

**Secretariat**

Fourth year

Report of the ConventionDistr.: General
15 January 2019

Original: English

**India National Platform on Private Sustainability Standards
International Convention on Sustainable Trade and Standards**

Organized jointly by Quality Council of India and the United Nations Forum on Sustainability Standards

New Delhi, 17-18 September 2018

Report of the Convention

1. The First International Convention on Sustainable Trade and Standards, was convened by the Quality Council of India (QCI) in collaboration with the United Nations Forum on Sustainability Standards (UNFSS) and the Ministry of Commerce and Industry, Government of India at New Delhi, India from 17 to 18 September 2018.

2. It was attended by more than 400 participants, including representatives of Governments, intergovernmental organizations, United Nations bodies, international organizations, national standards bodies, standards development organizations and alliances, certification and inspection bodies, international and national businesses, policy-making bodies, research institutions and think-tanks, micro, small and medium enterprises, civil society organizations, students, and other entities.

3. The Convention saw participation from the following national contexts: Belgium, Brazil, People's Republic of China, Ecuador, European Union, Germany, Ghana, India, Indonesia, Italy, Japan, Republic of Korea, Malaysia, Mexico, The Netherlands, Papua New Guinea, Peru, Singapore, South Africa, Spain, Kingdom of Sweden, Switzerland, United Kingdom, and the United States of America.

4. The Convention had participation of the following United Nations system bodies: United Nations Forum on Sustainability Standards (UNFSS) – constituted by the United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UN Environment), International Trade Centre (ITC), Food and Agricultural Organization of the UN (FAO), and United Nations Industrial Development Organization (UNIDO); UNCTAD, UNIDO, ITC, UN Environment, International Labour Organization (ILO), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the World Trade Organization (WTO).

5. The Convention had participation of the following national, governmental, and autonomous bodies from India: Ministry of Commerce and Industry (MoCI), Government of India (GoI); Agricultural and Processed Food Products Export Development Authority (APEDA), MoCI, GoI; Textiles Committee, Ministry of Textiles, GoI; Government eMarket place (GeM), MoCI, GoI; Export Inspection Council of India, GoI; Quality Council of India, autonomous body set up by MoCI, GoI; National Accreditation Board for Certification Bodies (NABCB), QCI; National

Accreditation Board for Testing and Calibration Laboratories (NABL), QCI; National Accreditation Board for Hospitals & Healthcare Providers (NABH), QCI; National Accreditation Board for Education and Training (NABET), QCI; National Board for Quality Promotion (NBQP), QCI; Ministry of Home Affairs, GoI; Ministry of Food Processing Industries, GoI; Directorate-General of Civil Aviation, Ministry of Civil Aviation, GoI; Export Promotion Council for Handicrafts, India; Prasar Bharati/All India Radio, Ministry of Information and Broadcasting, GoI; Standardisation Testing and Quality Certification (STQC) Directorate, Ministry of Electronics and Information Technology (MeiTY), GoI; Ministry of Coal, GoI; Unique Identification Authority of India, GoI; and, Research and Information System for Developing Countries (RIS), Ministry of External Affairs, GoI.

6. The Convention had participation from the following foreign governments and international bodies of repute: Directorate-General of Trade, European Commission, European Union; Directorate-General of Trade, Ministry of Foreign Affairs, Sweden; Ministry of Economic Affairs and Climate Policy, The Netherlands; Delegation of the EU to India; Embassy of Sweden; Embassy of The Netherlands; Embassy of Germany; Embassy of Ecuador; Indo-German Biodiversity Programme of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany; Ministerio de Economia, Mexico; National Institute of Metrology Standardization and Industrial Quality (INMETRO), Brazil; Badan Standardisasi Nasional – BSN (Indonesian Standardization Body), Indonesia; South African Bureau of Standards; and, China Association for Standardization.

7. The Convention had participation from the following national and international universities, research centres/institutions, think-tanks, and institutions of repute: Aligarh Muslim University, Ashoka University, Centre for WTO Studies, Indian Institute of Foreign Trade, Centre for Strategic and International Studies, Indonesia, City Academy Law College, Committee on Sustainability Assessment (COSA), Harappa Education, Human Circle, IMS Unison University, Indian Institute of Forest Management (IIFM), Institute for Studies in Industrial Development (ISID), Institute of Quality-CII, International Institute for Sustainable Development, German Development Institute, Jawaharlal Nehru University, Lloyd Law College, Pragati Abhiyan, Saakshar Foundation, St. John's College, University of Delhi, University of Greenwich – Natural Resources Institute, and University of the Witwatersrand, South Africa.

8. The Convention had participation from the following international non-governmental organisations and organisations working in the domain of sustainability standards: BRC Global Standards, Centre for Responsible Business (CRB), Fairtrade Foundation, Fair Wear Foundation, Forest Stewardship Council (FSC), GIPL, Global Organic Textile Standard (GOTS), Good Weave India, International Justice Mission, IDH Sustainable Trade Initiative, International Rubber Study Group, ISEAL Alliance, Marine Stewardship Council (MSC), Network for Certification and Conservation of Forests (NCCF), Rainforest Alliance, Roundtable on Sustainable Palm Oil (RSPO), Social Accountability International (SAI), Solidaridad, Sustainable Alliance, Sutradhara, and World Wide Fund for Nature – India (WWF).

9. The following certification bodies, industries and industry associations participated in the Convention: All India Flat Tape Manufacturers Association, Ambuja Cement, Anugraha Fashion Mill, Apave India, Apparel Resources, Apparel Views, APMG International, Armstrong Spinning Mills, BioTrade International, Boston Consulting Group (BCG), Bureau Veritas, CBRE South Asia, Central Mine Planning and Design Institute (CMPDIL),

Confederation of Indian Industry (CII), CII-ITC Centre of Excellence for Sustainable Development, CII Sohrabji Godrej Green Business Centre, CKC, Control Union, Ecocare Instruments, Federation of Indian Chambers of Commerce and Industry (FICCI), IKEA India, Indian Oil, IR Class Systems & Solutions, Kantar IMRB, Mantaram Service, Manarcadu, Nestle, Oyo, Patel Food Industries, Peterson Projects and Solutions, PHD Chamber of Commerce & Industry, Plast India Foundation, RSJ Inspection Service, S3 Designs, SEC Global Consulting & Initiatives, Sun Fortune Limited, Swedish Chamber of Commerce India, Tetra Pak, TUV Rheinland, TUV SUD, and Walmart.

10. The President of the Steering Council of the India National Platform on Private Sustainability Standards (India PSS Platform or INPPSS) was the ex-officio Chair of the Convention.

11. The following agenda was set for the Convention:

1. Opening of the Convention.

2. Trade, Global Value Chains, and Standards as engines of Sustainable Development:

- (a) Role of Trade and Trade Policy in Advancing the 2030 Agenda for Sustainable Development;
- (b) Trade, Global Value Chains, Standards, and Sustainable Development;
- (c) Third Flagship Report of the United Nations Forum on Sustainability Standards.

3. Addressing challenges in Standards, Global Value Chains and Sustainable Development:

- (a) Addressing challenges in sustainability standards ecosystem such as multiplicity of standards, compliance costs, and capacity development of smallholders & MSMEs for entering GVCs;
- (b) Exploring coherence and implementation of government policies and possibility of sustainable public procurement in context of developing economies;
- (c) Exploring challenges in GVCs connected to social accountability.

4. Monitoring efficacy and impacts of consumption patterns and sustainability standardization on GVCs and Sustainable Development Goals:

- (a) Driving a paradigm change from process-based standards to consumption-based standards in GVCs in the context of sustainable development;
- (b) Simplifying targets and indicators and standardizing data to monitor sustainable development impact of GVCs, and developing statistical capacity of people measuring impact.

5. Strengthening multi-stakeholder frameworks for sustainable trade:

- (a) Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in agri-food value chains;
- (b) Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in fisheries value chains;
- (c) Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in forestry value chains;
- (d) Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in textiles value chains;
- (e) National Initiatives Feature: Opportunities and challenges of consolidation efforts at the national level w.r.t. sustainability standards.

6. Closing of the Convention.

12. The final session of the Convention provided the key lessons and main points made in various sessions, including the major initiatives to be taken by stakeholders together. A summary of the key topics and main speakers under different parts of the agenda is provided here. More detail on the issues discussed in each session is provided in the Annex.

13. Under agenda item 1, moderated by the Coordinator of the India PSS Platform, the Chairman of QCI, Mr. Adil Zainulbhai, delivered an inaugural statement. The Chief of Trade Analysis Branch of the UNCTAD, Mr. Bonapas Onguglo, delivered an introductory statement on the relevance of the Convention and its subject matter. The President of the Steering Council of India PSS Platform, Dr. Harsha Vardhana Singh, delivered a statement. The Deputy Secretary-General of UNCTAD, Madam Isabelle Durant, delivered an inaugural statement through a video message. The Minister of Commerce and Industry of the Government of India, Mr. Suresh Prabhu, delivered a statement of support over a video message. The Secretary-General of QCI, Dr. Ravi P. Singh, proposed an initial vote of thanks. The Convention was declared open by the Chairman, QCI.

14. Under agenda item 2(a), a high-level plenary on “Role of Trade and Trade Policy in Advancing the 2030 Agenda for Sustainable Development” was chaired by the President of the Steering Council of the INPPSS. Director of the Directorate-General of Trade of the European Commission, Ms. Ewa Synowiec, delivered a special address on the position of the European Union on the agenda item. Thereafter, the Director-General of Trade of the Kingdom of Sweden, Mr. Teppo Tauriainen, delivered a special address on the Kingdom of Sweden’s position on the agenda item. Both the statements reflected on the role that India is to play in forwarding a positive and inclusive trade policy in line with the global agenda. Mr. Bonapas Onguglo delivered remarks on the behalf of the UNFSS.

15. Under agenda item 2(b), a high-level panel on “Trade, Global Value Chains, Standards, and Sustainable Development” was moderated by Dr. Harsha Vardhana Singh, President of the Steering Council of the INPPSS. Statements were delivered by the Secretary of the Textile Committee, Ministry of Textiles, Government of India, Mr. Ajit Chavan; Director of ILO India, Madam Dagmar Walter; Principal Counsellor (TQM) Institute of Quality, CII, Mr. Anupam Kaul; Economic Affairs Officer of the UN Economic & Social Commission for Asia & the Pacific, Mr. Rajan Ratna; and, the Director of the Indo-German Biodiversity Programme, GIZ, Mr.

Konrad Uebelhoer. Subsequently, discussion was based on responses to questions from the audience.

16. Under agenda item 2(c), the Coordinator of the UNFSS, Mr. Santiago Fernandez de Cordoba, introduced the key findings of the Third Flagship Report of the UNFSS on Voluntary Sustainability Standards, Trade and Sustainable Development, followed by the launch of the report by the UN member agencies of the UNFSS Steering Committee along with the key contributors to the report.

Under the same agenda item, a panel discussion informed the Convention on the themes of the report, followed by brief comments delivered by a set of commentators.

17. Under agenda item 3(a), the Convention was informed through a panel discussion on addressing challenges in sustainability standards ecosystem such as multiplicity of standards, compliance costs, and capacity development of smallholders and micro, small, and medium enterprises for entering global value chains. Panellists represented intergovernmental organisations, eminent research and policy institutions and international non-governmental organisations.

18. Under agenda item 3(b), the Convention, the panel discussion focused on exploring coherence and implementation of government policies and possibility of sustainable public procurement in context of developing economies. Panellists represented governments, intergovernmental organisations, academia, and the legal profession.

19. Under agenda item 3(c), the Convention was informed through a panel discussion on exploring challenges in global value chains in the context of social accountability, suggesting ways to improvise and incentivize social accountability and discussing the evolution of standards in view of the complexity of global value chains. Panellists represented international non-governmental organisations, business consultancies and transnational corporations.

20. Under agenda item 4(a), a panel discussion addressed the issue of driving a paradigm change from process-based standards to consumption-based standards in GVCs in the context of sustainable development. Panellists represented eminent research and professional trade institutions, intergovernmental organisations, and international non-governmental organisations.

21. Under agenda item 4(b), a panel discussed simplifying targets and indicators and standardizing data to monitor sustainable development impact of GVCs, and developing statistical capacity of people measuring impact. Panellists represented eminent research and policy institutions, academia, international non-governmental organisations, and businesses with established sustainable production processes impact assessment methodologies.

22. Under agenda item 5(a) through 5(d), the Convention was informed through a series of four panel discussions on strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in agri-food value chains, fisheries value chains, forestry value chains, and textiles value chains respectively. Panellists represented governments, statutory bodies, national export development authorities, export inspection council, eminent research and policy institutions, academia, international non-governmental organisations, certification bodies, industry associations and

transnational corporations and businesses with established sustainable production processes.

23. Under agenda item 5(e), the representatives of the national initiatives and platforms on sustainability standards shared national perspectives, developments and roadmaps with the participants. The session was moderated by the UNFSS.

Under the same agenda item, moderated by the Coordinator of the India PSS Platform in capacity of the host, national platforms of Brazil, India and Mexico signed a “Declaration of Cooperation in Sustainability Standards Ecosystem Amongst National Platforms” with representatives from UNCTAD, UNFSS, ITC and UNIDO as witness to the signing of this Declaration.

24. Under agenda item 6, the session began with closing statements being delivered by representatives of the UNCTAD and the UNFSS. This was followed by the launch of a “Handbook on Good Practices towards Sustainable Value Chains” prepared by QCI India PSS Platform. Subsequently, the President of Steering Council of India PSS Platform delivered a statement summarizing the proceedings along with key recommendations. The Joint Director and Head, Project Analysis and Documentation Division of QCI, holding the office of Secretary of the India PSS Platform, proposed a vote of thanks and the President of the Steering Council of the India PSS Platform declared the Convention closed.

25. An important preparatory event was held in the side-lines of the Convention, i.e. “Managing Global Governance (MGG) Internal Meeting on VSS”. This was organised by the German Development Institute for partner institutions and stakeholders of the MGG Network.

26. The Annexes to this Report provide more detail on the discussion at the Convention and the Chair’s summary of these discussions (Annex - I), followed by a summary record (Annex - II) and key recommendations (Annex - III). It was agreed to place these recommendations before the Steering Council of the India PSS Platform and the Steering Committee of the UNFSS.

Annex - I**Chair's summary of discussions at the International Convention on Sustainable Trade and Standards**

1. The International Convention on Sustainable Trade and Standards (ICSTS), convened by the Quality Council of India in collaboration with the United Nations Forum on Sustainability Standards, under the patronage of the Ministry of Commerce & Industry, Government of India, was the first of its kind multi-stakeholder Convention in the world dedicated solely to the practical questions of leveraging trade, standards, and global value chains as engines of sustainable development. The origin of the International Convention on Sustainable Trade and Standards is rooted in the philosophy of the Charter of the India PSS Platform to institutionalize an inclusive intergovernmental, multi-stakeholder platform for the fraternity engaged in the sustainability standards ecosystem to gain access to each other and engage in dialogue, deliberation, and access to agenda-setting in the domain. The Convention saw conversations around 15 key topics through panel discussions, thematic sessions on ways to strengthen multi-stakeholder initiatives and responsible sourcing decisions in agri-food, fisheries, textiles and forestry, and dialogues towards converging the best practices of sustainability standards and innovative ideas that addresses the needs and priorities of every single participant within the value chains, notably those in the most vulnerable position- SMEs and small-scale producers.

I. Inaugural Plenary

2. The session began with an inaugural statement that stated the importance of the Convention. It was acknowledged that private sustainability standards were relatively new phenomena when compared to regulatory mechanisms. The Convention aimed to consider holistically the challenges presented by the trade ecosystem and dwelled on the existing scenario with respect to the trade-driven sustainable development scenario that considered the contexts of all economies and producers.

3. The introductory statement stressed upon the relevance of the Convention and its subject matter. It was highlighted that the necessity of voluntary sustainability standards and the multiplicity of the standards was becoming a compulsion and aimed towards looking at the linkages between such standards, trade, production and development was important. It was noted with appreciation that the India PSS Platform was active in highlighting issues arising out of proliferation of private standards and taking proactive steps to resolve it through stakeholders consultation to benefit the small holders.

4. The panellists also discussed that the platform was to act as a forum to document the issues arising out of the sustainability standards ecosystem, initiate engagement across stakeholders, and resolve issues of producers and MSMEs at a micro and macro level.

5. They deliberated that some of the standards portray that they can play a pivotal role to change the baseline calculation of companies' performances especially those involved in international trade like exports and imports. With broad uptake, some speakers opined that standards assist industries towards improved triple bottom line performance. Standards translate the broad concept of best practices into specific and concrete measures for companies and suppliers and also influence the consumption decisions of the consumer.

6. India, while it supports environment sustainable policies aligned to its international commitment and other social standards and engages through international fora, is not in favour of linking the sustainable development agenda with trade. In fact, creating standards using non-trade issues and then applying those standards in trade related matters creates barrier to trade and adversely impacts the interests and livelihood of poor and vulnerable in developing countries.

II. High level Plenary on Role of Trade and Trade Policy in Advancing the 2030 Agenda for Sustainable Development

7. This session saw statements from representatives of India, Sweden, and the EU, with remarks by the representative of UNFSS, who all agreed that emerging economies have an opportunity to act not only as a force for global economic change but also lead in achieving SDGs.

8. The panel observed that international trade was experiencing rough times. Uncertainty around trade policies had become a worrying threat to global economic growth forecast and unilateral protectionist measures were on the rise. Trade policy alone cannot overcome all challenges related to sustainable development including, environmental and social standards. It is a matter of nurturing new attitudes in which innovation is the prime driver of competitiveness. Consumers, governments, business - large and small, non- governmental organizations and other stakeholders all need to come together to work closely together.

9. The EU representative in the panel shared EU's experience and stated that when coupled with strong values on social protection and environmental stewardship, trade can be an enabler of sustainable development and contribute to setting high standards.

10. India engages with the sustainable development agenda in all relevant forms and meets the obligation as per various international conventions. However, for the development and adoption of Private Sustainable Standard (PSS) for use in trade related matters amounts to creating barrier for legitimate trade and thus harms the interest of livelihood of poor and vulnerable in developing countries.

11. International trade is fundamental to economic growth and in improving welfare.

III. High Level Panel on Trade, Global Value Chains, Standards, and Sustainable Development

12. In this session, the panel discussed the linkages between trade, global value chains, standards, and sustainable development, and presented their perspectives on how these linkages impact different stakeholders.

13. The panel collectively emphasized on the vital role that sustainability standards played in ensuring consumer safety, labour rights, environmental sustainability, biodiversity protection, and in providing a level playing field for producers in the international markets.

14. At the same time, the panel highlighted various challenges such as the adverse impact of sustainability standards on livelihood of small-scale producers because of their high costs, the lack of inclusivity in the standard developing process, in governance of the associated certification schemes and their non-accessibility. The absence of any global accountability mechanism for overseeing the operation of the VSS schemes was also highlighted, The government representative in the panel stated the Indian

government's perspective of standards and sustainability not being directly linked to trade, and expressed concern regarding the potential misuse of private standards.

15. The panel emphasized the vital role of the government and a need for developing countries to play a pro-active role in setting standards, rather than being reactive.

16. The panel recommended the formation of a National Centre to study the impact of PSS, creation of an integrated system of conformity assessment and accreditation for sustainable growth, increase in the number of domestic accreditation bodies that will reduce cost and be non-discriminatory, and establishment of a central national body that helps address, examine and reduce the adverse impacts and help promote VSS. The panel also emphasized on the need for inclusion of producers to develop action plans and capacity building of MSMEs, and suggested that mere compliance to standards through certifications did not help achieve sustainable results until root causes were addressed.

IV. Third Flagship Report of the United Nations Forum on Sustainability Standards and the Panel discussion on the themes of the Third Flagship Report

17. The session began with the launch of the Third Flagship Report of the UNFSS on Voluntary Sustainability Standards, Trade and Sustainable Development.

18. The report identifies that VSS can potentially be a catalyst of sustainable development, However, effectiveness depends on the institutional design factors of VSS systems, VSS systems could be facilitators or barriers to trade, concerns regarding multiplicity of VSS, increasing diverse interest of VSS in developing countries, etc.

19. The major questions that were touched upon the panel were: what made the VSS a new regulatory form, how and why the VSS arose in the global economy and its effects on sustainable development. The panel also deliberated on the impact of VSS on trade and the two possibilities of their impact on trade, i.e. having a positive impact on trade or becoming barriers to trade.

20. One of the questions that were highlighted was that eventually who is it that pays for the implementation of the VSS. Also, they talked about the different tools that were available to support VSS work for sustainable development. It was also noted that VSS should move towards a multi stakeholder approach in developing countries where knowledge sharing, creating coherent structure for linking policies and research studies and capacity building activities can be done.

21. The panel also discussed on the major takeaways of the report that were when looking at the future of the sustainability standards is it important to address the issues regarding whether the standards are being implemented by national organisations, international organisations, international bodies or the government and how do we enforce them. It is also important that there is a close collaboration between the national platforms and they can have a very important role to play in addressing the current issues regarding these standards.

V. Panel discussion on 'Addressing challenges in sustainability standards ecosystem such as multiplicity of standards, compliance costs, and capacity development of smallholders & MSMEs for entering GVCs'

22. The panel deliberated on the challenges, as well as opportunities, that sustainability standards pose for the stakeholders, suggested ways to make standards inclusive and affordable, discussed different initiatives being taken to mitigate multiplicity of standards, and the role that the government can play in converting these challenges into opportunities.

23. The main opportunities discussed were that VSS provided a framework for best practices in processes, and that they allowed smallholders to gain access to premium supply chains. The panel discussed a number of challenges, including the lack of infrastructure in developing countries leading to inaccessibility of standards, high concentration of standards in specific sectors and countries, the constantly changing requirements of VSS, the confusion created because of multiplicity of standards, and the challenge of creating impact at scale.

24. The panel urged on the need of capacity building for smallholders, engagement with industry stakeholders, harmonization of different standards to increase accessibility and affordability, the inclusion of all stakeholders in the standard making process, and they called for standard requirements to be more practical and applicable. The panellists brought in their experiences and shared different instances where initiatives have been taken towards these recommendations. It was also of the view that the development and adoption of the PSS for use in trade should be discouraged as it harms the poor and the vulnerable in developing countries.

