in partnership with UNFSS and the platform contribution to UNFSS 3rd Flagship report.

QCI also works closely and collaborates with Indian academic institutions. He outlined that although this collaboration has tremendous advantages, it also presents challenges, including the disconnect between theory and practice, and the lesser focus of academics on the magnitude or effects on VSS.

QCI looks at the UNFSS AAC as a way to collaborate further with academia, and it looks forward to evidence-based studies through the AAC that helps in policy making. The opportunities of collaboration identified by Mr. Pande include: improving quality in public procurement, inviting industry bodies/associations to approach QCI to design and develop internationally acceptable conformity assessment systems, the implementation of schemes on the ground, and the mapping of various schemes into the ITC.



3. **Ms. Dolores Brito**, INMETRO, started by presenting the organization of INTEMRO and its key tasks, including meteorology and accreditation, technical barriers to trade, and WTO agreements. INMETRO as well develop mandatory and voluntary schemes.

She introduced two points to set the scene of her presentation. First, compliance with technical barriers to trade is costly for developing countries. Second, developed countries implicitly tolerate the existence of “scheme” developers on their territories, and it is hence reasonable that they are questioned for this tolerance according to their commitments to the WTO.

Ms. Brito then discussed VSS governance issues. While developed countries create new regulations based on sustainability requirements, produce new technologies, bring VSS topics to trade negotiations and are also donors, developing countries, on the other hand, are standards takers, that is, they are asked to comply with these standards, and they demand and need technical assistance for trade. Ms. Brito also questioned the role of the WTO with regard to VSS.



The presentation went through the Brazilian National Platform and its engagement with stakeholders, including academia and civil society.



The work of the platform includes knowledge and dialogue building to introduce inputs for policy decision-making process.

Ms. Brito highlighted that the platform's role does not include promoting standards, but supports the different sectors and stakeholders in their work through dialogue and capacity building. She also presented the progress in the way the platform delivers its work, for example from focusing on providing information on VSS in the past to holistic research approaches.

4. Next, **Ms. Weijia Xia**, China Association of Standardization, presented the role of China Association of Standardization in policy actions. She first presented China's standards system and distinguished between government-issued standards and market-issued standards. She also presented the Chinese National Platform on VSS's organizational charts, including their interlinkages with UNFSS. Established in 2017, the platform aims to enhance awareness, information exchange, and policy research.

The platform works on investigating effective measures to achieve the SDGs as well as the capabilities of developing countries and underdeveloped countries to adopt VSS. Guidance on the adoption and implementation of VSS are suggested. Ms. Xia stressed the need to include developing countries to participate in the development of VSS. China Association of Standardization views the value of the AAC as a partner in capacity building, communication and advice.



5. Standards Malaysia's view on the role of national VSS platforms in policy actions was presented by **Mr. Hussalmizzar Hussain**, Standards Malaysia. Mr. Hussain first introduced Standards Malaysia's



roles and work, including on standard-setting processes and conformity assessment procedures. He also went through the current governance structure of national standardization activities in Malaysia.

He distinguished between two types of standards developed by standards Malaysia, that are either for voluntary use or mandatory use (technical regulation). These standards are developed through a multistakeholder process that includes several actors: professionals, academics and researchers, regulators, consumer associations, and producers including manufacturers and service providers.

Mr. Hussain discussed how Malaysian Standards could be viewed as enablers to agricultural certification schemes through myGAP – a certification scheme drawn up by the Malaysian Department of Agriculture in 2002 (formerly known as Good Practice Scheme of Malaysia (SALM)) to recognize farms that practice Good Agriculture Practices (GAP) – and MyOrganic.

He concluded by presenting a set of recommendations on the way forward for national VSS platforms, including signifying the continuous role of VSS in supporting relevant policies, especially on food security and sustainability, integrating technology (artificial intelligence and Big Data) through standards for smart farming, participating and cooperating in GVCs through standards utilization, improving research and development (R&D) in relevant sectors, and providing developmental and technical assistance to local producers to adopt sustainability practices, vis-a-vis the use of national standards.



Concluding session by AAC Co-Chairs

1. The AAC meeting was concluded by the AAC Co-Chairs, **Ms. Mercedes Aràoz Fernández**, Universidad del Pacifico, **Mr. Axel Marx**, University of Leuven, and **Mr. Bernard Hoekman**, European University Institute.
2. **Ms. Mercedes Aràoz Fernández** underlined the multidisciplinary of approaches to VSS and noted several common points among the presentations and discussions of the meeting, including that there is still mixed evidence of the impacts of VSS, that there is no clear definition of how VSS can create impact, that developing countries should be better included in VSS dynamics, and that governments have a crucial role to play in this. She called for looking forward and further exploring governance processes and how VSS can combine with other policies to yield impact. She concluded her remarks by raising several questions: should governments further engage with VSS as private governance instruments? How? What are the obstacles? How to use VSS in an inclusive way? And, finally, how can VSS be used to achieve the SDGs?

3. **Mr. Axel Marx** expressed his gratitude for the insightful meeting, which reached its objectives of bringing together both academic and policy perspectives for fruitful discussions and engagements. He noted the complementarity of these interdisciplinary approaches and their importance for gaining better insight in VSS. He highlighted that a common challenge for researchers is the lack of data availability and quality, and hence that policy roundtables on data gaps, data gathering and consolidation are key to enable research to inform policy-making. He closed his remarks by thanking all the presenters, organizers, participants, and funding partners.

4. **Mr. Bernard Hoekman** closed the meeting by highlighting the diversity and range of the works presented. He asserted that bringing academics together and feeding their input into policy is worth the investment, and that there are still significant and exciting research to be conducted on the field of VSS.



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