25. The panel suggested that the government can play an essential role in promoting the positive impacts of VSS by using tools like subsidies, by creating consumer consciousness through public policy, by supporting industry associations, and by ensuring implementation of the signed treaties.

26. Another important outcome of the panel was the invalidation of the common practice of using Indian consumers' unawareness about sustainability as an excuse for not working towards sustainability in India. The panel highlighted that consumers in developed countries were also made aware through years of efforts, and urged that the same efforts are required in India, and other developing countries to create awareness among consumers.

VI. Panel discussion on 'Exploring coherence and implementation of government policies and possibility of sustainable public procurement in context of developing economies'

27. This session brought in perspectives of different government representatives and experts on sustainable public procurement. The panel discussed the inefficiencies of public procurement law, the various mechanisms and systems that can facilitate sustainable public procurement, and, suggested different policies that governments can adopt, as well as steps that can be taken to build capacity for the same.

28. The diverse panel suggested that governments can prescribe to sustainable procurement by setting a clause in a project that limits tenders to producers that satisfy certain standards, though the bidding can be competitive, and stated that governments have been, in the past, making such preferential procurement policies. The panel further opined that governments should make clear policies on balancing preferential procurement and equitable procurement and share them with all government departments upfront, in order to maintain uniformity in decision making.

29. The panel discussed parts of public procurement law that may need to be clarified or simplified to be better linked with the strategy of the contracting authority, which would imply that if a government signs the Paris Agreement, it does not have to justify its need for sustainability. One view expressed was to raise a question on the need for public procurement law, when private law, financial regulations that say that government money should be spent efficiently, and professional standards as well, already exist.

30. The panel suggested that if a supplier is not able to produce a sustainable product, then the supplier should be totally excluded from the bid, as including the supplier would be unfair for other entrepreneurs who have invested in sustainability. This would address the 'no discrimination' clause in public procurement law which sees this as discrimination and mandates equal opportunity. It was noted that equal opportunity in this case is the opportunity for everyone to create sustainable products.

31. The panel emphasised guidelines for governments and said that there may be need to mention very specific requirements for procurement, and suggested that an easy alternative option for this would be to use existing VSS championed by the Government as requirements. Once policies are made and standards are set in place, capacity building would be relatively easier than anticipated, based on the several existing institutions that could collaborate for this purpose.

32. The panel also emphasized the primacy of the government's discretion in any public procurement, noting that just like in the market, in public procurement also, consumer, i.e. the government, should be the king.

VII. Panel discussion on 'Exploring challenges in Global Value Chains connected to social accountability'

33. This session saw detailed discussions on the nature of social accountability in global value chains, the current state at which GVCs are held socially accountable, the importance of social accountability of GVCs, the ways in which stakeholders can be incentivized for the same, along with some good practices.

34. The panel informed that social accountability is gaining momentum, and that conversations are arising around this throughout the world, where corporations are also proactively taking initiatives to be socially responsible. It was also discussed that VSS in this area are slowly emerging, and are here to stay.

35. The challenges that were brought up were the lack of knowledge and competence of MSMEs, a reluctance towards changing long-standing practices, the difficulty in bringing different stakeholders with different agendas together, and the conflicting situations arising when governments want to remove barriers and ease trade

36. The panel suggested the need for multi-stakeholder standards, a management-systems approach, worker empowerment and engagement, cost-effective solutions, and the importance of government involvement. Technology was suggested as a tool to address these issues. Government, media, and trade unions would also play an important role by actively working on holding corporations accountable for meeting the relevant standards. The panel also emphasized that compliance is a slow process and organisations should not be expected meet all the requirements at once.

37. The panel also discussed some incentives that have nudged stakeholders to create socially accountable GVCs, like the incentive of increased productivity with better working conditions, the risk of bad reputation, the offer of increased business for manufacturers, and consumer demand, which was said to be the strongest incentive.

VIII. Panel discussion on ‘Driving a paradigm change from process-based standards to consumption-based standards in GVCs in the context of sustainable development’

38. The panel linked session to the SDG Goal 12 of sustainable production and consumption, informed about the lack of consumption-based standards, and brought to notice the need to reboot this outlook and start focusing more on the aspect of consumption, with the help of responsible global leaders, global market players, and responsible citizens.

39. The panel emphasized on the need to move away from mainstream economics of consumer behaviour and use theories of behavioural economics and cross-fertilizing ideas of heterodox economics and law, and think of economics, ethics, and law in harmony. Law can play a major role in regulating irresponsible consumer behaviour; case in point, the reform in the domain of waste segregation and plastic use. Production, though popular, and perceived as an easy regulatory target, is often insufficient. There is a need to incentivize the consumer to consume responsibly, and hence, there is need to think behaviourally. Markets already manipulate consumers to consume in excess; there could also be a possibility to manipulate to consume sustainably.

40. Focusing on the issue of transparency, it was noted that there is an information gap when it comes to standards, and there are non-Codex standards that small producers only get to know about when their products are rejected at the borders.

41. The panel concluded that both production and consumption are equally important. Though there are non-tariff measures or regulatory measures, there are also private sustainability standards that could help in this domain of consumption-based standards.

IX. Panel discussion on ‘Simplifying targets and indicators and standardizing data to monitor sustainable development impact of GVCs, and developing statistical capacity of people measuring impact’

42. In this session, the panel deliberated on how to collect data in a uniform manner so that it can be compared; how to present data in a manner that it can be used and easily understood; how to make sure it reaches the producers and farmers so that they can also use the data, and how to build capacity at the local level to measure this data

43. Evidence based decision making is suddenly in need of explanation from an increasingly sceptical public. There is a need to improve interface between statistics and research. A need for collaboration between scientists and industry players to debate about interpretations from data and how science can help, was called upon. The panel also urged revisiting the accountability of technical and scientific research.

44. It is important that organisations make sure that all stakeholders know about the key indicators that are being mapped and that transparency is maintained in the data collection and analysis process to ensure credibility of the same. It must also be ensured that all stakeholders of the value

chain have access to the collected data and its interpretations and they can make use of it.

45. One of the key challenges in data collection in the standards space is that different organisations are collecting data on the same indicators individually, which means that farmers are being repeatedly asked the same data by different organisations in different forms. Another challenge discussed was that every organization has data confidentiality agreements that hinder data sharing. Also, people understand data in different ways, and there is need to make sure that data is understandable by practitioners.

46. The panel used their experiences and commented that making results available transparently and readily is key. An important part of the process is to learn where change needs to be made to better the functioning. Efforts need to be made to ensure standardization in the data that is being collected, so that data sharing can be enhanced. The panel also urged to relook at the structural and process related deficiencies, for example, using English as the collection language, which is a hindrance for many producers. Another deficiency – increased use of non-disclosure agreements, especially when studies being funded by private sector.

X. Panel discussion on ‘Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in agri-food value chains’

47. Tariff issues have been addressed to an extent by the WTO but non-tariff is what we have to deal with. Many of these are restrictive, and we need to contest them.

48. The panel pointed out the absence of farmers from the Convention hall, and hence from the dialogue on sustainable standards, and suggested a couple of things, Firstly, there are huge costs involved in certification and the farmer cannot bear it, it needs to be passed on. Second, there is a need to look at the number of farmers being benefitted by a particular standard, and not just the volume. Third, there is need to create more awareness among farmers that standards do create financial and social and health benefits in the long run so that there is greater acceptance towards them. This can be influenced from the demand pull as well, and there are other ways to do this apart from certification.

49. The panel called for a more comprehensive approach, looking at the benefits for farmers, along with water, soil, biodiversity, etc., and a shift from a compliance-based approach to an impact-based approach.

50. International standards need to work with national standards to know the context and reality on ground; the certification process needs to be democratized to include smallholders by looking at affordability and inclusivity. The panel also urged that consumers who are aware need to take the lead and create demand for sustainably produced products in the market rather than putting the entire burden on multinationals.

XI. Panel discussion on ‘Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in fisheries value chains’

51. This session saw experts from the fisheries industry talk about the challenges that are being faced due to excessive demand and exploitation, and sharing some good practices that are being implemented.

52. The panel stated that lack of availability of local auditors of international standards is one major factor that is a hindrance in the certification process. The challenges are more for the regulations committee for export as the product needs to be qualifying the requirements laid down by different countries.

53. Changing the mindset of the fishers towards certification process has been one major task that is still ongoing. There have to be programs that help spread awareness among fishers about how certification can help them connect to the international markets.

54. The panel emphasized on minimizing the environmental impact via laying down an effective management system. For fisheries supply chains to be sustainable, there must be traceability standards. Similarly, prime importance should be on the consumption category of fish and for segregation and identification, the major challenge is the cost that is involved in this process and there are now major efforts being made to have improvement tools that are being spread among the small-scale fisheries

XII. Panel discussion on 'Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in forestry value chains'

55. This session saw a discussion on how multi-stakeholder frameworks can be strengthened to respond to challenges and lead to responsible sourcing decisions in the forestry sector. In response to the growing public concern about the role of forest loss to climate change and decline in biodiversity, new initiatives are being taken up by private sector actors to eliminate deforestation from their operations and supply chains. The concerns regarding legality of timber, deforestation and forest degradation gave birth to forest certifications.

56. However, the catch here lies in the fact that there has been very low acceptability and willingness to pay a premium price for certified products. The reluctance is high among the handicraft manufacturers and the additional costs are ultimately being borne by the customers.

57. Even though there is transparency in tracking timber coming from national forests, there is still difficulty in tracing wood coming from farmlands. The panel brought to notice that fuel wood, the requirement of which is being met from national forests, and fodder and grazing are primary sources of degradation of forests.

58. The panel urged all national platforms to analyse whether the dialogue on sustainability standards is leading to positive benefits for all stakeholders of the value. It is important to involve all value chain players for a consensus-based decision.

XIII. Panel discussion on 'Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in textile value chains'

59. With 8 billion garments being produced globally every year, i.e., 11 garment per person in one year, the textile industry is a 3 trillion-dollar industry and the second fastest growing. It involves 100-150 million farmers, 70-75% of which are smallholders. At the same time, it is the second biggest polluting industry after oil, riddled with child labour, genetically modified seeds, water pollution, and health and safety issues. 5 trillion litres of water is used in textiles every year, which is equal to 2 million swimming pools. This session, setting this context, proceeded with

discussing the major issues in responsible sourcing in textile value chains, and also gave recommendations to improve the status quo.

60. The textile sector is majorly MSMEs based and there a lot of issues that these MSMEs face. They have small units, no knowledge, and no resources, to bear the high cost of compliance which usually takes up 6-7% of their turnover. Moreover, there are high US subsidies on cotton that bring down prices, but the small farmers in Africa also have to compete with the same, which becomes a hindrance for them. The panel emphasized on the need to create capacity among MSMEs.

61. Coming to cost, the panel emphasized that instead of asking whether consumers will pay higher price for sustainable products, it is important to know how to reach the right price of a product. If the consumer is not paying the price, somebody else is, whether its nature, or smallholders, or factory workers.

XIV. National Initiatives Feature: Opportunities and challenges of consolidation efforts at the national level w.r.t. sustainability standards

62. This session saw the representatives of the National Platforms of India, Brazil, Mexico, China, Indonesia, and South Africa come together and share their experiences, their learnings, and consider points of collaboration.

63. The panel stated that the main factor in the development of any national platform has to be the mindset of the people and that there must be a willingness to understand and tackle issues arising out of private sustainability standards. Hence, the objectives of a platform should also be to be a neutral forum for exchange of information while also linking the national demand with the international expertise. Capacity building, training programs and technical assistance were also stressed upon, to be incorporated in the platform's action plan to overcome different challenges being faced.

64. Moreover, the panel highlighted a necessity for a common criterion for the standards so that there can be a check on whether the standards are being implemented correctly or not.

65. The panel urged incentivization of adoption of the VSS for the stakeholders and how this is the prerogative of the government,. It was stressed that there should not be too many standards but there should be improvement in the existing standards and development of standards, and that this should be done through consensus among the stakeholders and the standards developing organizations.

66. After the end of the session, the ceremonial signing of the Declaration of Cooperation in Sustainability Standards Ecosystem between National Platforms took place, wherein the National Platforms of Brazil, India, and Mexico entered into a contract to ensure deeper cooperation among national platforms, create mechanisms for sharing and seeking inputs for exchange of ideas and case studies, help countries that do not have national platforms to set up the same and share the common agenda, and participate in meetings that are held under the auspices of the UNFSS.

XV. Closing Plenary

67. In the closing plenary, representatives from the India PSS Platform, UNFSS, and UNCTAD delivered a vote of thanks to all the parties that

supported the organisation, and shared some key takeaways, along with recommendations as outcomes of the Convention.

68. The Convention had been about improving people's livelihood, conserving the environment, improving health conditions, better jobs and thereby taking care of the planet. More than it being a question of the future, it is also about our present and the responsibility that we have towards our planet. A need to work on the consumption and production link, the sustainability that goes in-hand with it and to look further into the role of governments in all of this was expressed.

69. It was also remarked that the learning form ICSTS would be taken to the follow-up meetings in Geneva.

70. The National Platforms of India, Mexico, and Brazil, and also of UNFSS and its member nations to build trust and spread awareness, were called upon to thereafter take responsibility and collaborate to find meaningful solutions to the issues discussed in the Convention.

71. In the context of SDGs, development happens when you increase the opportunities, increase the capabilities and create more possibilities for economic and social growth. In that context, the position of the Government of India of emphasizing that the sustainable development goals, in order to be effectively achieved, require systems that do not restrict trade, was expressed.

72. Recommendations included creation of a global accountability mechanism for VSS schemes which could be created and run by UNFSS. This effort should include the development of a global benchmarking standard on the principles of inclusiveness, transparency and good governance, which should be used to accredit the VSS schemes. The second recommendation was to create a national response structure to evaluate the impact of all VSS for relevant export mechanisms. This will provide a basis for giving greater platforms to organizations to talk to each other, to better conform and as far as possible become interchangeable. Third was to create capability enhancement initiatives to develop national skills in line with relevant priority SDGs.

73. This session also saw the launch of the Handbook on Good Practices towards Sustainable Value Chains, which was an initiative of the India National Platform on Private Sustainability Standards. The Handbook is an attempt at sourcing and collecting innovative sustainability initiatives from organisations from around the global South, that are replicable, scalable, and positively impactful for global value chains. The aim of the Handbook is to make these good practices and learnings reach organisations around the world and inspire them to replicate the same into their own value chains.

Annex - II

Summary record of the International Convention on Sustainable Trade and Standards

New Delhi, Monday, 17 September 2018

Agenda item 1: Opening of the Convention

Inaugural Plenary

The meeting of the Convention started with the welcome by Chairman, QCI who was the Chair of the Session.

Adil ZAINULBHAI (Quality Council of India): Declared that it marks a significant day in the history of international trade as India convenes the world's first-of-its-kind International Convention on Sustainable Trade and Standards. He congratulated the UN Forum on Sustainability Standards for joining with the Quality Council of India for taking this initiative, which was supported by the Department of Industrial Promotion and Policy and the Department of Commerce, both being arms of the Ministry of Commerce and Industry. He acknowledged that private sustainability standards were a relatively new phenomena when compared to regulatory mechanisms. Therefore, as a progressive economy, India intended to understand and study that ecosystem. The intention was to setup a mechanism to understand the issues and not let that competing system become a barrier to trade. That was the context with which the Commerce Ministry entrusted QCI with the mandate to deal with sustainability standards as a response to the growing challenges in this domain impacting Indian producers, which led to the formation of the India National Platform on Private Sustainability Standards. The Ministry had supported the formation of the platform as a multi-stakeholder demand-driven initiative to tackle such issues. Since its formation, QCI had done some laudable work in institutionalizing the National Platform, and in extension, the Platform itself had taken deeper dives in understanding and harmonizing the Voluntary/Private Sustainability Standard ecosystem, through reports such as 'The India Story'.

As an initiative of the Platform, supported by the UNFSS, QCI was happy that the Commerce Minister would virtually inaugurate the Convention as a multi-stakeholder global platform for voicing and addressing issues that arise in the trade and sustainable development narrative with the periscope of standards – a task which was to be led for and

by economies which were the most impacted by such discourse. India had consistently demonstrated by example of policy and practice that trade, if done in a socially, environmentally, and economically sustainable manner, could trigger widespread welfare and development in the economy - especially demonstrated through the Make In India policy of the Government of India.

On its path to become a global leader in manufacturing, India had time and again showcased its commitment to trade and ease of doing business and also established its role as an agenda-setter in the domain of standards which had helped integrate its producers and manufacturers in global value chains. India also noted with concern the potential that private sustainability standards had in becoming non-tariff technical trade barriers against developing countries, and therefore, it was essential to address the issues of duplication, accountability, traceability, legitimacy and costs in their implementation.

It was also essential to affect a paradigm change in the way standardization was approached – in that, it was necessary to explore consumption-based standards, as most of the standards are process or product based. India was willing to lead a small-producer-centric agenda for regional and global cooperation in trade through its experience of tackling sustainability standards issues. He hoped that the Convention considered holistically the challenges presented by the trade ecosystem and proposed a solutions-based approach to trade-driven sustainable development through innovative methods that considered the contexts of all economies and producers. In conclusion, he wished good judgment and wellbeing to the members of the Convention.

Bonapas ONGUGLO (UNCTAD): Building on his experience from last year when he spoke at the 12th National Quality Conclave of QCI, where he noted with interest the impact of standards on production processes and the importance of involving stakeholders to be involved in the process to maximize the benefits and minimize the detrimental effects, he was pleased to be addressing the extant International Convention on Sustainable Trade and

Standards. He expressed his gratitude to the Government of India and Quality Council of India along with the UNFSS for their excellent collaboration, hospitality and facilitation for the Convention. He thanked the Chairman of Quality Council of India, Mr. Adil Zainulbhai and the Secretary General, Mr. Ravi P. Singh along with the former Deputy General WTO, Dr. Singh and Minister of Commerce and Industry, India for making this Convention possible.

He noted that the focus of the Convention was to discuss, understand better and promote closer linkages between sustainability standards and sustainable development. The linkages are not so easy to understand in terms of the interrelationship between the beneficial impacts of sustainable standards and how they affect the entry of products into the market, influence the decisions regarding the development of product value chains, products and processes, trade and income of the producers and sellers. It was important to understand such linkages because sustainability standards, like the broader universe of product standards are becoming prerequisites for businesses. Producers and other businesses, such as farms, fisheries, forestry etc., seek to meet sustainability standards which continue to reflect in associated consumer-facing labels that ultimately give the buyer the assurance that the product that they are buying was made using sustainable practices.

These market-based and highly demanding technical standards which were once domain of a few markets, few standard-setting bodies, suave markets were now more widespread and became a commonplace requirement. This was because of the demand of the consumers about socially and environmentally sustainable products. That, such standards were in high demand because they met the criteria for fairer, equitable and more sustainably produced product.

The Swiss Research Institute for Organic Agriculture in 2017 estimated that over the past fifteen years, the global market for organic product has more than quadrupled from USD 17.9 billion to 90 billion, indicating a high demand for organically produced products respecting sustainability.

Noted in conclusion that the necessity of voluntary sustainability standards and the multiplicity of the standards was becoming quite common phenomena and looking at the linkages between such standards, trade,

production and development was important; and looking at some of the tensions and benefits of such standards such as the linkages of these standards as helping to meet the SDGs, standards can facilitate trade and not act as barriers to trade, etc. are also important to discuss.

Noted with appreciation that the India PSS Platform was active in promoting the awareness raising on standards. The UNCTAD has worked closely with the India's National PSS Platform and had a rich collaboration in promoting awareness about standards and sustainable development. These standards are critically important in achieving some of the SDGs, make impact on them, and therefore it is in the common interest to explore and understand the linkages between these standards, trade, sustainable development and overall impact on national development.

Harsha Vardhana SINGH (India PSS Platform): Welcomed everyone to the Convention on behalf of the India PSS Platform established under the QCI. Elaborated that the mandate of the Platform comes from the Ministry of Commerce and Industry, and it is the first national platform established with the support of the United Nations Forum on Sustainability Standards. It was the first such joint initiative to address sustainability standards in a collaborative manner, creating opportunities for trade, facilitating trade and not by constricting markets. The whole objective was to open up and achieve trade opportunities of sustainable development. Brazil, China and Mexico have followed suit.

That the Indian Platform served the purpose of facilitating dialogue between core public and private stakeholders on how to maximize the sustainable development benefits and market access opportunities of sustainability standards, whilst tackling existing and potential issues of PSS, particularly for small-scale producers. In the context of this Convention, the Secretariat of the India PSS Platform was also the Secretariat of the Convention – so any idea or suggestions are accordingly welcome.

That the origin of the International Convention on Sustainable Trade and Standards is rooted in the philosophy of the Charter of the India PSS Platform to institutionalize an inclusive intergovernmental, multi-stakeholder platform for the fraternity engaged in the sustainability standards ecosystem so that people can gain

access to each other and engage in dialogue, deliberation, and access to agenda-setting in the domain to take the objectives forward in a cooperative and collaborative manner.

That the platform was also to act as a forum for launch of pioneering products that document the history of the sustainability standards ecosystem, initiate engagement across stakeholders, and resolve issues of producers and MSMEs at a micro and macro level. The Convention now provides a space for us all – actors across all levels of value chains – to share their experiences and best practices for prolonged cooperation in sustainable production, value chains and trade.

That as a joint effort and in recognition of the pioneering work of the Indian Platform, UNFSS was also launching its Third Flagship Report today at this Convention. Besides, the Convention will also see the declaration of cooperation between national initiatives, and a launch of the handbook on good practices towards sustainable value chains – compiled and edited by QCI which provided actual case studies and stories. Hoped that it will be a useful addition to the resources available for furthering larger objectives that are emphasized.

It was important also to set the right context for meaningful deliberations to take place, and I would address this briefly. Government policies have emphasized sustainable development. With a rise in consumer awareness, the demand for sustainably produced goods and services is on the rise. Corporations around the world have increasingly focused on making their supply chains environmentally, socially, and economically sustainable. To that extent, the Convention can help address ideas that show the best way for partnerships to work towards this end.

Hoped that this Convention to be the place where stakeholders interact for learning and capacity development – their own, and what they carry outside – keeping in mind in particular the small producers of the world, and while achieving the objectives of sustainable development, they should create greater opportunities rather than be used as trade barriers.

Isabelle DURANT (UNCTAD):
Welcomed the delegates to the International Convention on Sustainable Trade and Standards. Expressed appreciation to the Government of India and the Quality Council

of India for the hospitality, organisation and facilitation of the Convention. Also expressed gratitude to the United Nations Forum on Sustainability Standards for support to the Convention.

Emphasized on the 2030 Agenda on Sustainable Development; the 17 Sustainable Development Goals provided a blueprint to address the developmental needs of the global community, especially the bottom billions of the poor. It demands a profound sense of awareness in the way we produce, transport, trade and consume. The challenges that are posed in front of the societies in order to achieve the 2030 goal are tremendous. One of the key tools that are available with us to promote a holistic development are operational and production Standards. She highlighted the fact that standards can help to have best practices in sustainable production methods that enterprises can follow and uphold and build their credibility in sustainable consumption practices among consumers and other stakeholders with adherence to such practices. By enhancing sustainability practices, standards can play a pivotal role to change the baseline calculation of companies' performances especially those involved in international trade like exports and imports. With broad uptake, standards can move industries towards improved social, environmental and economic performance. Standards translate the broad concept of sustainability into specific and concrete measures for companies and suppliers and also influence the consumption decisions of the consumer.

Emphasised that the ICSTS was about leveraging trade, standards and global value chains as engines of sustainable development, and such will be done by providing space to actors of all levels in the value chains to share their experiences and best practices on sustainable production, value chains and trade, to mobilize stakeholders and actors as one community to render sustainability standards as positive tool for sustainable development.

The complexity of international and national standards was visible from the fact that the number of VSS have increased tremendously in the recent years. Today, there are almost 500 ecolabels, in 199 countries in 25 industrial sectors as a result of factors such as consumer demand for differentiation in products and pricing policies. Thereby VSS has now become a tool for supply chain management, marketing and a tool that drives

competitiveness. She said that VSS is also a valuable benchmark for consumers as it helps them identify sustainable goods as they become more aware of such products. That this was an increasing phenomenon in the developing countries as it was observed that the demand for such products are more in developing economies than in developed economies.

The five members of the United Nations Forum on Sustainability Standards namely FAO, ITC, UNCTAD, UN Environment and UNIDO operate this partnership together for helping the developing countries respond to the challenges in VSS. How VSS can potentially bring positive outcomes for trade induced economic growth, environmental sustainability and social development.

While the focus was on the positives, it was important that the negatives like market access barriers must not be overlooked and should be addressed. There was a crucial role for the public actors in this regard, including need for international conventions such as the ICSTS.

She hoped that this platform provided an opportunity for better networking and successful discussions that help in having better standards for better trade with sustainable development.

Suresh PRABHU (Minister of Commerce and Industry, India): Congratulated the Chairman, QCI for the initiative. If trade is to be promoted, it should be based on standards which determine the quality of any product. The only way consumers can be assured of the authenticity and quality of the products was by having standards in place. Our aim is to promote standards in India and also globally. The Commerce Ministry was working extensively to make this happen especially in exports and that the Ministry is working with all other line ministries and export promotion councils to make this happen through standards.

Reaffirmed the role that the QCI is playing to reinforce that quality and standards go hand-in-hand. Standards must be reflected in quality and quality standards must be reflected in the final product. The current idea and initiative must therefore be encouraged. That the Ministry will promote it in a big way. Expressed regret for not being able to be physically present at the Convention.

Reiterated that QCI was doing great work in the domain and assured that the Government

of India will stand firmly behind this new initiative.

Ravi P. SINGH (Quality Council of India): Welcomed all to New Delhi for the Convention which was a part of the India PSS Platform – established only a couple of years ago, but had gone a long way in this short span of time. Started initiating a lot of dialogue with the government, among stakeholders within and outside India for recognising the importance of voluntary standards. Although along with the Ministry and the Indian stated position is that any sustainability standard or non-trade standard should not become a trade barrier for mutual or world trade, that it is recognised that certain sustainability standards need to be put in place for India to be looking forward. As known, this was the first national forum, and subsequently helped contributed the knowledge for creation of other national forums. Today, Brazil, China and Mexico have also established such framework and that lot of dialogue and exchange take place among these frameworks.

Thanked everyone who supported the Convention, especially the Commerce Minister, who had expressed interest in being there but could not attend. He thanked 1. International Partner: Team Sweden which composes of the Embassy of Sweden, Consulate General of Sweden, The Swedish Trade and Invest Council, and the Swedish Chamber of Commerce & Industry. 2. Convention Partners: Agricultural and Processes Food Products Export Development Authority of India (APEDA), established by Ministry of Commerce & Industry, Govt. of India; Network for Certification and Conservation of Forests (NCCF); and Roundtable on Sustainable Palm Oil (RSPO) 3. Knowledge Partner: United Nations in India, especially the UN Information Centre for India and Bhutan at New Delhi; 4. Associate Partners: Export Promotion Council for Handicrafts (EPCH); GIZ – Indo German Biodiversity Programme; Indian Oil; World Wide Fund for Nature – India (WWF); Solidaridad; Centre for Responsible Business (CRB); German Development Institute (D.I.E.); and Oyo. 5. University Partners: Ashoka University; Lloyd Law College. 6. Support Partner: Global Organic Textiles Standard (GOTS).

Also thanked Andaz Delhi for supporting the Convention through the venue. In conclusion, welcome all and hoped that the deliberations over the next two days would culminate into something big and that the message would be

taken forward and include more countries in establishing such national platforms and continually engaging in activities for putting sustainability in the forefront.

Adil ZAINULBHAI: Declared the Convention open.

Agenda Item 2: Trade, Global Value Chains and Standards as engines of Sustainable Development

(a) High-Level Plenary on Role of Trade and Trade Policy in Advancing the 2030 Agenda for Sustainable Development

Harsha Vardhana SINGH (India PSS Platform) (The Chair): Stated that the India PSS Platform initiative started with an effort at both taking the whole process of understanding how to coherently develop sustainable standard, increased capacities, link up with the rest of the world for greater opportunities. From the Indian side, other institutions and countries were contacted. One important person who played a significant role was Dr. Thomas Fues who organized some very important meetings and brought countries together.

Amongst the various initiatives that were taken connections were made with the European Commission, Sweden and the UNFSS. Reaffirmed that the whole purpose of the initiative was to connect, expand and increase opportunities whether it be through ideas, whether it be through capacities, augmentation and learning of actual practical ideas which are for the business and for the business communities and make it sustainable in a very coherent manner.

The floor was given to the Director, DG Trade, EU.

[Special Address] Ewa SYNOWIEC (Directorate General of Trade, European Commission): Shared the experience of the European Union contributing to the implementation of the sustainable development goals from the trade policy perspective. EU law requires all relevant EU policies including trade policy to promote sustainable development. The EU was instrumental in shaping the UN's 2030 Agenda for Sustainable Development, including the Addis Ababa Action Agenda that spells out EU's commitment to integrate sustainable development in trade policies at all levels and identifies trade as one of the methods by which developing and least developed countries can raise domestic revenue to meet commitments under SDGs.

The EU Trade for All policy communication adopted in 2015 goes well beyond the 2030 Agenda commitments. In the special section on Trade and Values, it gives clear orientation as to how EU trade policy continues to support and reinforce sustainable development

directly. There are some questions that come in this context. How the EU are actually leading up to that commitment? What is EU trade policy doing concretely to contribute to the implementation of SDG under UN 2030 Agenda? What makes EU a front runner in shaping trade for inclusive growth and sustainable development? Could this which EUs doing inspire others?

These are rough times for international trade. Uncertainty around trade policies has become a worrying threat to global economic growth forecast and unilateral protectionist measures are on the rise. The EU however remains a staunch defender of open and fair trade as a means to boost economic growth and sustainable development. However, trade policy alone cannot overcome all challenges related to sustainable development including, decent work, labour standards, social cohesion, green growth, and climate change resilience.

EU's experience is that when coupled with strong values on social protection and environmental stewardship, trade can be an enabler of sustainable development and contribute to setting high standards.

EU trade policy contributes bilaterally and multilaterally in trade agreements in achieving the sustainable development goals and promotes corporate social responsibility, creates citizen's awareness about aid for trade in the following manners:

How does EU trade policy connect with SDG: SDG 8 which relates to decent work and economic growth: Firstly, EU has incorporated binding provisions in the trade and sustainable chapters in the trade agreements. EU 's trade sustainable development chapters aim at maximizing the leverage of increased trade and investment on issues like the decent work and the environmental protection or the fight against climate change. EU does it with trade partners in order to achieve effective and sustainable policy change. EU's unilateral general schemes of preferences, there are special incentive arrangement for sustainable development and good governance which promotes environmental protection, labour rights, good governance, and human rights – which provide privileged access to the EU markets.

Moreover, general scheme of preferences has an overall positively impact on social development and human rights. For e.g. through improved participation of women in labour force.

Secondly, EU Compact for Continuous Improvements in Labour Rights and Factory Safety in the Readymade Garment and Knitwear Industry in Bangladesh as well as the Initiative to Promote Fundamental Labour Rights and practices in Myanmar which bring together governments, trade unions and businesses also contribute to protecting workers' rights.

Thirdly, EU also supports the ILO which is an excellent collaborator and EU has several joint projects with it aimed at respect for SDGs. Also, the linkage of economic partnerships and agreements of EU with Pacific countries, Africa and Caribbean countries contribute to the implementation of SDG 8.

Fourthly, EU also supports fair and ethical trade and promotes CSR and responsible business conduct through various actions.

Moving to SDG numbers 1 and 2 on reduction of poverty and hunger. EU's economic & partnership agreements and commitment from the 10th Ministerial Conference of the WTO in December 2015 for eliminating export subsidies can contribute to reduction in poverty and hunger.

EU also contributes to SDG 3, good health and wellbeing. Here EU promotes improved access to medicines by EU-led revisions to the WTO TRIPS Agreement in form of waiver to WTO Agreement on Services can contribute to good health and wellbeing as targeted in SDG 3.

EU also contributing to SDG 5 by including a gender aspect in the impact assessments, general schemes of preferences + and through dedicated provisions in EU'S trade agreements. In particular EUs building knowledge and collecting gender differentiated data related to trade. For e.g., EU working with Chile on gender specific trade provisions in the context of modernization of EU's association agreement with Chile. EU is also cooperating with international organizations like WTO, OECD, ITC, World Bank and others to build awareness gathered evidence on trade and gender interlinkages.

As concerns, SDG number 9 and 10 on resilience and reducing inequality and SDGs 12 to 15 referring to environment and climate change, preferential access to EU market provided through the unilateral generalized scheme of preferences, record level of EU aid for trade, the inclusion of sustainable development provisions in their trade agreements, proposal on fish subsidies on

WTO and EU support to fair ethical trade can contribute to SDGS she mentioned.

SDG 16 on peace, justice and strong institutions. EU works to eliminate conflict minerals from supply chains which can contribute to peace, justice and strong institutions.

Expanded more on CSR as a priority in EU's implementation of SDG. Emphasized on private sector and business community role. Also working with international organizations such as ILO and OECD. For e.g., EU is the main donor for OECD work on due diligence in the garment industry. EU working together to develop recommendations, activities based on the OECD recently published guide for responsible supply chain in this sector.

EU is also running a 9 Million Euro pilot project with the OECD and ILO to promote responsible business conduct in Asia. This project covers 6 countries China, Vietnam, Thailand, Japan, Philippines, Myanmar. Similar project in Latin America.

The EU women and trade initiative harnesses the power of trade to empower women. Working with the private sectors has helped EU to develop regulation to check conflict minerals.

While businesses are important, complete society engagement required for SDG implementation. EU has built a multi-stakeholder platform on SDGs to provide a forum for exchange of experience with civil societies across sectors at EU level. Awards instituted for recognising work towards SDGs.

The collective aid for trade by the EU is 13.5 Billion Euro – making EU the world's leading provider for aid for trade. EU's updated strategy for aid for trade enhances the alignment between development policy and the opportunities presented by trade policy. The areas identified for the review of aid for trade cut across 17 SDGs. Challenge is to operationalise this and prioritise trade led SDG implementation.

In conclusion, EU trade policy contribution to SDG are numerous. They support trade policies of various stakeholders and facilitate creative incentives. However, it cannot solve problems alone. Emerging economies have an opportunity to act not only as a force for global economic change but also lead in achieving SDGs. Model of trade-led SDGs that works for everyone requires everyone to work towards it. Consumers, governments, business - large

and small, non-governmental organizations and other stakeholders all need to come together to work closely together. Events such as this First International Convention on Sustainable Trade and Standards show the value and enshrine ideas, and best practices and coordinated efforts in achieving sustainable development goals. Every stakeholder will have to take the responsibility and ensure we are fully committed to this issue. Called upon delegates to show commitment to inspiring ideas followed by implementation.

[Special Address] Teppo TAURIAINEN (Director-General for Trade, Ministry of Foreign Affairs, Sweden): Congratulated the Quality Council of India for organizing the timely and topical Convention. As a member of the EU, stood by the just concluded EU statement and further elaborated on the Swedish perspective on trade and sustainability and the Agenda 2030.

Agenda 2030 is the top priority for Sweden and it is committed to attain the SDGs. International trade is fundamental to economic growth and in improving welfare. Any country cannot reach its full potential without being open to trade, and therefore trade is a very key element to Agenda 2030 and achieving many of the SDGs; for e.g. gender equality, good health, decent work and climate change.

In order for trade policies to contribute to SDGs, governments must define the policies in a manner in which they can support and complement the SDGs. Reaffirmed the importance Sweden attaches to the multilateral trading system in the WTO which is crucial for the least developed countries who need to rely on multilateral rule to save their interest and rights. In negotiation of bilateral and regional trade agreements, there's a need to consider sustainable development so that it reflects in the final packages.

Sweden takes up sustainability properly in its EU trade role as well. There is no contradiction between sustainability and free trade. They can definitely be combined and Sweden is a very good example of this that sustainability does not have to mean protectionist.

Development cooperation is a key feature of Swedish foreign policy. Inclusive growth and poverty reduction are at the heart of Sweden's development cooperation and free and fair trade is perceived as an important vehicle.

Reaffirmed support to the Aid for Trade initiative under the WTO. Swedish companies are biggest donor for aid for trade. Neither aid for trade nor development cooperation instruments can finance 2030 Agenda alone. All relevant government policies as well as government aid agencies, the private sector etc. play their part in achieving the SDGs.

In Sweden, reporting on how different policy areas contribute to the SDGs is now standard procedure for government agencies as well as the private sector. Many Swedish companies today include sustainability chapters in their annual reports. However, government measures can only go so far. The private sector needs to play key role in Agenda 2030. Achieving the goal would not be possible without full engagement of the business community. It is a matter of nurturing new attitudes in which innovation and sustainability are prime drivers of competitiveness.

In the context of Sweden-Indian cooperation, at the visit of India's Prime Minister's to Sweden in spring 2018 to meet the Sweden Prime Minister, the Indian PM fully committed to the implementation of the 2030 Agenda. Sweden and India appreciate that this is a potential platform where they can build common commitment and identify areas of cooperation based on talent and skills in two countries. Potential areas for cooperation between Sweden and India include smart cities including urban development, air pollution control, waste management, waste to energy, waste water treatment, circular economy, etc. All these are very relevant to sustainable development.

Finally, on the topic of Standards, Swedish Strategy on Standardization, and cooperation with India, informed that Sweden has initiated bilateral cooperation with India on standardization through the Quality Council of India – which is a promising area in the bilateral context. Standardization can actually move ideas, partnership and recommendations further that can help in promoting sustainability. Sweden created the Strategy to raise the profile of standards as a facilitator and stimulator of international trade; not a barrier to trade or agent of fragmentation of international markets. Sweden believes that standards need to be open and universal underpinning economic sustainability and goals. Standards need to be inclusive and should involve all stakeholders. Collaboration between private sector, public sector and academia needs to be strengthened in coming up with new standards. Will work together with

the European partners to strengthen the standardization framework for the export of consumers and exporters to the EU. Wished to contribute on similar lines at the global scale.

[Special Address] Bonapas ONGUGLO (UNCTAD): Appreciated the remarks made by the representatives of the EU and Sweden, and for the support extended by them to the UNCTAD in its work and in the launch of the UNFSS.

Commented briefly on the SDGs, trade and SDGs, and on the UNFSS. On the SDGs, the UN had the Millennium Development Goals. (MDGs). When these goals came to an end, the member states moved and adopted sustainable development goals and we are now in the implementation of sustainable development goals. MDGs dealt with achieving the social goals and less about environmental and economic factors. Global community engaged in the process of defining the SDGs as a shift in paradigm as the successive developmental framework after the MDGs. Led to a holistic agenda comprising social, environmental and economic dimensions of development, and the interactions between these dimensions is now in focus. Efforts are to highlight the positive dimensions and minimise the negative interactions.

Some of the tensions in this process include questions on how social, environmental issues could be addressed through regulations; how to deal with private sector issues through governmental regulations; how to promote environmental objectives. These need to be addressed closely and the Convention could add to that.

On the point of trade and SDGs, trade is linked to many of the SDGs. Specifically pointed out SDG 17 which talks about international global partnership in terms of mobilising global partnership to achieve sustainable development goals. International trade is an engine for promotion of SDGs, as recognised in SDG 17. Safeguards and promotes validity of the multilateral trading system. Rules of trade have to be predictable, secure and transparent. Preserving the WTO and the multilateral trading system is important.

Another objective in SDG 17 is significantly increasing the exports in the developing countries and in that context particularly addressing the tariff barriers impeding trade. Tariffs have been going down. However, some

of the non-tariff measures are missing in the current narrative. Awareness needs to be built to bring to fore some of these export-affecting mediums in the realm of non-tariff measures, technical standards, phytosanitary standards and other voluntary sustainability standards. These are some of the interfaces between economic and SDGs which are not clearly articulated, and need to come to the fore. Hopeful that the work on VSS, national platforms and Conventions such as this, these linkages could be brought to light, and explore how VSS could help to achieve SDGs. While SDG 17 looks at tariff measures, measures which affect entry of a product in the market, measures behind borders such as VSS need to be looked at and awareness to be raised and see how stakeholder concerns are included in defining product standards.

Lastly, about the United Nations Forum on Sustainability Standards, which was created in 2013 with the support of Sweden. UNFSS comprises of 5 agencies; FAO, UNIDO, Environment, ITC and UNCTAD. Work together to promote transparency, awareness and collaboration on VSS. There is rising importance of affecting product entry into markets. When resource poor farmers, small producers are to be connected to global markets, certain mechanisms are to be gone through. VSS is one such mechanism to put products from such contexts on supermarket shelves at attractive prices. In light of this, the UNFSS agencies together promote transparency and conduct analysis on sustainability standards. The Third Flagship Report of the UNFSS is a step in that direction bringing transparency to the VSS system. This will be launched at this Convention later and the report would be introduced by the UNFSS Coordinator.

The UNFSS also helps in setting up national platforms on VSS/PSS, which have been set up in Brazil, China, India, Mexico, Indonesia etc. Recognised the support of the national platforms. He also recognised the travel support of the German Development Institute. UNFSS believes that the national platforms are critically important in mobilising local stakeholders for looking into the role of VSS and how they promote transparency, standard-setting, distribution of costs, compliance costs, equitability, multiplicity etc. Standards community and producers addressed on the same footing by the UNFSS to mobilise global action by localisation.

The Chair: Thanked the special addressers for sharing multi-level thoughts,

and for emphasizing the WTO and free trade agreements which emphasize further a combination of support, capacity augmentation, and incentives which enhance the possibility of benefitting from trade. WTO agreements recognise standards as necessary for trade, but at the same time want to prevent any trade restrictive use of standards, even in a disguised form. Thanked the speakers for recognising the opportunities that lie therein.

Agenda item 2: Trade, Global Value Chains, and Standards as engines of Sustainable Development

(b) High-Level Panel Discussion on Trade, Global Value Chains, Standards, and Sustainable Development

Harsh Vardhana SINGH (India PSS Platform) (The Moderator): Stated that the panellist's experiences and diversity would be very helpful for the discussion on the topic of Trade, Global Value Chains, and Standards as engines of Sustainable Development. The learning from different perspectives at sectorial level and general policy level of the panellists would help in augmenting opportunities and addressing issues and solving problems.

Ajit CHAVAN (Textiles Committee, Ministry of Textiles, Government of India): Introduced the perspective of a developing country along with the perspective from the textiles industry. Global trade in textiles & clothing is USD 788 billion and is growing at CAGR of 2%, China leading at USD 250 billion and India second with USD 40 billion – a context that attracts the attention of the government and make trade related issues all the more important in Indian context. The role of standards in trade is to facilitate transactions, enlarge markets and integrate into global value chains, ensure consumer safety and environmental sustainability – these are well appreciated. India has been in the forefront of supporting environment and sustainability policy in line with international commitment. However, trade may not be linked with sustainable development agenda as environment, labour and other social standards are not function of trade.

In context of private standards, there's a perception of its use and potential misuse. From the perspective of a developing nation, private standards are feared to have a potential misuse and are perceived to adversely impact livelihood and interests of poor and vulnerable class.

PSS tend to be largely closed having little scope for inputs from stakeholders, and are seen to be restrictive, competing with domestic regulatory mechanisms, having issues such as lack of transparency, accountability, lack of understanding of local contexts, and high compliance costs.

In Thirupur, from where exports worth USD 3.7 billion take place, the exporters have to incur cost of USD 30 million to comply with

private standards. However, private standards based on principles of openness, transparency, and consensus, primarily focused on ensuring safety and quality of product, with a focus on integration with global value chains, greatly contributing to economic empowerment, technical innovation and consumer welfare should be welcome.

Becoming part of GVCs is crucial for developing countries in gaining access to crucial codified and tacit knowledge that eventually allows them to build up their own industries and increase their share in international trade. However, from a business perspective, as part of GVCs, if PSS are important, then businesses have to engage with them, have to respond to them and ensure that they are adaptable to the local requirements.

To that extent, the work done by QCI in the form of the India PSS Platform is going to be a very useful initiative, and as an important stakeholder in the quality arena, Textiles Committee of the Ministry of Textiles would be fully in support of this initiative.

Dagmar WALTER (ILO Decent Work Technical Support Team for South Asia and Country Office for India): Emphasized on the role of the ILO as a multi-stakeholder tri-partite international standard setting body with 187-member states, enhancing their legal frameworks and policies in the world of work. As a founding member of the ILO, to a great extent India has contributed in shaping ILO's global mandate of Decent Work for All and has shaped important ILO conventions.

The ILO 2016 Report on Decent Work in Global Supply Chains presents evidence of gains in sourcing countries due to GSCs in terms of economic growth, job creation, poverty reduction, and technology transfer and skill development. However, evidence also shows that the dynamics of production and employment relations in GSC, also have had negative impacts on working conditions and job quality in sourcing countries. Some of the more shocking examples were the collapse of the Rana Plaza building in Bangladesh in 2013 and the factory fires in Pakistan in 2012, which claimed the lives of over 1,500 people and sparked a call for global action to achieve decent working conditions in the global supply chains.

The multinational enterprises, lead buyers and destination countries, often determine the rules, terms and conditions in Global Supply Chains. Adherence to international standards

– whether labour or environmental – form part of such conditions. Hence, global supply chains have a strong link to trade agreements. Nearly half of the trade agreements concluded in the past five years included either a labour chapter or labour provisions that refer to international labour standards and the ILO instruments. Noted with interest that one-quarter of the trade agreements with the labour provisions are between developing economy partners. More and more GSCs are influenced by MNEs from so called developing economies

Labour standards have different connotations for real players in the economy. Sometimes they are perceived to protect brand reputation and meet consumer expectations, and at other times they are seen as non-tariff barriers for market protection. Question of whether labour standards are a necessary constraint in today's global business environment or whether they actually make business sense, become pertinent. Argued in favour of both. For achieving the 2030 Sustainable Development Agenda, solutions must be business-led. This approach will help in achieving better productivity through improved working conditions which will then result in sustainable businesses and enterprises.

Emphasized further that standards are crucial because: Firstly, the ILS provide level playing fields for countries to compete in the global economy. They help governments and the employers to avoid the temptation of lowering labour standards in the belief that such an action could give them a greater comparative advantage in international trade. Because international labour standards are minimum standards adopted by governments and the social partners, it is in everyone's interest to see these rules applied across the board, so that those who do not put them into practice do not undermine the efforts of those who do.

Secondly, they help to improve enterprise level productivity. A large body of research and impact evaluations, including ILO's enterprise development initiatives such as the Better Work and the SCORE programmes, indicate that compliance with international labour standards rather result in improved productivity and quality performance.

Thirdly, the value of labour standards doesn't go unnoticed by foreign investors. Many studies have shown that when foreign investors select countries for investment or look for enterprises for joint ventures, they assess the ranking of workforce quality and

the political and social stability above just low labour costs.

Referred to the ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy as an authoritative reference point for both public and private social responsibility initiatives providing detailed guidance on how companies can maximize their positive contributions to economic and social development, while minimizing the negative impacts of their operations.

To conclude, it was noted that there is a growing realization that compliance to Standards through certifications and audits itself do not yield the results we desire as the root causes are left unaddressed. Instead, it only increases the cost of compliance and leads to audit fatigue for suppliers. ILO therefore encourages leading buyers and trading countries to invest in capacity building. Recently, on request from the Indian Apparel Export Promotion Council (AEPC), ILO has developed a Good Practice Manual for ready-made garment (RMG) factories. Such initiatives support Indian factories to go beyond mere compliance and better understand the business case of internalizing standards in factory operations.

Anupam KAUL (Institute of Quality, CII): Introduced the recent developments in the standards landscape in India, in particular about the Indian National Strategy for Standardization, the work on which has been going on for the last five years. This culminated into the formal release of the strategy document this year by the Commerce Minister of India.

The Strategy brought up the entire standards ecosystem in India, recognizing the issues and challenges and how India is positioned and in what ways the standards developments, technical assessments and conformity assessment activities should take place. The document also had certain underlying principles that are key drivers for the standards development in the country; them being – developing a comprehensive standards ecosystem for developing the standards, taking into account the diversity of interests, using standards as a level playing field for the Indian industry and announcing their competitiveness in international market, adopting best practices in standardization and accreditation systems and creating an integrated infrastructure in the country, playing an active role and taking leadership positions, aligning with the other national policies that

also includes NITI Aayog priority are for SDGs.

The Strategy also recognizes that the PSS are currently outside the preview of the governments and impact on suppliers is significant. It also notices that PSS combines the standards, conformity assessment procedures and auditor qualifications therefore they virtually become private and have little government participation. Most of them do not have global consultation. Thus, the document creates a background and has come up with certain recommendations. One of them has to be to identify all private sustainability standards that affect exports and those are outside the government's purview as it has not been yet proven that the PSS are fulfilling the SDGs of each nation or even globally.

Recommended that PSS should be linked with SDGs, and should be inclusive and non-discriminatory, to create necessary ecosystem to facilitate knowledge sharing and handholding and awarding incentives once followed, recommends a National Centre to study the impact of PSS. The MSMEs have to bear the cost of compliance. These schemes are mostly formed by the developed countries and are putting pressure on developing countries. The good part of PSS is that it increases the competitiveness among those who can comply with these. There is a recommendation to set up a national response structure comprising of experts for looking at these schemes and also trying to seek membership between the governing processes and the standard setting processes.

In addition, there must be one National Scheme which considers all other schemes. This can act as a benchmarking scheme. There is also a need to create resources for advisory support to PSS. Another goal is on conformity assessment, which talks about easing the burden on MSMEs and providing them help on the obtaining of all certifications. There is a policy paper in the ministry of commerce, which recommends the state governments to provide support to the MSMEs via funding schemes.

There is a need to look at closed-door policies that are created in this sphere. In the textiles sector there is a monopoly of the leading certifiers. Therefore, there is a need for global benchmarking scheme that encourages voluntary certification schemes and sets up transparency. There is a need for more

domestic accreditation bodies that will reduce cost and be nondiscriminatory in nature.

In conclusion, there is a necessity for a central national body that helps to study impact of VSS and suggest modes of government intervention where trade is adversely affected.

Rajan RATNA (UNESCAP): Emphasized that the 2030 Agenda, though a UN resolution, is the responsibility of the national governments to meet with these goals and take steps towards it. GVCs have now become a fashion in the present world but this has been happening ever since the trade has been happening. Earlier the data was not available, now the data is available and policies can be easily formulated. Trade is one of the means to facilitate SDGs, whether we like it or not, and is not a sustainable development goal. There are many instances where trade is linked in the agenda of the sustainable development goals, for example in paragraph 30, it talks about not raising trade barriers which are not in accordance with international law or UN Conventions. Also, the paragraph 60 talks about the role of national governments in taking responsibility towards the majors of rules that help in addressing the sustainable development goals.

For a lot of countries, SDG17 is important as it talks about doubling the trade by 2020 and this comes from the Istanbul convention. Questioned why developing countries are only reactive and not proactive in the formation of standards, and that developing countries must assume the role of forming standards than accepting them. Emphasized further the vital role of government and said that stakeholders must understand the sooner the standards are adopted the better it is.

The 2030 Agenda are the government's responsibility as they take it upon themselves to implement them. Global value chains have already existed since long but now there is data available for them, which is helping us make new policies for the reaching the sustainable development goals. Standards play an imperative role in today's world and irrespective of developed and developing country, these are evolving and there is a need to develop them.

SDGs have three pillars. Sustainability now only does not mean environment but also social and economic development. There has to be a balance between these three. The country where a standard is set up also has to ensure that the domestic industries are also complying by those laws and not just the

countries from where it is importing. The private standards are also now coming to light because of consumer awareness. There are international standard setting bodies however in the case of developing countries, they do not take up a reactive role but just a proactive role. Abiding by the international standards not only helps the exporter but also improves the standard of living of the people of importing nation.

It is a reality that global value chains, trade and standards are linked to each other and that we will have to adjust to it. The standard setting bodies or even the government has to accept to facilitate this. The sooner this is done, the better it is.

Konrad UEBELHOER (Indo-German Biodiversity Programme, GIZ): Affirmed that biodiversity plays a vital role for sustainable development and trade. Trade shouldn't be at the cost of local biodiversity. Business shouldn't impact the biodiversity. At the same time, most standards do not take account of diversity loss or individual ecosystem activities.

That the loss in biodiversity is progressing at an exponential rate despite the efforts being made by various organizations. In such situations voluntary sustainable standards play a vital role in protecting biodiversity particularly in the case of agriculture, fisheries and forestry and integrate them into the business practices. Most standards however do not sufficiently consider the entire biodiversity but only its individual elements. Important factors like pollination are yet to be considered in the standards ecosystem.

There is a need to guide and involve farmers to develop a biodiversity action plan because even if the standards are there aiming at the sustainable growth, the lack of knowledge makes its existence null and void. The focus should be to develop micro, small and medium enterprises that promote biodiversity friendly promotion and commercialization because they are particularly dependent on the ecosystem and often face challenges when introducing innovations. In conclusion, stated that one of GIZ's aims is to impart knowledge on how to integrate biodiversity into the standards ecosystem.

[Q] Esther DAVID (Ashoka University): Addressing Ms. Walter, enquired if she could elaborate on how compliance increases productivity and how consumers can identify brand and companies that do comply with these standards.

Dagmar WALTER: Need to reinforce and build a dialogue between workers and the companies so that they can identify the areas to be worked on where standards are being applied. This will have a direct impact on the on-time delivery, as there would be regulations in the pay, work conditions and the environment. A combination of actors works together to get benefits.

[C] Sumit GUPTA (GOTS): Directed to Mr. Anupam KAUL: Initiatives of ITC and ISEAL have made it possible to check what standards are doing.

Anupam KAUL: Something practical and reliable and doesn't keep changing with time. There should be a global consensus on the schemes because today if there are 20, tomorrow there would be 200 and so there would be no stopping. Hence something globally acceptable is needed.

Agenda item 2: Trade, Global Value Chains, and Standards as engines of Sustainable Development

(c) Launch of the Third Flagship Report of the UNFSS, followed by Panel discussion on themes of the Third Flagship Report of the United Nations Forum on Sustainability Standards

Rudraneel CHATTOPADHYAY (QCI) invited Bonapas Onguglo (UNCTAD), Harsha Vardhana Singh (India PSS Platform), Rajiv Vijh (UNIDO), Joseph Wozniak (ITC), Ravi P. Singh (QCI), Manish Pande (QCI), Rogerio Correa (InMetro), Xiuchun Zhang (CAS), Thomas Fues (D.I.E.) to launch the Third Flagship Report of the UNFSS.

The Third Flagship Report of the United Nations Forum on Sustainability Standards on 'Voluntary Sustainability Standards, Trade and Sustainable Development' was launched and made public as an online document.

The floor was given to the Moderator to introduce the report and undertake the discussions further.

Santiago FERNANDEZ DE CORDOBA (UNFSS) (The Moderator): Introduced the themes and key findings of the Third Flagship Report.

Rajiv VIJH (UNIDO): Discussed the impact of economic activity through VSS and supply side economic activity with modification in decisions of economic actors in a way that enhances sustainability in three dimensions: reduce discrimination, decrease trade costs and increase market access, and could provide healthier economic system. Said that VSS are relevant to domestic markets and that there is a need for technology that can reduce waste and pollution.

Joseph WOZNIAK (ITC): agreed with the discussion in the previous panels about the issues of accessibility, cost, technical requirements and multiplication of standards, and also agreed with the need for a benchmark for standards. Said that ITC has been collected data which has revealed insights about VSS- they have been increasing, but there was a drop off in 2010. Standards in coffee, cocoa, and tea industries have been growing rapidly. 26% of global coffee, and 24% of cotton growing area are certified. Said that the pattern suggests that there is large growth of certification around single products that are very important to customers, like chocolate, and coffee, but

other products like fruits, vegetable, palm oil, have seen a bit of consolidation happening. Another finding was that brands and retailers are now driving the debate and making their own identity by having their own standards now, whereas 10-15 years ago they would outsource it to a standard.

Addressing linkage between trade and VSS, and said that products or countries with high exports usually have high VSS. VSS also dependent on the value chain structure – if brands source directly from farmers, they implement their own code of conduct, which is not released as a standard and thus remains off the map. Threw light on ITC's efforts to reduce multiplicity and harmonize the VSS space, and the need for the same.

Thomas FUES (German Development Institute): said that ICSTS has brought about a fundamental shift in perspective, with stakeholders now shifting their attention to understanding VSS as a national priority.

Discussed two critical gaps in the VSS ecosystem – (i) Global governance- lack of a forum for continuous exchange of information, meta-governance architecture for evolution and role of VSS and international trade in global economy, (ii) Knowledge- much more information and solid analysis on policy, international agreements which make sure VSS do not have primary function serving the private sector. Both of these gaps provide huge opportunity for a platform like the ICSTS, where stakeholders can get together and share. He also congratulated India for being a leader in promoting understanding of VSS internationally.

Engela SCHLEMMER (University of the Witwatersrand): Reiterated the fact that VSS are a market reality and they cannot be done away with.

Emphasized on the importance of greater coherence in the language used by lawyers and policy makers, and of increased involvement of lawyers in this space. The situation of VSS is such that they fall outside the scope of WTO unless they specifically come up as a barrier to trade. Implored Governments to take more responsibility.

Soumya BHATTACHARYA (UN Environment): said that the focus points of the UNFSS report- trade, voluntary sustainability standards- are also priorities for the Indian government. Talked about how consumers these days are more aware, and said that the

report is an opportunity to address environmental challenges like biodiversity, water conservation, etc. Informed the delegates about UNE's environment and trade hub which has been set up in India. Said that it is assisting the government in the sustainable public procurement task force, which has been set up by the Ministry of Environment and Ministry of Finance. Key messages from UNE- In all circumstances, VSS, when implemented, will benefit the economy. Along with creating opportunities for producers to export to foreign markets, VSS can actually drive environmental improvements upwards in the value chain and help in achieving all the 17 SDGs.

Bonapas ONGUGLO (UNCTAD): Referred to his last statement in the panel to say that standards are a reality and they are multiplying and we need to be able to handle them and deal with them. There is a tension between standards and how they impact livelihood and trade, and said that it is important to understand whether VSS are an enabler or disruptor.

Emphasized on the need to measure whether VSS are providing sustainable livelihoods and whether they are helping in achieving the SDGs, and said that this report raises a lot of these questions and addresses them. Talked about the need for transparency in the standards setting system and their analysis. Ended by informing the delegates about part two of the report which includes the perspectives of national platforms.

Agenda item 3: Addressing challenges in Standards, Global Value Chains and Sustainable Development

(a) Panel discussion on 'Addressing challenges in sustainability standards ecosystem such as multiplicity of standards, compliance costs, and capacity development of smallholders & MSMEs for entering GVCs'

Rajan RATNA (UNESCAP) (The Moderator): Queried the panel on the challenges and opportunities that different stakeholders face with sustainability standards.

Christopher WUNDERLICH (IISD): Stated that standards are site-specific and sector-specific. There is a need for capacity building for smallholders to access and comply with these standards. In the case of developing countries specifically, it is very difficult for smallholders to access these standards because of weak infrastructure, and the absence of a culture to work together towards quality. He said that because of this there is high concentration of standards in specific sectors and countries, whereas large scale buyers are demanding them as requirements worldwide. One opportunity is that VSS provide a framework for best practices to be implemented in processes.

Murli DHAR (WWF-India): One advantage of VSS is that smallholders can gain access to premium supply chains by complying with them. At the same time, there are challenges, like the constantly changing requirements of VSS, that smallholders are unable to comply with because of lack of access to new technologies.

Rijit SENGUPTA (CRB): MSMEs comprise an extremely important component of the Indian industry and also form about 50% of the export capacity. Raised the question – "what role can sustainability standards and lead firms play to strengthen the ability of these MSMEs to export?" Said that sustainability standards need to recognize these standards and create possibilities through cooperation between organisations to make standards more accessible.

Vidya RANGAN (ISEAL Alliance): Discussed two specific challenges – first, the interaction between global standards and national and local standards. Are global standards going to influence work at national and local level or are local standards going to emerge and adapt to global? Second, the

challenge of delivering sustainability impact at scale. She said that standards are still a niche and they need to be mainstreamed. She also said that there is opportunity in innovating the standards model, as changes in the model can help deal with the challenges.

The Moderator: Question to the representatives of CRB and WWF-India on how can they have sustainability standards that are inclusive and how costs were to be minimized.

Murli DHAR: said that multiplicity of standards is creating confusion between producers and buyers. Discussed WWF's initiative where they are trying to bundle up standards, giving the example of a project in Brazil to bundle up similar soft standards. He said that this addresses the problem of cost because then cost can be shared. Similarly, in India also, they are trying to bundle up standards, for example, BCI is operating in cotton space and FSC in forestry, and WWF is trying to find common points in them, figure out what are the non-negotiables in both, and how they can be harmonized.

Rijit SENGUPTA: All enterprises have a vision to grow, and they would jump to any opportunity for growth, but the question is whether VSS are really helping MSMEs grow. He gave the example of diamond polishing industry in Surat – there are 50,000 large polishing units, but only 90 are certified, the reason for which is that there is no demand from brands. There are a number of issues in this industry like labour wages, which have extended to a point where workers are committing suicide. How long will we continue to argue that standards are being set beyond the capacity of Indian producers and when do we start saying that Indian workers in factories deserve good working conditions? He also pointed out that we've not been able to engage with industry associations. Another challenge is of impacts at scale, and he suggested that stakeholders should come together to explore possibilities including costs sharing. He gave another example from leather cluster in UP which is on a downslide because of nagging environmental problems and government policies that have led to challenges in the supply. Said that Government is also an important player because some government regulations are way beyond the capacity of the MSMEs.

The Moderator: Question to the representatives of ISEAL Alliance and IISD– with the context of multiplicity of standards,

how do you think we can standardize the standard making process?

Vidya RANGAN: More standards emerging than people who comply with them. ISEAL is bringing standards together and trying to reduce duplication. She gave the example of how 6 ISEAL members came together to find answers to the living wage issue. The first challenge they faced was how to define a living wage and how to measure it? Because of this alliance, 21 benchmarks have been developed for living wages, efforts have been made to discover the gap between the existing and living wage and efforts made by the private sector and government to bridge the gap. The question of “what does it take to deliver a decent income to smallholders” is being looked into. Further, she said that with multiple standards, comes repetition, and gave another example of Integrated Pest Management Coalition, which is another successful stakeholder collaboration, that has integrated the pest management space and set benchmarks.

Christopher WUNDERLICH: We need to know what's working and what isn't. Gave the example of his work in East Africa where he saw a shift in perception to how standards can be seen as a tool to meet national goals. He said that standard requirements need to be more practical, applicable, and viable. There is an increasing number of standards to comply with, and he has seen that people working as farm managers are now certification managers. He also gave the example of Sustainable Commodity Assistance Network which is working with leading certification programs to find harmony between standards and have an internal system to bring them together to reduce costs and time.

The Moderator: Asked the panellists what role can the government and other stakeholders play in mitigating these challenges and converting them into opportunities.

Vidya RANGAN: said that research shows that a positive enabling environment goes a long way for sustainability standards. Many standards that bring stakeholders together like RSPO do a far better job. Government can support that function, and use tools like subsidies, consumer consciousness through public policy.

Rijit SENGUPTA: Government can come forward and provide support to industry associations to improve the environmental

impact mitigation, thereby improving overall sustainability, and making them more visible. This is a gap that needs to be filled by the government. He expressed that this role of the government is going to be even more important going forward because circular economy is on the rise, especially in Europe, and asked if we are prepared to deal with that. Brand have made commitment to circular economy. Can Indian producers use this as an opportunity?

Murli DHAR: Though government is not part of standard developing ecosystem, but these standards are coming from treaties and the ecosystem. Government can play a role in these treaties. Example of Montreal treaty which was signed, but its implementation is not seen, and a regulatory framework required for the same. He said that if this is fulfilled, then standards are not even needed. Shared another problem in India, which is that a lot of subjects are state and not concurrent, because of which there is gap in implementation, and said that fine tuning is required in regulatory framework to bridge this.

Christopher WUNDERLICH: That governments have the mandate to address public goods. There needs to be a nexus between what the private sector can address and what public can address. At some point these two will blame things at each other, so it is important to build processes and mechanisms to address issues in sustainability and have long term sustainability.

The floor was open to questions.

[Q] To Panel: Asked to discuss the role of judiciary as most of the decisions regarding environmental compliances in India come from the judiciary directly, and not the government.

[Q] To Panel: Asked for examples of how sustainability standards have helped MSMEs increase their competitiveness.

[Q] Addressed to WWF-India: What is the level of stakeholder awareness, especially MSMEs, about certification in India as compared to the rest of the world?

Murali DHAR: Answered the second question by giving example of grape farmers in Nasik who are complying with GOTS and in turn getting access to premium markets. Answered the first question by saying that Government and judiciary can work together;

and that the panel was talking about the whole system together when referring got government.

Vidya RANGAN: Stakeholder awareness is very important. There is a common notion that Indian consumers don't demand sustainable products whereas European consumers do. She said that it is not as black and white as that and that the consumer awareness was built in EU with years of work. She said that awareness can be built here also and gave the example of Maggi. She said that we can't give the excuse of awareness to not work towards it. She also brought to notice that tea workers are paid the lowest wages globally, even below the poverty line, and asked that in a country where tea is a part of daily life, can a debate not be built around its sustainability?

Rijit SENGUPTA: Cautioned the delegates for using the word stakeholder carefully, and said that it is being used very casually. We need to know who exactly is stakeholder. We are not investing enough in understanding our stakeholders and mapping them.

Christopher WUNDERLICH: It is also very important to analyse the process. Gave the example of his work with the Rainforest alliance where they developed a social and environmental management plan, conducted a gap analysis to see what was needed, gave recommendations, and then for the most crucial part, invited producers and cooperatives who would say what they thought they could do from those recommendations, and the time frame they could do it in, and that would become the final plan. He said that this was a very effective way to include the stakeholders.

Agenda item 3: Strengthening multi-stakeholder frameworks for sustainable trade

(b) Panel discussion on ‘Exploring coherence and implementation of government policies and possibility of sustainable public procurement in context of developing economies’

Anil JAUHRI (QCI) (The Moderator): Emphasized that when it comes to public procurement in India, a producer would argue against the imposition of foreign standards as the producer is an Indian supplier selling to the Indian government.

Engela SCHLEMMER (University of the Witwatersrand): Opined that sustainability standards in public procurement depended on how a particular government dealt with them. When sustainability standards are applied to public procurement, they create barriers to the products that can sell to the government. Informed that WTO allows governments to give preference to their domestic supplier. Suggested that governments can deal with this is setting a clause in a project that limits tenders to specific producers that satisfy certain standards, though the bidding will be competitive, and stated that governments have been making such preferential procurement policies. Further opined that governments should make clear policies on balancing preferential procurement and equitable procurement and share them with all government departments upfront.

Wouter STOLWIJK (Ministry of Economic Affairs and Climate Change Policy, The Netherlands) expressed that the image of public procurement was terrible. Opined that public procurement law has been a great obstruction in reaching sustainable development goals, as there are many absurd concepts in the same, which he termed “voodoo concepts”. One such concept was the requirement of a strict relationship of the commodity with the subject matter. Gave an example of a government department trying to procure chairs, where this clause would state that chairs do not have a strict relationship to sustainability, and not allow for preferential procurement. Stated that if a supplier is not able to produce a sustainable product, then the supplier should be totally excluded, as including the supplier would be unfair for other entrepreneurs who have invested in sustainability. The ‘no discrimination’ clause in public procurement law sees this as discrimination and mandates equal

opportunity. Commented that equal opportunity, in this case, is the opportunity for everyone to create sustainable products. Called upon WTO to replace this clause of strict relationship to subject matters with a strict relation with the strategy of the contracting authority, which would imply that if a government signs the Paris Agreement, it does not have to justify its need for sustainability.

K. C. JHA (Government eMarketplace): Informed that there has been a great transformation in this sector in India, especially through the institutionalization of the GeM, as there is a complete shift from a paper-based system to a paperless one. Further informed that a task force has been already initiated by the government for implementing green procurement in the government of India and the federal states. Three subcommittees have been set up, i.e., IT sector, the automobile sector, and recyclable paper and paper products, and the UNDP is also a member. Discussed the business rule engine which is followed in the implementation of green procurement to facilitate fast implementation. This rule states that if a decision has been made, it is implementable from the very next day. Stated that the task force is thinking of measures to balance the preference of products vs price. Government is working on it so that green procurement is part of public procurement. Talking about ecolabels, narrated an instance of a producer refusing to use eco-label as it has no value in the market. Urged that the products with eco-label should have a ready market, some price preference, reservation, etc., to incentivize a manufacturer to produce such products.

Anna MUELLER (WTO): Introduced GPA as a binding international agreement that promotes access to other GPA parties’ procurement markets, providing improved value for money in each participating member’s procurements and ensuring good governance (transparency, fair competition and a key requirement regarding avoidance of corruption in covered procurement markets). In the policy context, there was an emphasis on the enhanced importance of the procurement sector in light of infrastructure needs of both developing and developed economies. Called for greater emphasis on procurement and good governance as an underpinning of development. Emphasized on increased recognition of the need to foster sustainable procurement and the role of the GPA in keeping markets open.

The Moderator: asked the panel whether governments have the capacity to write green procurement requirements, especially in developing countries.

Engela SCHLEMMER: Clarified that governments are not required to write policies defining sustainable procurement, but they should have guidelines for suppliers to satisfy the norms set by the government for sustainability standard in order to be eligible for the bid. Emphasized on the need for very specific requirement to be mentioned, and suggested that an easy way out for this is to use VSS certifications as requirements. Further opined that governments must use what is already in existence and that QCI can assist the government with some of these issues.

Wouter STOLWIJK: Emphasized the need for a professional debate, and a professional environment where the governments can collaborate with stakeholders. Further, opined that public procurement departments should avail of economics while drafting procurement policies as competition is a specialised topic under economics and not law. Competition happens on a market and is a subject of economics. Raised a question on the need for public procurement law, when private law, financial regulations that say that government money should be spent efficiently, and professional standards as well, already exist.

The Moderator: asked about the challenges that a government faces when drafting green procurement requirements.

K. C. JHA: Said that there are five phases of doing it, i.e., finding out the resource, finding out methodology, capacity building, implementation, and enjoying the fruits. Informed that India is still in a phase of discussion. The government has created a task force and things are being discussed; parallelly things have been discussed in some sectors also. Opined that once policies are made and standards are set in place, capacity building is not a problem and that there are a lot of institutions that can be collaborated with for the same.

The Moderator: asked that in the context of multiplicity of standards, how does a government choose between standards.

Engela SCHLEMMER: stated that this depends on the choice of the government. There is an issue with VSS as the government doesn't have any control over it. Suggested

the creation of a policy for the same, which would then help answer this question.

Wouter STOLWIJK: suggested that the discretion of the government should be very big. Informed about The Netherlands, where there are lawyers who believe that contracting agencies should have less discretion, i.e., somebody else deciding what governments should buy. The aim behind this is to ensure the best utilization of the taxpayer's money, though supplier's complaint endlessly about the government. In the market, the consumer is king but in public procurement, the supplier is king. Governments spend excessive time explaining to rejected suppliers why they have been rejected, and they have to do it very carefully or else the suppliers can go to court. Expressed with concern that public procurement is expected to be completely objective, even when it has been proven that that is not possible and that there is always an element of trust in contracts.

K. C. JHA: As a government procurement representative, informed that internal guidelines exist for buyers but they are not mandatory, but obligatory, which gives discretion. Further informed that GeM has removed this discretion, as GeM only provides options of star rated products or products with eco-labelling, making it mandatory for buyers to purchase these products. Also said that GeM has an improved procurement process, because of which buyers have shifted this side, though offline buying still exists.

[Q] Christoph SOMMER (German Development Institute): asked why public procurement is not a normative thing, and why it can't be used as a tool for preparing a sustainable market.

Wouter STOLWIJK: Answered that public procurement norms can't be forced on suppliers as they can rush to courts. It won't be possible if such a tool is used for preparing a sustainable market where suppliers are forced to obey the norms.

The Moderator: raised some final thoughts and said that if the right laws were in place and they were implemented, many of the sustainability standards would not be needed. Also derived a prominent outcome from the session that for public procurement, governments will have to create their own green requirements and frameworks.

Agenda item 3: Addressing challenges in Standards, Global Value Chains and Sustainable Development

(c) Panel discussion on 'Exploring challenges in GVCs connected to social accountability'

Mona GUPTA (Sutradhara & Becquer Energy) (The Moderator): Asked if social accountability in GVCs has always been discussed or if it is a new phenomenon, and also asked about the current state of social accountability in VCs, and to share some good practices.

John BROOKES (SAAS-SAI): Shared SAI's experience of facing challenges with the implementation of standards. Said that writing the standards was the easy part, implementation is difficult. Said that the main challenges for SMEs are the lack of knowledge and competence, changing the status quo, because it becomes normal to have 60-hour work hours, to employ children, and said that incentives are needed from government, local players. It is both a challenge and an opportunity and organisations in India, Bangladesh are now rising to the challenge. He said that for successful implementation, standards have to be a multi stakeholder system. We need a management systems approach. and cost-effective solutions. Suggested three steps for any successful sustainability standard- multi stakeholder consultation, management systems approach, and worker empowerment and engagement. Emphasized on the importance Government involvement as the government has been standing on the side-line for way too long. The main requirement is that we all understand that the status quo is not going to do anymore and we send this message across.

Kamal Prakash SETH (RSPO): Stated that inclusivity is an important value upheld by RSPO. Speaking of the palm oil sector and RSPO, highlighted that palm oil is the most widely used commodity and at the same time leads to a lot of deforestation, but that does not mean you stop using it. It is a complex issue that needs to be dealt with. RSPO unites 7 different stakeholders, from farmers on one end to banks on the other end, and in the process, the challenge is how to bring people with different agenda to work together. He gave the example of Indonesia and Malaysia, that produce 90% of all palm oil and palm oil is their most tradable commodity. On the other hand, India is largest importer of

palm oil. He said that as the buyer, India also becomes responsible for the bad practices in these countries. He concluded by again emphasizing on the importance of inclusivity and multi stakeholder platforms.

Shamira MANWAR (IJM): Stated that social accountability is gathering momentum. Gave an example of a company that decided to source responsibly, not as a response to compliance but as an initiative. There are conversations arising world over. In India too, the landmark Trafficking of Persons Bill is going to be passed.

Sunil JACOB (Walmart): Touched upon Walmart's work in setting standards for suppliers and collaborating with others for the same. Affirmed that Walmart believes that all people deserve safe working conditions. One main area of work is to combat forced labour. It needs multiple stakeholders to be working on it together. Reaffirmed that recruitment fees are also a forced labour indicator. Informed about Walmart's Code for Responsible Recruitment wherein no worker should pay for a job, and should have freedom of movement. Informed the Convention about its work in Thailand, where Walmart is working with a seafood task force in improving conditions for labour in shipping vessels. Emphasized on the use of technology to address these issues and gave the example of Walmart's work of setting up a hotline in Mexico with Polaris. He concluded by reemphasizing that ensuring social accountability in value chains is a collective responsibility requiring involvement of multiple stakeholders.

Manoj BHATT (GoodWeave): why global value chains emerged. Said that it was because of the process of looking for opportunities where labour standards and environmental standards are lower. And thus, corporations will always look for these opportunities and aim at maximizing profits, and there is no harm in that, because profits are important for livelihood. Environmental and social accountability is not the objective of the corporations. He said that Government, media, and unions need to be active for corporations to be socially accountable. He gave the example of India and said that 83.4% of the workforce in India is in informal sector, and even the most responsible corporations can't reach beyond a few factories. These workers are not protected. The actions of corporations are limited to the various compliances, the client, the factory, but not beyond that. He said that rather than focusing

on mandatory compliances for protection of the organization, there is a need for holistic action. Concluded by saying that governments are reducing trade barriers to attract business, and in this context, it becomes really difficult to impose standards. There is a long way to go for social accountability.

The Moderator: Question to SAAS and RSPO, how far are sustainability standards essential in establishing sustainable value chains?

John BROOKES: said that sustainability standards are indeed very essential. Trade unions have always existed, laws and regulations also, and in the last 30 years, global value chains are rising and demanding lawful activity. All these three mechanisms already existing and working towards sustainability and accountability. Now, VSS are gaining momentum and are unlikely to go away. VSS present latest state of the art, sometimes more than what can be achieved, but are aimed at progress.

Kamal Prakash SETH: Said that in the 1990s, the Asian haze occurred and conversations emerged about the planet about the accountability of corporations, and as a response, different organisations came together to form RSPO. Now 4000 organisations are members of RSPO. It is a continuous improvement process, no end all solution. Members of RSPO meet every 5 years, and they are trying to make criteria more stringent. He said that RSPO wants to incentivize smallholders and explained RSPO's initiative around smallholder credits that allows smallholders to directly access the markets, eliminating middlemen.

The Moderator: How can smallholders and producers benefit from making their production processes socially accountable? What are the challenges they face? How can they be incentivized to make GVCs socially accountable?

Sunil JACOB: All stakeholders need to have a common goal and understanding, and work together. Every stakeholder can't achieve individual a goal and we need to accommodate. Said that the biggest incentive is that good social compliance leads to good products. In a safer environment, workers can work better, and there is more productivity. Gave examples of him seeing manufacturers saying that they have been able to grow their business by compliances. Said that it's not easy, but if the suppliers are committed, they can together find a way for their value chains

to be socially accountable and for them to be included in global value chains.

Manoj BHATT: The biggest incentive for organisations to become socially accountable is consumer demand, and that this is more powerful than regulations. Consumers are still not giving preference to sustainably produced products. Said that there is a huge gap between information that consumers get and that they can trust, and there is a need for awareness to eliminate this gap.

Shamira MANWAR: Captured the examples of a tobacco firm trying to be proactively socially accountable to avoid any controversy later. For some organisations, the risk of bad reputation was the incentive to become socially accountable. Shared another case where rescued workers have come together and started organisations and businesses and are now helping others. Another example of a company offering their manufacturers more money to clean up their value chains and threatening them with reduction in business. She said that all of these are incentives and there can be any other forms of incentives for stakeholders to start being socially accountable.

[Q] Ashni ACHARYA (Ashoka University): The assumption that corporations are always going to be profit-maximizing only shifts the onus of sustainability on the consumers, that if the consumers demand, only then corporations will act responsibly. Is it then time to shift this conversation to hold corporations and government accountable from the onset without a need for people to mobilize and hold them accountable?

Manoj BHATT: It is wrong to assume that all corporations are irresponsible. There are good corporations as well. When it comes to imposing standards on entire sectors, then there is a need for financial incentive. Corporations shape their behaviour according to what consumers want. The responsibility is not only on consumers, but it's about corporations responding to their needs.

Shamira MANWAR: There is a shift happening. Gave examples of Tanishq Jewellers, that have on their own began work in labour sustainability. They are holding themselves accountable. Tata Trusts started a huge migration project. Walmart, IKEA also doing it. Assured everyone that a trend is coming, and we should not lose hope. Also said that it is everybody's responsibility, we can't put it on any one stakeholder.

[Q] T. K. ROUT (Textile Committee, Ministry of Textiles): Directed to Walmart, asked that in cases like textile industry where the value chain is very fragmented, how is Walmart maintaining social accountability? Also asked that nowadays, most big brands have their own stipulations, which sometimes overlap with other standards and regulations, leading to confusion and higher cost. What is Walmart doing about this?

Sunil JACOB: answered that for somebody who has never interacted with standards, it's a new thing, but we have to see it as a journey and follow the path. Walmart accept about 10 industry programs and the suppliers are free to choose any one, and it will be accepted.

Kamal Prakash SETH: Sometimes global standards are also nationalized, like in the case of RSPO, to adapt to each nation's laws and regulations. Organisations are not expected to meet all requirements right from the start, it is seen as a process.

T. K. ROUT: Textiles Committee came up with DISHA to harmonize different stipulations from different brands. Why don't we do something like this so that it is easier for MSMEs to comply?

Kamal Prakash SETH: This is already being done and a lot of work is happening towards finding commonalities and harmonizing standards.

[Q]: Income of most consumers does not allow them to demand sustainably produced products, even if they are aware. What can be done about this?

Sunil JACOB: Walmart is committed to the safety and dignity of workers. It wants to become the most trusted retailer. Also said that all governments are not on the same page with this, but they are still committed. Said that that's why they come to forums like these so that they can engage.

Manoj BHATT: We have to understand how consumers will become aware, it is a process, and this process itself leads to corporations being sustainable.

[Q] Bhupesh SOOD (SEC Global): Whether the living wage calculation done by SAI and ISEAL are same?

John BROOKES: SAI's calculation is as per real world data and needs whereas minimum wage set by government is not updated real time. SAI has been working with

the living wage coalition with ISEAL and a new calculation is coming out soon. In most countries where minimum wage is not updated regularly, living wage tends to be higher, and we are often criticized for being too high, but we believe in fair day's pay for a fair day's work.

The meeting rose at 18:30 Hrs.

New Delhi, Tuesday, 18 September 2018

Agenda item 4: Monitoring efficacy and impacts of consumption patterns and sustainability standardization on GVCs and Sustainable Development Goals

(a) Panel discussion on 'Driving a paradigm change from process-based standards to consumption-based standards in GVCs in the context of sustainable development'

The meeting of the Convention was called to order at 09:30 Hrs.

Bonapas ONGUGLO(UNCTAD) (The Moderator): Linked the session to the SDG Goal 12 of sustainable production and consumption. Brought to light the fact that most of the standards today are production-based and very few are consumption-based. Invited the panelists to talk about the need for consumption-based standards.

Murali KALLUMMAL (Centre for WTO Studies, Indian Institute of Foreign Trade): Called for consumption-based standards to be on a global level, with the help of responsible global leaders, global market players, and responsible citizens. Iterated that when talking about responsible consumption and production, it is important to maintain the sequence of consumption coming before production, because if wrong inputs lead to wrong results. Even in the SDGs, consumption is only talked about towards the end as a trailing issue. Growing inequality between the haves and the have-nots can be reduced with the introduction of consumption-based standards. Focusing on the issue of transparency, it was noted that there is an information gap when it comes to standards, and there are non-Codex standards that small producers only get to know about when their products are rejected at the borders. There are two approaches that can be seen in this sphere- (i) that of the UNFSS, that work with already existing standards which put a lot of undue pressure on producers, and are majorly focused in sectors like textile, agriculture, leather, positioning them heavily against developing countries. (UNFSS was urged to take care of this matter); and, (ii) that of ISO, where many initiatives do not directly address consumer behavior. The ideal solution and approach to a consumption-based paradigm of standards can only be led by responsible citizens at a global level.

Jaivir SINGH (Jawaharlal Nehru University): Proposed the usage of economics, ethics, values, and the law to examine the topic. The thought process that production needs to be sustainable puts burden on producers and views citizens only as income earners and not the final consumers. There is a need to place the consumer on the pedestal of a citizen so that there they have rights, but also duties. Emphasized on the need to move away from mainstream economics of consumer behavior and use theories of behavioral economics and cross-fertilizing ideas of heterodox economics and law, and think of economics, ethics, and law in harmony. Further emphasized on the need to reboot this outlook and start focusing more on the aspect of consumption. Law can play a major role in regulating irresponsible consumer behavior; case in point, the reform in the domain of waste segregation and plastic use. Production, though popular, and perceived as an easy regulatory target, is often insufficient.

[Q] Manmohan YADAV (IIFM): Queried if it is suggested that at an international level, there is a need to have Sustainable Consumption Goals in place of Sustainable Development Goals? And at a national level, India being a resource restrained economy, is there a need to focus on consumption goals or development goals?

Murali KALLUMMAL: Acknowledged that there need to be consumption goals; also acknowledged the challenge of it being a distant proposition.

Jaivir SINGH: Agreeing with Mr. Kallumal, opined that consumer cannot be left sovereign. Since time immemorial, the market is being tried to be controlled in some way or the other. There needs to be more engagement around this.

[Q] I Nyoman Supriyatna (BSN): Giving context of Indonesia, queried about how producers can find synergy in conflicting requirements of VSS and compulsory regulations.

Murali KALLUMMAL: Acknowledged that Indian producers also face similar challenges. There is FSSAI looking at food regulation, and then there are voluntary standards providing further product qualifications. Consumers in India are mostly in want of awareness, which is why we regulations attempt at simplifying relating to standards and marks, for e.g.: the green and

red dots on food products to signify vegetarian and non-vegetarian. There is definitely a need to reboot the system. Consumption should also be regulated in some manner.

[C/Q] Damian KAMINSKI (Delegation of EU to India): In the context of sustainable consumption and production, where sustainable production is also an important part, abusing the amount of chemicals used in agriculture is not sustainable production. Referring to Mr. Kallumal's presentation where it is perceived that he identifies Maximum Residue Limits (MRL) in a way as they are barriers to trade and small producers only find out about them at the borders. Disagreeing with Mr. Kallumal, pointed out that he finds it to be a simplification, and an unfair presentation of what MRL is. MRL is a relatively new concept that EU introduced 10 years ago. Setting of MRLs is tedious exercise that lasts over years where input is invited from producers. There is a free chance for everyone to present their views in this procedure and the publication of MRL is very transparent and a trader that trades internationally needs to be aware about it. He queries Mr. Kallumal, that speaking in the context of India, knowing that there is too much pesticide in agriculture in India that is harmful to the environment, whether MRL can be considered as a part of sustainable production.

Murali KALLUMAL: WTO Sanitary and Phyto-Sanitary (SPS) measures provide for scientific justification risk, not precautionary principle. European Union has been following the precautionary principle and has declared 588 chemicals as endocrine disruptors. Talking about rice, the EU regulation imposes default level regulation which is set at the lowest and really difficult to maintain. Moreover, it is observed that EU is not responsive to the requests for providing justification to the requirements. Clarified that his presentation was about non-transparency existing in standards which does make it difficult for producers to cope.

[Q] Prateek MUDGAL (University of Delhi): United States of America has less than 5% population of the world, yet uses 25% of all global resources. But India has more than 17% of the world population, uses minimum resources, yet ranks way below the USA in sustainable development. How can it be said that India needs to focus on sustainable consumption?

Jaivir SINGH: This is exactly the problem. This is not a question of India alone.

If there is admittance to a worldwide environmental problem, to climate change, to the notion of global commons, then the sovereignty of the consumer needs to be challenged. If the consumer is continued to be considered sovereign, then it would challenge the sustainability paradigm. For making that seriously practicable, the notional American as portrayed in the question will have to lower their consumption so that the correct level of consumption for the Indian becomes possible.

[Q] Nitika MOTWANI (AMU): It is observed that the emphasis has been oscillating between consumers and producers and marketing strategies are also changing. Earlier the focus was on producers but now we focus more on consumers and producers produce according to their demands. Could any strategy be developed which benefits both producers and consumers keeping sustainable development as the main focus?

Murali KALLUMAL: Responded that when one talks of producers, private sector has been given a free hand to produce. Each private company sets its targets. The marketing team is asked to drive consumers to meet those targets. Consumers are pushed and incentivized to buy these items. Identified that the current situation in the world is unique where there is a need to restrict some of these activities in terms of production itself, but it will take some time to get there.

Jaivir SINGH: There is a need to incentivize the consumer to consume responsibly, and hence, there is need to think behaviorally. Markets already manipulate consumers to consume in excess; there could also be a possibility to manipulate to consume sustainably.

[C] Veralika MEHENDIRATTA(AMU): Opined that there is no need to focus on consumption more than production, but that both are needed equally.

The Moderator: Concurred and concluded on that note reiterating that both production and consumption are equally important, and observing that it is already initiated. Though there are non-tariff measures or regulatory measures, there are also private sustainability standards that can help in this domain of consumption-based standards. Expressed gratitude to the Convention and panelists.

Agenda item 4: Monitoring efficacy and impacts of consumption patterns and sustainability standardization on GVCs and Sustainable Development Goals

(b) Panel discussion on 'Simplifying targets and indicators and standardizing data to monitor sustainable development impact of GVCs, and developing statistical capacity of people measuring impact'

Christopher WUNDERLICH (IISD) (The Moderator): Introduced the subject matter and mentioned the main questions to be addressed: how to collect data in a uniform manner so that it can be compared; how to present data in a manner that it can be used and easily understood; how to make sure it reaches the producers and farmers so that they can also use the data, how to build capacity at the local level to measure this data.

Ariel HERNANDEZ (D.I.E.): Expressed his views about the status quo by saying that in many places around the world, a feeling of helplessness now reigns over the debate of sustainability. Policymakers complain that making sustainable development policies is not possible without social trust. There are several shortcomings from academia that have fostered these misunderstandings. Evidence based decision making is suddenly in need of explanation from an increasingly skeptical public. Public and private sector actors are realizing that sustainability is no longer only a CSR issue but a matter of access to markets.

There is a need to improve interface between statistics and research. We need collaboration between scientists and industry players to debate about interpretations from data and how science can help. We also need to revisit the accountability of technical and scientific research. Credibility is very important, without which knowledge is reduced to something similar to opinion. Political powers demanding that scientific research to be always policy relevant and put down funds on relevant studies but at the same time expecting that scientific research should not influence policy becomes frustrating. He emphasized on the importance of scientific research by giving examples of climate change and nuclear bombs.

He further stated that a study is only scientific if it can be falsified. Science is ever improving and if one study is false it does not mean that all science is. He ended by reminding the

delegates that scientists are everyone's best friends.

Ravinder KUMAR (University of Greenwich - Natural Resources Institute): Discussed NRI's work on how change happens, what is the trajectory of change. Three layers of change – (i) Ignition – where is the motivation/inspiration coming from – there can be three types: external pressure, reporting and disclosures, and collaborative learning; (ii) Changing behaviors of companies/ actors in GVCs – can again be of three types: change in leadership and strategies, change in systems and practices, inspiring change in understanding of the purpose of business; (iii) Positive contribution to sustainable development impacts of GVCs: workers experience positive changes, sustained long term and systemic change, when stakeholders like investors, consumers, start rewarding the business. If these layers of changes are happening, then we can say that the business is moving towards sustainable development. He mentioned that NRI also has indicators that can be used to measure these points, and that standards can be made based on these 9 points.

Daniele GIOVANNUCCI (COSA): There is increased activity and engagement around data collection by international bodies as well as private players. Focused on two main points – (i) taking large scale data and mapping it with small scale local data to understand the issue better, and (ii) ensuring that all stakeholders of the value chain have access to the collected data and its interpretations and they can make use of it.

Vidya RANGAN (ISEAL Alliance): Expressed that M&E is often seen as a technical thing that somebody sitting in the corner of the office does, but ISEAL believes that it is very important to measure what you are doing and seeing whether things are being achieved. Making results available transparently and readily is key. An important part of the process is to learn where change needs to be made to better the functioning. Standard systems are very well placed to collect data, and ISEAL's Codes provide help on how to gather and use this data. It is often said that statistics are a political tool and they can be used to show both sides. It is important that organisations make sure that all stakeholders know about the key indicators that are being mapped and that transparency is maintained in the data collection and analysis process to ensure credibility of the same.

One of the key challenges in data collection in the standards space is that different organisations are collecting data on the same indicators individually, which means that farmers are being repeatedly asked the same data by different organisations in different forms. ISEAL is forming “common core indicators” in collaboration with members and other organisations to overcome this. It ensures that there is standardization in data that is being collected, and it enhances data sharing. Another important collaboration by the members of ISEAL is on determining a common definition of living wage.

Sandeep SHRIVASTAVA (Ambuja Cement): Introduced Ambuja Cements to the Convention. Ambuja has its own Sustainability Plan for 2020 that has 4 elements: (i) climate change, (ii) circular economy, (iii) people and economy, (iv) water and nature. No sustainable production can exist without sustainable consumption because now in the world, all resources are in short supply, and we need to have a pressure to cut down the consumption level. That's why Ambuja is recycling of waste materials. You need to have very strict guidelines for suppliers, to have not only yourself follow principles, but also your suppliers. Ambuja has a code of practice for sustainable procurement covering things like ethics, child labour, human rights, gender discrimination, environmentally friendly practices, etc. The other side of the supply chain is the community and you cannot live without being in harmony with your community, so Ambuja has initiatives in the community too like water recharging initiatives, employment generation.

Talking about measurement, he discussed about a social and environmental profit and loss statement, including all aspects of the business. Said that transparency and disclosures are very important to ensure that what you are doing is reaching everyone.

[Q] Benz THOMAS (BRC Global Standards): Addressed to ISEAL Alliance, what challenges do you face when trying to get all the stakeholders on the same page?

Vidya RANGAN: First, every organization has data confidentiality agreements that hinders data sharing. ISEAL has been trying to understand these concerns in order to address them and unblock the data. There is a huge role that private players can play here. Second, data literacy. People understand data in different ways, and we

need to make sure that data is understandable by practitioners.

[C] Devendra PANDEY(NCCF): Data collection and sharing is the biggest challenge. Organisations don't share the collected data because information is power. Wished ISEAL all the best with this challenge.

[Q] Rajiv VIJH(UNIDO): Addressed to Sandeep Shrivastava, in India, use of alternate fuel and raw material is 1-2%, whereas it is way more in other developing and developed countries, even up to 100%. Can you highlight issues other than the ones you mentioned in these aspects?

Sandeep SHRIVASTAVA: TSR has gone up to 4% on a national level. The industries in developed countries like in EU started their journey way before us, which is why they have reached 60-70%. But we are aiming towards more.

The Moderator: Asked all panelists to express their views on how to build capacity among data collectors on a local level.

Vidya RANGAN: Said that it is important to help them understand what data really is, because everyone sees it differently, whether it is audit data, location data, etc. Said that the burden of data collection currently falls directly on the certification body, but there is need to close the loop and share the data back with people so that everyone is aware.

Ravinder KUMAR: Recognition, resources, and collaboration. Recognition of range of capacities that are required, providing reasonable amount of resources for this capacity building.

Ariel HERNANDEZ: Need to relook at the structural and process related deficiencies, for example, using English as the collection language, which is a hindrance for many producers. Another deficiency – increased use of non-disclosure agreements, especially when studies being funded by private sector.

Agenda item 5: Strengthening multi-stakeholder frameworks for sustainable trade

(a) Panel discussion on ‘Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in agri-food value chains’

Joseph WOZNIAK (ITC) (The Moderator) opened the meeting and gave the floor to representative of APEDA.

Tarun BAJAJ (APEDA): India has one of the largest productions and export bases in agriculture. India is 7th largest importer and 9th largest exporter. Tariff issues have been addressed to an extent by the WTO by non-tariff is what we have to deal with. Many of these are restrictive, and we need to contest them. We need to have a strong quality regime and infrastructure. APEDA has been working for harmonization of standards and for connecting farmers and state governments to provide farmers with guidance and regulate them. Web-based traceability – example of grapes where any buyer across the world can know which farm the grapes have come from.

Rajneesh KUMAR (Walmart): pointed out the absence of farmers from the Convention hall, and hence from the dialogue on sustainable standards. Walmart is trying to connect with farmers, and making sure that they have access to the market. Said that in the coming years, more and more business will be happening online, including grocery shopping, which will allow organisations to come together and make sure that farmers get on that platform. Emphasized that farmers need to have better access to the markets, and the importance of partnerships for the same.

Bhavna PRASAD (WWF-India): Started by saying that as a country, India is one of the largest producers, consumers, and importers of some of the key agricultural products, and so it is really important for us to understand their sustainability. WWF been helping the making of standards. Discussed RSPO and the palm oil industry and said that palm oil is not the problem; it is the way it is produced. Discussed the launch of the Sustainable Palm Oil Coalition for India, a multi stakeholder platform aimed towards improving sustainability performance of companies in the palm oil sector, increasing consumer awareness, building partnerships, and promoting dialogue.

Benz THOMAS (BRC Global Standards): Referred to the previous day’s conversation about PSS not being transparent and said that that is not true, giving BRC’s example. Said that there is multi stakeholder involvement in the standard making process. Non-physical risks like child labour, etc. have huge impacts on the sales and market image of organisations. Discussed BRC’s work in the sphere.

Kamal Prakash SETH (RSPO): Gave the example of RSPO as a multi-stakeholder platform with 4000+ organisations, focused towards establishing sustainability in the palm oil sector. Focused on commitment, collaboration, and accountability as guiding principles for stakeholders to come together and take leadership.

Prashant PASTORE (Solidaridad): started by stating some questions that need to be addressed- Why is there less demand for certified products? How can we make the standards business model sustainable when there are no grants? Even when products are certified, they are not traded as certified. How can this be rectified? He said that stakeholders only view sustainability as risk management, and that a more comprehensive approach is required, looking at the benefits for farmers, along with water, soil, biodiversity, etc. We need to move from a compliance-based approach to an impact-based approach. He further suggested ways to do the same. First, he pointed out that there are huge costs involved in certification and the farmer cannot bear it, it needs to be pass on. Second, we need to look at the number of farmers being benefitted and not just the volume. International standards need to work with national standards to know the context and reality of ground. Ended by emphasizing on the need for democratizing the certification process to include smallholders by looking at affordability and inclusivity.

Kamal Prakash SETH: Addressed the question of how farmers from developing countries can afford certification by giving the example of RSPO’s collaborative system where all 4000+ member organisations contribute funds for farmers. The funds are then utilized to train farmers to use various tools and platforms provided by RSPO to access the market directly and remove middle men.

[Q] Veralika MEHEDIRATTA (AMU): asked about exports being a priority for farmers irrespective of the demands being met

inside the nation due to better price points available outside being an issue in the agri-space.

Tarun BAJAJ: said that there needs to be consistency and regular supply of exports. They cannot be dependent on varying domestic demand. When there is a deficiency, we can compensate with imports also but irregular exports are not an option. Gave example of sugar when in the previous years there was a deficiency and India refused to export but now that there is a surplus, the option to export is not available.

[Q] Milind MURUGKAR (Pragati Abhiyan): shared his observation of how when grape producers started exporting, their operations became more labour intensive and eco-friendly and asked if the same can be said for other products and if this is a pattern.

Tarun BAJAJ: Indeed, it is seen that farmers who start exporting become eco-friendlier, and that increased labour intensity is also seen sometimes because there are more requirements for exports. He also agreed that the same is applicable to other products also. Said that exports get you more value and that's why they are increasing.

[C] Garvit PAREEK (Ashoka University): We see a lot of standards being developed and applied towards products that are meant for exports but when it comes to domestic products like some Indian fruits that do not cater to outside consumers, there are not many standards.

Tarun BAJAJ: Agreed with the delegate and said that it is important to prioritize according to demand to maintain economic viability.

Bhavna PRASAD: Acknowledged that standards are very acceptable when applied on export products but the moment it comes to a domestic product, the same farmers would refuse and the whole game changes. This is due to the costs involved and because standards are only viewed as compliances. There is need to create more awareness among farmers that standards do create financial and social and health benefits in the long run so that they are more accepting towards them. This can be influenced from the demand pull as well, and there are other ways to do this apart from certification.

Prashant PASTORE: Added that commodity focused standards create issues

like long term sustainability of the land and there needs to be a more cohesive approach.

Rajneesh KUMAR: said that we need to let the market forces operate and demand can be a major factor influencing these things.

Benz THOMAS: steered the focus to processing units and said that most organizations setting up these units only cater to certifications after the units have been set up when they should be doing so earlier and including certification in their plans itself. He further said that the same applies to all stakeholders and that there needs to be more awareness.

Kamal Prakash SETH: urged that consumers who are aware need to take the lead and create demand for sustainably produced products in the market rather than putting the entire burden on multinationals.

Agenda item 5: Strengthening multi-stakeholder frameworks for sustainable trade

(b) Panel discussion on ‘Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in fisheries value chains’

Bonapas ONGUGLO (UNCTAD) (The Moderator): Emphasized the importance of the seafood industry in the sector of food, protein and global employment. The demand of fish has been on the rise and this has led to overexploitation of the resources. Mr. Onguglo highlighted the fact that this session is important as it encapsulates the essence of oceans and sustainable use of its resources, one of them being fish, which is in the SDG 14. He then opened the floor to discussions.

Vinod MALAYILETHU (WWF-India): Highlighted that the lack of Indian auditors is one major factor that is a hindrance in the certification process. Thereby WWF got involve with MSC to change the mindset of the fishers towards certification process has been one major task that is still ongoing. There have to be programs that help spread awareness among fishers about how certification can help them connect to the international markets. The uncertified fish are still being accepted by a few markets like those of Japan, which is something, that needs to be uprooted and stopped. The benefits of certification are not only for the fisheries but for the consumer as well.

Ranjit SUSEELAN (MSC): Elaborated the agenda of Marine Stewardship Council and its aim to ensure the quality from fish being procured to it being finally consumed by the consumer. The quality of the fish is checked via the Fishery Certification, Chain of Custody Certification and the Ecolabel Licensing. He emphasized on minimizing the environmental impact via laying down an effective management system like that of MSC. For fisheries supply chains to be sustainable, there must be traceability standards. Similarly, prime importance should be on the consumption category of fish and for segregation and identification, MSC in alliance with WWF has also listed down 31 species that are of higher importance. Mr. Suseelan highlighted that the major challenge is the cost that is involved in this process and there are now major efforts being made to have improvement tools that are being spread among the small-scale fisheries.

S. K. SAXENA (Export Inspection Council): Explained the National Food Control System of India and how the exports have been increasing each year. The challenges are more for the regulations committee for export as the product needs to be qualifying the requirements laid down by different countries. He explained how the primary production has been the main area of focus to improve the standards of fish procurement. He made it very clear that the fishers need to be made more aware and there has to be training for these major stakeholders that enhances their knowledge about sustainable procurement and export of the fish. This would help to connect them to the international market.

[Q] R. P. Singh (St John’s College): US government allowed the analysis of all its fish from which 90% were contaminated. What is now the status of fish contamination in India?

S. K.SAXENA: The contaminants arouse from various sources and can be natural or derived. There are national and international standards to check the contamination levels even up to ppm levels. There are fixed levels up to which the contamination is allowed and if the fish contamination lies in that range then the fish is safe for consumption.

[Q]: In the context of India, why are the aquaculture standards only applied in case of export market and not in the domestic market? Should there be an intervention from the government to set up regional and national policies to this regard?

Vinod MALAYILETHU: ASC has an advantage over the MSC in the fact that they address the gaps better but the process is very document intensive. It can still however be done here but it’s mainly demanded by the European standards advisors. The WWF is in process for promoting the ASC in India and it is doing not only for the shrimps but other fish species as well.

Agenda item 5: Strengthening multi-stakeholder frameworks for sustainable trade

(c) Panel discussion on ‘Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in forestry value chains’

Manish PANDE (QCI) (The Moderator) opened the meeting and gave floor to the panelists that have lead intervention in forestry – both in forest management, chain of custody and legality of timber. He queried the panel on the challenges and opportunities that different stakeholders face with sustainability standards.

Rajesh RAWAT (EPCH): Explained the evolution of national forestry standards in India. Said that VRIKSH was developed as a response to European Union timber Regulation, which came out in 2013 and put the onus of ensuring responsible sourcing of timber on the buyer in EU. VRIKSH helped handicraft exporters in India to maintain their exports and remain unaffected by the change in regulation. Further, the CITES regulation from EU, in 2015, shifted two major wood species into a category wherein there was requirement of a CITES approval for export, and this posed a major challenge for exporters in India. Government of India responded by filing a reservation with CITES, and establishing VRIKSH certification as a comparable document for the CITES approval, hence resolving the issue and maintaining exports.

Deepali ROUTELA (NCCF): Emphasized on the need to focus on involving stakeholders in the standard developing process rather than imposing the standard on them. Talked about the development of the NCCF standard at length, focusing on transparency and inclusivity in the process.

Manmohan YADAV (IIFM): Discussed the current state of timber exports and imports in India. Said that even though there is transparency in tracking timber coming from national forests, there is still difficulty in tracing wood coming from farmlands. Emphasized that fuel wood, the requirement of which is being met from national forests, and fodder and grazing are primary source of degradation of forests. Also discussed some of the private standards in the forestry ecosystem like FSC.

Snigdha PRAMANIK (IKEA):

Discussed IKEA’s policy on sustainable sourcing. Informed the delegates about iMUST and iWAY which are private standards developed by IKEA for their suppliers. iMUST is a basic requirement including indicators like child labour, minimum wages, employees’ insurance, etc. that a supplier must have even before considering business with IKEA. Further, iWAY are indicators that the suppliers gradually achieve with help from IKEA. There is constant supply chain mapping and monitoring on un-announce basis to ensure continuous compliance by the suppliers, and IKEA has a no tolerance policy for violations. Community factors like waste disposal and water treatment also included.

Lekshmi NAIR (International Rubber Study Group): Explained that rubber comes under forestry as per FAO. It is a very important product for global mobility and sustainable mobility is major concern of society at global level. 93% of organic rubber is produced from Asia-Pacific Region, but artificial rubber is majorly used in personal vehicles. She emphasized on the need for consumer demand to drive sustainability. She also said that all national platforms need to analyze whether the dialogue on sustainability standards is leading to positive benefits for all stakeholders of the value. It is important to involve all value chain players for a consensus-based decision. She brought to notice that there is a lot of complexity in forest sustainability and it is the decision of national bodies and standard making bodies about how much of this complexity can be transferred to the producers. She emphasized on the implementation of best practices, and said that traceability, like in timber, is also being implemented in rubber, and there are more such initiatives required. She concluded by suggesting the need for collaboration and capacity building programs for all stakeholders of the value chain.

[Q] H. KUMAR (CSTPCC): asked about geo-tagging and ecolabels on handicraft products and asked why quartz watches are not included under purview of handicrafts.

Rajesh RAWAT: Responded that geo-tagging is being taken up more and more and there is a lot of work happening in that sphere. Also said that any item, even quartz watches can be considered as handicrafts as long as there is an element that is majorly made by hand.

Agenda item 5: Strengthening multi-stakeholder frameworks for sustainable trade

(d) Panel discussion on ‘Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in textile value chains’

Rene VAN BERKEL (UNIDO) (The Moderator) opened the meeting.

The floor was given to the representative of the Textiles Committee.

Tapan Kumar ROUT (Textiles Committee, Ministry of Textiles) (*Speaking on behalf of Ajit CHAVAN, CEO and Secretary of Textiles Committee*): Informed the Convention about the Textile Committee’s work in building VSS, supporting MSMEs, and providing feedback to policy making bodies. Said that India is one of the largest producers of cotton but the quality of cotton in India was very poor prior to 2000. The Textile Committee hence started grading and assessment of process factories. Also talked about process-based standards and certification in the Indian handlooms certification, focusing on social accountability, sustainability, quality, and traceability to manufacturer. Informed that countries like Bangladesh, Vietnam, India, Pakistan are highest producers of textiles and hence it is a very important sector for us. Said that the textile value chain is very complex, and all stakeholders are asking for sustainable products, and in this context, VSS are going to play an important role in future. But he also said that textile sector is majorly MSMEs based and there a lot of issues that these MSMEs face. They have small units, no knowledge, and no resources, to bear the high cost of compliance which usually takes up 6-7% of their turnover. Emphasized on the need to create capacity and more initiatives for the same.

Subindu GARKHEL (Fairtrade Foundation): Underlined the objective of the Fairtrade Foundation to provide trade justice, with a focus on making trade fair, empowering smallholders, and fostering livelihoods for them. Fair Trade works with the most vulnerable in the value chain, which are the smallholders. Shared that the textile industry is a 3 trillion-dollar industry, it is the second fastest growing, and it involves 100-150 million farmers, 70-75% of which are smallholders. She said that the industry is also the second biggest polluting, riddled with child labour, genetically modified seeds, water pollution,

and health and safety issues. She pointed out that it is important to remember that cotton farmers also a part of the supply chain as they are often forgotten. She commented on the nature of the industry and said that here, one thing affects the other. She gave the example of how when Bangladesh had low wages, all manufacturing was shifting there, but now that the workers there are aware, Ethiopia is becoming the new centre. Another issue is that there are high US subsidies on cotton that bring down prices but the small farmers in Africa also have to compete with the same, which becomes a hindrance for them. She said that there were many multi stakeholder initiatives seen when the Rana Plaza incident took place; businesses came together to deal with this, and many other initiatives were seen in EU, USA, France. She further emphasized on avoiding duplication, and ensuring that there is enforcement of regulation. Coming to cost, she said that it is always asked whether consumers will pay higher price for sustainable products, but that’s not the right question to ask. The right question is - what is the right price of a product? If you’re not paying the price, somebody else is, whether its nature, or smallholders, or factory workers. She ended by talking about the need for incentivizing fair trade.

Sumit GUPTA (GOTS): Shared that GOTS works in ensuring full traceability of environment, water, social compliance like child labour etc. Said that MSMEs comprise the larger portion of GOTS certified organisations, and that MSMEs are the real drivers of the industry. Said that GOTS is a multi-stake holder organization. GOTS is committed to avoiding duplication. If an organization is already certified with a social accountability certification like the SA8000, GOTS spends less time in inspecting. GOTS also focuses on collaboration with other stakeholders, like already established inspection laboratories, etc.

Sanjeevan BAJAJ (FICCI): shared about FICCI’s project with UN Environment on hotspot analysis of the textile GVCs, trade barriers and opportunities. FICCI tracked the life cycle of a regular garment and derived that the three most important environmental hotspots are that of cultivation/fiber production, yarn preparation, and dyeing and finishing. The social hotspots are fatal and non-fatal injury, forced labour, and corruption. She concluded by mentioning the key points of analysis – that there should be focus on a continuous improvement model instead of

compliance, that we need to bring up players who are at the bottom, whether tools are trailing regulations or leading them – the laws of developing countries are much more advanced than what is happening on ground – and so most of these standards are trying to implement what is already required by law. Existing hotspots are like water – need to look into using varieties that are less water intensive rather than making small improvements in processes. Energy – surprising data showed that renewable energy is now being majorly used, creating low impact. Chemicals – very complex, scientific intervention required. Emerging issues around marine litter – synthetic fibers being found – end of life problems – how to deal with this perspective also.

Charan SINGH (TUV Rheinland): shared some facts about the textile industry - 8 billion garments are produced globally every year, that is, 11 garment per person in one year, the industry has over 75 million in manpower, textile production is mostly concentrated in developing and countries, it is the second biggest polluting industry after oil, 5 trillion liters of water is used in textiles every year, which is equal to 2 million swimming pools. He also brought to notice that many technologies are coming up that facilitate the use of less water, or even no water. He mentioned some initiatives by governments in chemical management in textiles and gave examples of the governments of Germany, Netherlands, and organisations like Sustainable apparel coalition, outdoor industry. He said that many steps are also being taken in social compliance and that India is way ahead of other countries in this regard. Many organisations in India are also working in environmental compliance. He concluded by saying that chemical management is the key area to be worked on now and that the focus is shifting from end product to process.

Sarath CHANDRAN (RSJ Inspection Services): Shared four personal experiences with private standards. Said that his organization started with social audits 4 years back and thought of getting certified 2 years back. First instance was with BSCI where they received a standard reply that BSCI's capacity for certification bodies was full, and that they will be contacted later if more capacity is developed. Second instance was with Sedex Meta Audits, where one criterion was that the certification body needs to have an international presence. RSJ faced a lot of trouble in meeting this criterion but they were

able to comply. Sedex had another requirement, that the inspection body should have done audits with organisations from the 700 members of Sedex. RSJ did not qualify for this requirement, and hence they approached the 700-member organisations of Sedex, who in turn demanded that they can only work with them if they are listed with Sedex, creating a catch 22 situation. Even after RSJ managed to meet this requirement, their application was rejected because of the association being short term. Third instance was with APSCA where RSJ submitted everything but did not receive any reply. The matter reached CEO who said that the certification scheme is on hold. The fourth was with IFIA where there was a requirement for minimum paid up capital of 25000 euros while RSK had only half of it. They increased it to meet requirements. He said that situation is not the same in NABCB, where they saw financial stability and capacity of the organization but did not impose such restrictions. He felt that all these requirements very were restrictive, and expressed his disappointment towards the functioning of the private standards.

[Q] NARAYANSWAMY (Armstrong Spinning Mills): Addressed to Tapan Rout, asked about the criteria that the Textiles Committee follows for measuring contamination while assessing processing factories, and whether they are also checking whether cotton or polyester being used for wrapper in the ginning stage.

Tapan Kumar ROUT: said that the scheme is process based, and that there is are stipulated criteria, based on which factories are given stars from 1 to 5, but 5 being the highest. Also said that the yes, the ginning stage is also being mapped to check for that, and that they are trying to promote the use of cotton.

[Q] Arvind (Apparel Views): Do you see change in the attitude where organisations start being sustainable by themselves and not just for compliance

Sumit GUPTA: answered that yes, there has been some divergence. It is hard to put a number or percentage but there have been cases where producers are taking initiatives independently.

The Moderator: Concluded the session by mentioning the key takeaways: VSS are emerging in textiles; affordability and accessibility is important; VSS need to be seen

as independent initiatives rather than a checklist for compliance.

Agenda item 5: Strengthening multi-stakeholder frameworks for sustainable trade

(e) National Initiatives Feature: Opportunities and challenges of consolidation efforts at the national level w.r.t. sustainability standards, followed by signature of the Declaration of Cooperation

Santiago FERNANDEZ DE CORDOBA, (UNFSS Coordinator) (The Moderator): Expressed the need to address the opportunities and challenges of consolidation efforts at the national level w.r.t. sustainability standards. The work that is being taken up by various nations and platforms is helping in advancing the sustainable development goals.

Rogério de Oliveira CORRÊA (InMetro, Brazil): Giving a brief introduction of InMetro and Brazilian National platform, Mr. Correa laid down the objectives of the platform which were to fulfill the governance gaps related to VSS policies, promote interaction with government and private sector stakeholders. He emphasised that in order to meet the SDGs there must be improvement in the quality and competitiveness of national product.

Sofía PACHECO NIÑO DE RIVERA (Ministerio de Economía, Mexico): Ms. Pacheco brought home the point that the main factor in the development of any national platform has to be the mindset of the people and there must be a willingness to accept the sustainability standards. She highlighted the importance of incentivizing the adoption of the VSS for the stakeholders and how this is the prerogative of the government for example adding the standards to the public procurement systems so that the stakeholders have more market access. She concluded by adding the point that there is a necessity for a common criterion for the standards so that there can be a check on whether the standards are being implemented correctly or not.

Weijia XIA (China Association for Standardization): Ms. Xia introduced the China National Platform and laid down its importance in the development and promotion of Voluntary Sustainable Standards in the country. She stressed on the fact that awareness about the SDGs plays an important role towards achieving the sustainable development goals. The motivation to develop association

standards in China lead to the formation of the socio organization standardization development alliance. These are focused to provide guidance via capacity building program and training to SMEs.

I Nyoman SUPRIYATNA (BSN, Indonesia): Reinstating Ms. Pacheco's point, Mr. Supriyatna highlighted the lack of awareness among the stakeholders and the importance of changing the mindset that is prevalent among majority. Thereby he said that the objectives of a platform should also be to neutral forum for the exchange of information while also linking the national demand with the international expertise. He also laid stress on capacity building, training programs and technical assistance that must be incorporated in the platform's action plan to overcome different challenges being faced.

Dineo HEXANA (South African Bureau of Standards): Stressed on the fact that there should not be too many standards but there should be improvement in the existing standards and its development. As an organization, their main aim has been to have a holistic standards development process so that there can be improvement in the sustainability of the entire value chain. Any standard should be reviewed for its social and health impact and environmental impact and then improved upon. She concluded by explaining the need for the standards to be developed in consensus with the stakeholders and the standards developing organizations.

Manish PANDE (Quality Council of India): Dr. Pande talked about what the Indian National Platform has undertaken and its path ahead. He briefly described the Compliance ecosystem in India. Highlighting the difference between private and voluntary sustainable standards he explained the concept of scheme and scheme owners and how all these standards are eventually benefiting the consumer. Explaining the various components of the emblem of the Platform, Dr. Pande laid emphasis on the various initiative taken up by the Platform.

A tripartite declaration titled 'Declaration of Cooperation in Sustainability Standards Ecosystem between National Platforms' was signed and entered into between the national platforms on sustainability standards of Brazil, India, and Mexico, in witness of UNFSS, UNCTAD, ITC and UNIDO. Declarant national platforms agreed through the document that coordinated efforts and inclusive, informed approaches are

essential for effective implementation of national efforts to tackle VSS nationally, regionally and globally, and that national platforms on VSS address these issues. Over the last three years, India pioneered the establishment of a national PSS platform, after which Brazil, China, and Mexico followed suit.

Brazil, Mexico and India national platforms committed themselves to collaborating for ensuring deeper cooperation among themselves and creating mechanisms for sharing and seeking inputs for exchange of ideas and case studies; and, over the longer run, find ways to collaborate to set up a 'platform of platforms' for meta-governance of VSS internationally. The declaration also builds on the commitment of the national platforms to cooperate on implementation of the SDGs through fulfilment of the objectives of the platforms.

Agenda item 6: Closing of the Convention

Closing Plenary

Bonapas ONGUGLO (UNCTAD): Expressed his honour to be a part of the ICSTS and thanking QCI and government of India, Mr. Onguglo, stated that the Convention saw very rich and in-depth discussion on sustainability standards, their pros and cons, their cost, their relevance, their impacts and their effects on our society. Sustainability standards are here to stay and we have to accept them. As the Convention drew to a close, he took the opportunity to thank everyone for their inputs and for their participation in the Convention. Thanked the representatives of all National Platforms from India, Brazil, China, Mexico, Indonesia and South Africa for their contribution and the panelists for ensuring a good level of discussion at the sessions. Also thanked his colleagues at the UNCTAD- Mr. Fernandez and Ms. Siti for their continuous support. Wished everyone a good luck and hoped that everyone carried back home a lot of information and ideas to work upon.

Santiago FERNANDEZ DE CORDOBA (UNFSS): Mr. Fernandez de Cordoba associated himself with the remarks given by Mr. Onguglo and wished to deliver a few takeaways. The Convention has been about improving people's livelihood, conserving the environment, improving health conditions, better jobs and thereby taking care of the planet we live in. More than it being a question of the future, it is also about our present and the responsibility that we have towards our planet. As the United Nations there is need to work on the consumption and production link, the sustainability that goes in-hand with it and to look further into the role of governments in all of this. The learning form ICSTS would be taken to the Geneva Convention. There shall be great responsibility on the three National Platforms and also of UNFSS and its member nations to build trust and spread awareness. Thanked once again the government of India, the Quality Council of India, the Secretariat and Chairman of the India National Platform on Private Sustainability Standards, Dr. Harsha Singh and also thanked Dr. Manish Pande.

Dr. Pande informs about the Handbook on Good Practices towards Sustainable Value Chains.

Tannya GARG (QCI): This Handbook on Good Practices towards Sustainable Value Chains is an initiative of the India National

Platform on Private Sustainability Standards. It is an attempt at sourcing and collecting innovative sustainability initiatives from organisations from around the global South, that are replicable, scalable, and positively impactful for global value chains.

In this edition of the Handbook, we have stories from Ambuja Cements, Anugraha Fashion Mills, EPCH, IKEA, Johnson & Johnson, Ministry of AYUSH, Nestle, Malaysia Palm Oil Board, Ten Squared Program, and Tetra Pak. The stories are catering to different parts of the value chain through varied initiatives like sustainable procurement policies, stakeholder awareness campaigns, multi-stakeholder initiatives for smallholder development, recycling initiatives, etc.

We hope that through this handbook, these good practices and learnings will reach organisations around the world and inspire them to replicate the same into their own value chains. Moreover, our aim will also be to urge governmental stakeholders to support nationwide replication of the collated good practices by providing the required capital, training, drafting standards, and specifying them as requirements for sustainable public procurement.

The Handbook is an online publication and will be available on our official website hereafter.

The Handbook is launched by representatives of UNCTAD, UNFSS, and India PSS Platform, QCI.

Harsha Vardhana SINGH (India PSS Platform): Congratulated all the key organizers and participants for a successful Convention. On behalf of the platform, organizers and key participants he thanked everyone. Also thanked the UNCTAD, UNFSS and QCI for making the Convention possible. The sustainable standards have a very direct link with SDGs and in the context of SDGs, development happens when you increase the opportunities, increase the capabilities and create more possibilities for economic and social growth. In that context, the Government of India emphasizes the sustainable standards and sustainable development goals immensely and at the same time, it recognizes that these development goals, in order to be effectively achieved, require systems that do not restrict trade. There should be tools that give possibility for trade to grow. The government takes strong stands on the trade restricting policies. The kind of thought that we should work with how do we enable capabilities and empower societies through systems which

collect knowledge and make them available. We should return from the Convention with some practical ideas. Thanking Mr. Kaul, Dr. Singh recommended creating a global accountability mechanism for all VSS schemes which could be created and run by UNFSS. On the face of it, this may look very difficult and complex. But considerable amount of work has already been done which can help to build upon this idea. This effort would include one benchmarking standard on the principles of inclusiveness, transparency and good governance. The second recommendation is to create a national response structure to evaluate the impact of all VSS for relevant export mechanism. This will provide a basis for giving greater platforms to organizations to talk to each other, to become interchangeable and to conform. Third would be to create capability enhancement initiatives to develop national skills in line with relevant priority SDGs. Considerable work has been done in India regarding this and that work can be taken forward to the UNFSS and the other platforms can discuss with the Indian platform about the possible practical tools that India has used. The success of the Convention is something to be proud of and thus the next recommendation would be to collect all the thoughts that were expressed and take out key practical recommendations to add to these.

Manish PANDE (QCI): Extended a vote of thanks for everyone present. We stand at a stage today where globalization is bringing people closer than ever before. While this has presented and continues to present forward-looking opportunities in every aspect of life, it also yields greater challenges and complexities for global governance. One such element of this changing world, i.e., trade, has led to a complex system of parameters to mushroom up in global value chains in the form of sustainability standards – which have claimed to respond to social, environmental and economic elements in supply chains. We are here today to address the challenges that this system presents to us – especially in the context of developing economies.

As the world's first national platform on PSS, QCI has been humbled to receive such immense support from the Government of India and the United Nations system for creating a space that engages stakeholders of value chains in a discourse surrounding the people, planet and collective prosperity. QCI feels heartened to have the support of the DIPP and DoC of M/o C&I, along with the UNFSS and its 5 steering agencies – UNCTAD, UNIDO, UN Environment, FAO, and

International Trade Centre. We thank the members of these five agencies for their support. Our special thanks to the UNFSS Secretariat consisting of Mr. Bonapas Onguglo, UNCTAD, Mr. Santiago Fernandez De Cordoba, UNCTAD, and Ms. Siti Rubiah Lambert, for tireless coordination and engagement on all aspects of the Convention – through stringent timelines and challenging time zones.

Thanked the Commerce Minister Shri Suresh Prabhu for his message to inaugurate the Convention, and DSG UNCTAD Madam Durant for setting context of the UN for this Convention.

Also expressed gratitude to the Director-General of Trade, Mr. Tauriainen, Director of European Commission Ms. Synowiec, Secretary of Textiles Committee, Shri Chavan, Director of ILO India, Ms. Walter, Shri K C Jha, ACEO of GeM, Govt of India, Dr. S. K. Saxena, Director, EIC, Govt of India for ensuring commitment and support to the India PSS Platform and the Quality Council of India by engaging in this Convention and agreeing to follow-up on the deliberations. We thank all our distinguished experts who spoke and moderated at the Convention for travelling this journey in order to create and harness a rich pool of knowledge around the complex subjects that we deal with in this space.

Thanked all the delegates for participating in the Convention and engaging in the discourse, and for cooperating with us throughout.

A Convention of this scale required humongous support in terms of resources. Expressed his gratefulness to the following partners: International Partner: Team Sweden which composes of the Embassy of Sweden, Consulate General of Sweden, The Swedish Trade and Invest Council, and the Swedish Chamber of Commerce & Industry. We especially thank Josa Karre, Yasmin Zaveri-Roy and their team for facilitating the support of Team Sweden and participation of the DG Trade for the Convention. Also thanked the Delegation of the EU to India, especially Marika Jakas, Damian Kaminski, Sunil Kumar and team for facilitating high-level participation from the European Commission. Convention Partners: A) Agricultural and Processes Food Products Export Development Authority of India (APEDA), established by Ministry of Commerce & Industry, Govt. of India, especially Shri Tarun Bajaj, Ms. Simi Unnikrishnan and their team for their support. B) Network for Certification and Conservation

of Forests (NCCF); especially Shri A.K. Shrivastava, Ms. Deepali Rautela and their team for their support C) Roundtable on Sustainable Palm Oil (RSPO); especially Kamal Prakash Seth, and Salahuddin Yacob and their team for their support. Knowledge Partner: United Nations in India, especially the UN Information Centre for India and Bhutan at New Delhi; especially Shri Rajiv Chandran and his team for their support. Associate Partners: A) Export Promotion Council for Handicrafts (EPCH); Shri Rakesh Kumar, Rajesh Rawat, Deepesh Sharma and their team B) GIZ – Indo German Biodiversity Programme; Mr. Konrad Uebelhoer, Ms Poonam Pande and their team C) Indian Oil; Mr. Anirban Dasgupta and team. D) World Wide Fund for Nature – India (WWF); Mr. Ravi Singh, Ms. Bhavna Prasad, Narendra, Anjana and team; E) Solidaridad; Mr. Shatadru Chattopadhyay, Alok Pandey, Ramanand Tiwari, Prashant Pastore and team. F) Centre for Responsible Business (CRB); Shri Bimal Arora, Rijit Sengupta and team. G) German Development Institute (D.I.E.); Dr. Thomas Fues, Sven Grimm and team, and, H) Oyo; Sudhanshu Agrawal and team. University Partners: A) Ashoka University B) Lloyd Law College- These institutions facilitated the participation of their students by providing appropriate scholarships, for which we are grateful to them AND Support Partner: Global Organic Textiles Standard (GOTS); Mr. Sumit Gupta and team.

To initiate the discourse on trade and sustainable development at an early academic stage, QCI and UNFSS jointly initiated a Campus Ambassadors programme wherein university students from across India were selected to execute a promotional campaign and coordinate student participation in this topic area. We thank our campus ambassadors for their contributions – Shreya Sharma, Ananya Gaba, Isha Goel, Anubhav Agarwal, Akriti Agarwal, Vaibhav Shrivastava, and Nehal Ahmed.

Expressed gratefulness to the members of the media for taking the message of the

Convention and spreading it to the last of our stakeholders and the Andaz Delhi team and Fountainhead MKTG team for managing the hospitality and event execution respectively.

Also thanked the members of NABCB, NABET, NABH, NABL, NBQP, PADD, ZED, PPID, Media Team, Accounts Team, Procurement Team, and Secretariat of the Quality Council of India who joined us on these two days to support and lead various processes of the Convention, and the ones who have continually helped us at different stages over the last 4 months.

Thanked his team of India PSS Platform for leading and smooth execution of their responsibilities:

Aastha AHUJA: Finance & Corporate Communications; Milind DOUGALL: Conference Management & Liaison; Tannya GARG: Knowledge Development, Media & Marketing; Kamla JOSHI: Overall administration; Rupal VERMA: Communications, Outreach & Documentation.

Expressed special thanks to Rudraneel CHATTOPADHYAY for coordination and outreach in the Platform and the Convention.

Expressed heartfelt gratitude for Mr. Adil ZAINULBHAI, Chairman, Quality Council of India, Dr. R.P. SINGH, Secretary-General, Quality Council of India, Dr. Harsha Vardhana SINGH, President, Steering Council, INPPSS, for their incessant leadership and guidance to the affairs of the Platform and this Convention.

With this, the proceedings of the Convention were suspended until such time when it is reconvened.

The meeting was suspended.

The Convention was declared close.

Annex - III

Key recommendations

Agenda item 1: Opening of the Convention

Inaugural Plenary

Adil ZAINULBHAI, Chairman, Quality Council of India

1. Private sustainability standards are relatively new phenomena when compared to regulatory mechanisms. Therefore, as a progressive economy, it is important to understand and study this ecosystem and not let them become a barrier to trade.
2. Trade, if done in a socially, environmentally, and economically sustainable manner, can trigger widespread welfare and development in the economy. This is especially demonstrated through the Make In India policy of the Government of India especially with the government incentivizing and directing industries to move to cleaner technologies.

Bonapas ONGUGLO, Chief, Trade Analysis Branch, United Nations Conference on Trade and Development

3. VSS should incentivize actors to stop harmful (unsustainable), unethical and inequitable practices,
4. An overarching development framework at global and national levels is essential to ensure that VSS helps countries realize development goals.
5. There is need to ensure a more equitable sharing of the benefits of VSS as the gains are often concentrated in the downstream of value chains such as brands/retailers which use VSS for capturing increased consumer demand for “sustainable” goods.
6. Attention should be paid to the design of VSS to ensure more 'credible' standards that are transparent, open, inclusive and impartial.

Harsha Vardhana SINGH, President, Steering Council, India PSS Platform & Former DDG, WTO

7. Government policies have emphasized sustainable development. With a rise in consumer awareness, the demand for sustainably produced goods and services is on the rise. Corporations around the world have increasingly focused on making their supply chains environmentally, socially, and economically sustainable. To that extent, new ideas must show the best way for partnerships to work towards this end keeping in mind small producers and the larger interest of open trade.

Isabelle DURANT, Deputy Secretary-General, UNCTAD

8. By enhancing sustainability practices, standards can play a pivotal role to change the baseline calculation of companies' performances especially those in international trade like exports and imports.
9. VSS has now become a tool for supply chain management, marketing and a tool that drives competitiveness. The aim should also be to make VSS a valuable benchmark for consumers.

Suresh PRABHU, Minister of Commerce and Industry, Ministry of Commerce and Industry, India

10. Standards must be reflected in quality and quality standards must be reflected in the final product. To that regard, the Government of India fully supports the initiative of the QCI.

Ravi P. SINGH, Secretary-General, Quality Council of India

11. In the context of the developing economies, it is important to discuss the challenges that are imposed by the sustainability standards- which have claimed to respond to social, environmental and economic elements in supply chains.

Agenda Item 2: Trade, Global Value Chains and Standards as engines of Sustainable Development

(a) High level Plenary on Role of Trade and Trade Policy in Advancing the 2030 Agenda for Sustainable Development

Ewa SYNOWIEC, Director, Directorate General of Trade, European Commission

12. The EU has no competence to deal with VSS/PSS within the context of technical barriers to trade, neither in the WTO TBT Committee nor in FTA negotiations. The so called “private standards / sustainability schemes” (industry-led schemes) are private commercial conditions agreed between economic operators and do not fall under the scope of the WTO TBT Agreement.

13. Uncertainty around trade policies has become a threat to global economic growth, and unilateral growth measures are on the rise. Trade policy and agreements can also have wide-ranging effects on employment, labour standards, social cohesion and environmental protection, for example through the promotion of green growth and climate-change resilience. Trade policy alone cannot overcome all challenges related to sustainable development including decent work, labour standards, social cohesion, green growth and climate change resilience.

14. Maximising this important contribution of trade and investment to sustainable development is a key objective pursued by EU multilaterally as well as in its bilateral and regional trade agreements and unilateral arrangements.

Teppo TAURIAINEN, Director-General for Trade, Sweden

15. Governments need to define how trade policy can contribute to the agenda 2030. This can be done in many ways. For instance, there must be a realization that trade should not be carried out at the expense of sustainable development.

16. Multilateral trading system in the WTO is crucial for the least developed countries that need to rely on multilateral rule to save their interest and rights.

17. All relevant government policies as well as government aid agencies and the private sector have to play their part in achieving the sustainable development goals.

18. The private sector needs to play an important role in the achievement of the agenda 2030.

Bonapas ONGUGLO, Chief, Trade Analysis Branch, UNCTAD

19. Some of the challenges include questions on how social, environmental issues could be addressed through regulations; how to deal with private sector issues through governmental regulations; how to promote environmental objectives. These need to be addressed closely.

20. Tariffs have been going down. However, some of the non-tariff measures are missing in the current narrative. Awareness needs to be built to bring to fore some of these export-affecting mediums in the realm of non-tariff measures, technical standards, phytosanitary standards and other voluntary sustainability standards.

(b) High Level Panel on Trade, Global Value Chains, Standards, and Sustainable Development

Ajit CHAVAN, Secretary, Textile Committee, Ministry of Textiles, Government of India

21. From the perspective of a fast-developing nation, private standards are feared as their being a potential trade barrier. Moreover, there are huge compliance costs. These problems must be addressed.

22. The role of standards in trade is to facilitate transactions in large markets and integrate into global value chains, ensure consumer safety and environmental sustainability.

23. Businesses have to ensure that they are adaptable to the local environment and must engage with the PSS as it is important from a global perspective.

Dagmar WALTER, Director, ILO Decent Work Technical Support Team for South Asia and Country Office for India

24. An improved working condition results in better productivity and thereby leads to more sustainable business.

25. Mere compliance to standards through certifications does not help achieve sustainable results until root causes that create obstacles in meeting relevant labour related standards are not addressed. Therefore, there should be more stress on capacity building of businesses for compliance with the standards.

Anupam KAUL, Principal Counsellor (TQM), Institute of Quality, CII

26. International: *Develop a Global benchmarking mechanism for VSS Schemes*

Background: Majority of the VSS Schemes have their origin in the developed nations, while the impact is mostly felt in the suppliers from the developing countries. Even though the UNFSS flagship survey report suggests most of the schemes have transparency in terms of information on standards and governance structures, the number sharply reduces for certification norms, complaints resolution and financial management.

The UNFSS flagship report did not cover vital aspects such as:

(a) The intent of the scheme, such as which of the SDG goals it is designed to address and

- (b) Stakeholder consultation in the setting the normative requirements, and in development of processes of granting certification
- (c) Inclusive participation of the impacted stakeholders particularly suppliers in the committee structures responsible for drawing the norms, rules and procedures
- (d) The ease with which conformity assessment bodies from developing countries can be recognized/accredited to operate the conformity assessment procedures (most schemes are closed, i.e. do not encourage more CABs to join)
- (e) The openness to include balanced interests of the stakeholder groups on the governance structures of the scheme, especially the supplier groups from developing countries
- (f) Whether the scheme was open to accept other scheme's results as equivalent
- (g) The method adopted to assess the impact of the scheme on the identified SDG goals

Recommendation: With the objective of making the VSS movement more credible, responsible, transparent and inclusive, it is recommended that a global overarching scheme may be created that would set up the benchmarking criteria for any VSS scheme based on the above principles and follow it with developing a mechanism for accrediting schemes that are willing to follow the criteria. The following path is recommended to achieve this:

- (a) Set up a VSS Scheme Benchmarking division in the UNFSS.
- (b) Set up a broad interest committee for initially developing benchmarking criteria in the form of recommended guidelines (non-mandatory)
- (c) Initially encourage and allow VSS scheme owners to voluntary adopt and self-declare adherence to the UNFSS Guidelines
- (d) After sufficient traction is generated, convert the guidelines into normative standard
- (e) Create an accrediting mechanism for the VSS schemes
- (f) Develop Memorandum of Association among participating schemes for according equivalence to results of other certification schemes as long as they served the same SDG Goals
- (g) For information, the UNFCCC operates a benchmarking scheme with an accreditation standard, under which it accredits Certification bodies (termed as Designated Operational Entities) who are authorized to certify Clean Development Mechanism project.

India can take the initial lead in setting up the Secretariat and initiating the work.

27. National: Develop a national strategy for VSS in line with the recommendations of the India National Standardization Strategy

The Centre for WTO studies has estimated that over 30 VSS Schemes are currently operating in India. A nation-wide survey may be conducted with the following terms of reference:

- (a) The extent of coverage in each impacted sector e.g. Agro products, tea, textiles, forestry products etc
 - (b) The impact in terms of increasing trade,
 - (c) The impact on the priority SDGs adopted by NITI Aayog,
 - (d) The impact on cost of compliance to the industry, especially MSMEs
- The study should also include the common denominators and the specific requirement of each scheme.

The above information should be compiled with following objectives:

- (a) Prepare a capacity building programme and aids to suppliers especially MSMEs in meeting the requirements.

- (b) Provide the inputs to Central and State governments for aligning their industrial policies in aiding compliance to the VSS scheme standards
- (c) Creation of national VSS schemes with the twin objectives of creating an enabling infrastructure for exporters as well as ensuring imports to India subscribe to India's priority SDG.

Rajan RATNA, Economic Affairs Officer, UNESCAP

28. There is a need to develop the standards and now the availability of data for export and import should be a driving factor for making better policies for trade.

29. The developing countries have to be proactive and not reactive. The government needs to take active part in this process.

Konrad UEBELHOER, Director, Indo-German Biodiversity Programme, GIZ

30. Trade shouldn't be at the cost of local biodiversity. Business shouldn't impact the biodiversity. Most standards do not take account of diversity loss or individual ecosystem activities while they should be incorporating it as an important factor.

31. VSS play a vital role in protecting biodiversity particularly in the case of agriculture, fisheries and forestry and they should be integrated into the business practices.

32. Most standards however do not sufficiently consider the entire biodiversity but only its individual elements. Important factors like pollination must also be considered.

33. Focus should be to develop micro, small and medium enterprises that promote biodiversity friendly promotion and commercialization because they are particularly dependent on the ecosystem and often face challenges when introducing innovations.

(c) Panel discussion on themes of the 3rd Flagship Report of the United Nations Forum on Sustainability Standards

Santiago FERNANDEZ DE CORDOBA, UNFSS Coordinator

34. VSS can be an enhancer or a barrier to trade. There should be policies that can help avoid VSS from becoming a barrier to trade. There should be a cost-sharing element so that the entire cost is not being borne by the producers.

35. There must be support mechanisms that help the producers to improve productivity and a healthier economy.

36. There should be more transparency in how these standards are being formulated.

Rajiv VIJH, United Nations Industrial Development Organization

37. VSS are relevant to domestic markets and that there is a need for technology that can reduce waste and pollution in production processes.

Joseph WOZNIAK, Programme Manager, International Trade Centre

38. There is a need to reduce the multiplicity of audits, to reduce the confusion because there can be many standards for the same thing and

even if there is benchmarking, there has to be a fixed meaning to make things universal.

39. There is a competitive factor between the private standards and it's important to not let the certification be done only for the sake of certification.

Thomas FUES, Associate Researcher, German Development Institute

40. Need for a forum for continuous exchange of information, meta-governance architecture for evolution in the context of VSS.

41. Much more information and solid analysis on policy, international agreements, which make sure VSS does not have primary function serving the private sector, needs to be spread.

Engela SCHLEMMER, Professor, University of the Witwatersrand

42. When looking at the future of the sustainability standards is it important to address the issues regarding whether the standards are being implemented by national organisations, international organisations, international bodies or the government and how do we enforce them.

43. It is also important that there is a close collaboration between the national platforms and they can have a very important role to play in addressing the current issues regarding these standards.

Soumya BHATTACHARYA, United Nations Environment Programme

44. Consumers are becoming more aware of the private sustainability standards and sustainable production practices. There is a lack of capacity and a high cost of compliance for the producers. Hence there is a need to address this issue.

Bonapas ONGUGLO, Chief, Trade Analysis Branch, United Nations Conference on Trade and Development

45. Standards are a reality and they are multiplying and we need to be able to handle them and deal with them.

46. There is a tension between standards and how they impact livelihood and trade, and it is important to understand whether VSS are an enabler or disruptor. He emphasized on the need to measure whether VSS are providing sustainable livelihoods and whether they are helping in achieving the SDGs.

Agenda item 3: Addressing challenges in Standards, Global Value Chains and Sustainable Development

(a) Panel discussion on ‘Addressing challenges in sustainability standards ecosystem such as multiplicity of standards, compliance costs, and capacity development of smallholders & MSMEs for entering GVCs’

Christopher WUNDERLICH, Coordinator Advisory Services, International Institute for Sustainable Development

47. In the case of developing countries, it is very difficult for smallholders to access the standards because of weak infrastructure, and the absence of a culture to work together towards quality. There is a need for capacity building for smallholders to access and comply with these standards.

48. He said that because of this there is high concentration of standards in specific sectors and countries, and large-scale buyers are demanding them as requirements worldwide. One opportunity is to consider that VSS provides a framework for best practices to be implemented in processes.

Murli DHAR, Director, Sustainable Agriculture Programme, World Wide Fund for Nature-India

49. Smallholders are unable to comply with the constantly changing requirements of VSS because of lack of access to new technologies. Hence there is a need to create awareness.

50. VSS can be advantageous for smallholders if they help them gain access to premium supply chains.

Rijit Sengupta, Centre for Responsible Business

51. Sustainability standards need to become more accessible and this can be done through cooperation between organisations.

Vidya Rangan, Senior Manager, Impacts, ISEAL Alliance

52. Standards are still a niche and they need to be mainstreamed.

53. There is opportunity in innovating the standards model, as changes in the model can help deal with the challenges at present.

(b) Panel discussion on ‘Exploring coherence and implementation of government policies and possibility of sustainable public procurement in context of developing economies’

Engela Schlemmer, Professor, University of the Witwatersrand

54. India and the other countries who have established national platforms should be commended since this can assist industries and traders in having direct access to the many sustainability standards in existence.

55. It is important to get the government involved and to ensure that all the role players are considering the implications and where necessary, and that the implementation, of sustainability standards in a way that does not bring about more barriers to trade nor have a negative impact on market access.

56. Government procurement should preferably be open to fair and transparent competition. If governments make a policy choice to embrace sustainable government procurement, all the requirements that should apply to a particular tender should be set out in full at the outset so that

there is no uncertainty as to what type of product and what type of producer or industry may submit their tenders.

Wouter STOLWIJK, Procurement Expert, Ministry of Economic Affairs and Climate Confirmed Policy, The Netherlands

57. Substitute the rule that all requirements in a procurement demand must have a strict relation to the subject matter, for the rule that all requirements must have a relation to the strategy of the organization.

58. Sustainable Public Procurement is severely suffering from that rule, because it is never clear what 'subject matter' is and what 'a strict relation' is. It very often functions as an obstruction for sustainability.

59. The difference with the rule as proposed is, that you now, even after having signed the Paris Treaty on the climate, meet problems when asking for sustainability; according to the rule I propose you only need to refer to the fact that you signed that treaty, in other words, that sustainability is part of your strategy. And of course, you need to buy things that you need; and what you need is dictated by your strategy.

K. C. JHA, ACEO, Government eMarketplace:

60. There should be a ready market for someone who is producing an eco-friendly product. There should be some market reservation to incentivize the eco-friendly production.

61. Capacity building for public procurement sector is not a very big issue but policy building and making enabling rules is still a challenge and need to be done with greater force.

Anna Mueller, Legal Affairs Officer, IP, Government Procurement & Competition Policy Division, World Trade Organisation:

62. The developing and developed economies both need to address the importance of procurement sector in the light of infrastructure.

63. International institutions and instruments can provide guidance, while leaving room for legislative and political flexibility to specific country system.

(c) Panel discussion on 'Exploring challenges in GVCs connected to social accountability'

John BROOKES, Executive Director, Social Accountability Accreditation Services

64. Writing the standards is the easy part, implementation is difficult. The main challenges for SMEs are the lack of knowledge and competence, changing the status quo, because it becomes normal to have 60-hour work hours or to employ children.

65. Emphasis should now be on the importance Government involvement as the government has been standing on the side-line for long. The main requirement is that we all understand that the status quo is not going to do anymore and we send this message across.

Kamal Prakash SETH, Country Coordinator, Roundtable on Sustainable Palm Oil

66. Housing and amenities provided by industry to its workers must meet national regulatory requirements or ILO Guidelines.

67. Stronger implementation and adherence to rights of workers to associate, bargain collectively and be represented.

68. Necessity for formal policy on protection of children, and documented process & evidence of age screening.

69. Training for company staff on child protection in plantations and smallholder plots.

70. Companies should provide awareness raising workshops to workers' communities & suppliers.

Shamira MANWAR, Director - Institutional Partnerships, International Justice Mission

71. Conversations on sustainability are incomplete without addressing identification and relief for victims of human trafficking for labour. Corporations can do a lot, but what they cannot do is physically restrain a trafficker or owner who may be infecting his/her supply chain. Only a government can do that because only the state is able to apply criminal sanction and physical restraint through imprisonment and punitive financial sanctions to deter behaviour.

72. Stakeholders among businesses and the government must strongly consider grievance redressal mechanisms that must include government-implementing authorities in the case of human trafficking for labour. Making it so that, social accountability is driving the State towards its role to protect, which is a critical piece of providing a level playing field that allows companies to invest. This includes setting policies, legislation and regulations, consistent enforcement, and establishing practical access to justice for those most likely to have their rights violated..

Sunil JACOB, Director - Responsible Sourcing, Walmart

73. To incentivize social accountability in GVCs it's important to build trust among the producers.

74. There should be more tools available to build capacity of the producers and give them the right tools and not just ask them to follow the standards blindly.

Manoj BHATT, Country Director, GoodWeave India

75. Government, media, and unions need to be active for corporations to be socially accountable.

76. Rather than focusing on mandatory compliances for protection of the organization, there is a need for holistic action.

Agenda item 4: Monitoring efficacy and impacts of consumption patterns and sustainability standardization on GVCs and Sustainable Development Goals

(a) Panel discussion on 'Driving a paradigm change from process-based standards to consumption-based standards in GVCs in the context of sustainable development'

Murali KALLUMMAL, Professor, Centre for WTO Studies, Indian Institute of Foreign Trade

77. There is a need for the consumption-based standards to be on a global level and this can be done by cooperation from responsible global leaders, global market players and responsible citizens.

78. UNFSS has to work towards ensuring that the already existing standards do not put a lot of undue pressure on producers and the standards should not be putting undue pressure on the developing countries.

Jaivir SINGH, Professor, Jawaharlal Nehru University

79. It is the case that there is an over-emphasis on production-based standards to achieve sustainable development goals. There needs to be a paradigm change that also encourages sustainable development by setting consumption standards. While the need is obvious the more difficult issue is in the translation of this in practice. This is an important endeavour that needs to be pushed.

80. One very concrete step that needs to be done and can be done is to discount the returns from investment by a discount factor that supports sustainable consumption. This discount factor vitally needs to take cognizance of the fact that unfettered consumption involves economic agents choosing hyperbolic rates of discount. Instead the rates of discount should support sustainable development.

(b) Panel discussion on ‘Simplifying targets and indicators and standardizing data to monitor sustainable development impact of GVCs, and developing statistical capacity of people measuring impact’

Ariel HERNANDEZ, Senior Researcher, German Development Institute

81. There is a need to improve interface between statistics and research. Collaboration between scientists and industry players is needed to debate about interpretations from data and how science can help.

82. There is also a need to revisit the accountability of technical and scientific research. Credibility is very important, without which knowledge is reduced to something similar to opinion.

Ravinder KUMAR, Professor, University of Greenwich - Natural Resources Institute

83. There should be focus on collaborative learning and capacity building to learn from each other and also encourage a change in behaviour of companies and actors of Global Value Chains.

84. Standards also need to inspire the businesses to change in the way they function. This will enable a positive impact on the workers' lives.

Daniele GIOVANNUCCI, President, Committee on Sustainability Assessment

85. It will be increasingly necessary to combine both public and private goods, meaning business has to deliver some public benefits since government cannot do it all. To do so effectively we need to integrate the scientific basis of rigorous data with managerial decision-making tools. Essentially, we need to make it easier for busy leaders (in companies and

in government) to make the right moves. It means that in the future we will be looking more at KPIs (Key Performance Indicators) so these will have to be smart and reflecting good science. It is therefore imperative to lay that groundwork now, combining work of science institutions with business management tools and approaches.

Vidya RANGAN, Senior Manager, Impacts, ISEAL Alliance

86. It is very important to measure what you are doing and seeing whether things are being achieved. Making results available transparently and readily is key. An important part of the process is to learn where change needs to be made to improve the functioning.

87. One of the key challenges in data collection in the standards space is that different organisations are collecting data on the same indicators individually, which means that farmers are being repeatedly asked the same data by different organisations in different forms.

88. It is important that organisations make sure that all stakeholders know about the key indicators that are being mapped and that transparency is maintained in the data collection and analysis process to ensure credibility of the same.

Sandeep SHRIVASTAVA, Senior Vice President, Environment & Sustainability, Ambuja Cement

89. No sustainable production can exist without sustainable consumption because now in the world, all resources are in short supply, and we need to have a pressure to cut down the consumption level. You need to have very strict guidelines for suppliers, to have not only themselves the relevant principles, but have the suppliers follow them as well.

Agenda item 5: Strengthening multi-stakeholder frameworks for sustainable trade

(a) Panel discussion on 'Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in agri-food value chains'

Tarun BAJAJ, Executive Director, Agricultural and Processed Food Products Export Development Authority, India

90. We need to have a strong quality regime and infrastructure. It is important to work for harmonization of standards and for connecting farmers and state governments to provide farmers with guidance and regulate them.

Rajneesh KUMAR, SVP & Head Corporate Affairs, Walmart

91. It is very important to connect to farmers and ensure that they have access to the market.

92. More and more business in future will happen online and so will be grocery shopping. There is a need to ensure that farmers gain market access and meaningful partnerships for the same.

Bhavna Prasad, Director – Sustainable Business, World Wide Fund for Nature-India

93. There is very little awareness in India as to where palm oil is being used. The idea is to create that awareness, help reduce deforestation and to build sustainable partnerships globally.

Benz THOMAS, National Manager, BRC Global Standards

94. The standards also need to be upgraded and there should be feedback mechanism that can give back data about the functioning of these standards.

95. The time, effort and money should not be wasted on the auditing but efforts should be made to give concise reports.

96. It is the non-physical risks that are of greater harm for the brands and thus need to be addressed.

Kamal Prakash SETH, Country Coordinator, Roundtable on Sustainable Palm Oil

97. Requirement for the identification, maintenance and enhancement of High Conservation Values (HCV) with the protection of forests.

98. Any policy, legislation or standard must address deforestation in high carbon stock forests while balancing the need for development, poverty alleviation and community livelihoods in high forest cover (HFC) countries.

Prashant PASTORE, General Manager - Sustainable Agriculture & Water, Solidaridad

99. Stakeholders only view sustainability as risk management. A more comprehensive approach is required, looking at the benefits for farmers, along with water, soil, biodiversity, etc.

100. There is a need to move from a compliance-based approach to an impact-based approach and options that help in this context should be identified.

(b) Panel discussion on 'Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in fisheries value chains'**Vinod MALAYILETHU, Senior Programme Coordinator, Marine Programme, World Wide Fund for Nature-India**

101. More awareness campaigns for making the respective stakeholders understand the importance of marine certification that takes into account producers' interests.

Ranjit SUSEELAN, India Consultant, Marine Stewardship Council

102. Government of India's marine policy promotes eco-labelling of key Indian fisheries that would benefit fish stocks, seafood industry and fishers. Seafood Exporters Association of India along with stakeholders like CMFRI, MPEDA, CIFT & WWF has proceeded with the prioritization of key fisheries.

103. India's private sector like supermarkets & hotels chains need to support sustainable seafood. This will help to sustain the fishery.

S.K. SAXENA, Director, Export Inspection Council

104. The control over processing units does not ensure that there shall be no contaminants in the product but there is a need to keep a check on the production units.

105. The challenges are more for the regulations committee for export as the product needs to qualify for the requirements laid down by different countries. Hence uniformity is something that needs to be thought about.

(c) Panel discussion on 'Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in forestry value chains'

Rajesh RAWAT, Joint Director, Export Promotion Council for Handicrafts

106. There has to be stress on how the small-scale producers of handicrafts are procuring raw materials. This has to be done in accordance with the standards so that the exports are not affected.

Deepali ROUTELA, Assistant Director, Network for Certification and Conservation of Forests

107. Need to focus on involving stakeholders in the standard developing process rather than imposing the standard on them.

Manmohan YADAV, Professor, Indian Institute of Forest Management

108. Even though there is transparency in tracking timber coming from national forests, there is still difficulty in tracing wood coming from farmlands.

109. There should be emphasis on the fact that fuel wood, the requirement of which is being met from national forests, and fodder and grazing are primary source of degradation of forests.

Snigdha PRAMANIK, IKEA Services India

110. Basic requirement including indicators like child labour, minimum wages, employees' insurance must be included whenever a standard is being formulated.

111. There must be constant supply chain mapping and monitoring on an unannounced basis to ensure continuous compliance by the suppliers.

Lekshmi NAIR, Head of Economics and Statistics, International Rubber Study Group

112. Sustainability in GVC, its implementation, achieving desired goals need involvement of business leaders (agriculture-forest-industrial commodities) from upstream, midstream and downstream from the initial stages of aware creation, capacity building/training programmes and stakeholder engagements.

113. National PSS Platforms need to be industry-driven where responsibility of implementation and accountability is on supply chain stakeholders;

114. Capacity-building with the intent to bring the industry up as a whole in terms of productivity and efficiency:

115. Knowledge sharing: stimulate and coordinate best practices and strategies to scale up impact.

(d) Panel discussion on 'Strengthening multi-stakeholder sectoral initiatives and responsible sourcing decisions in textile value chains'

Tapan Kumar ROUT, Deputy Director, Textiles Committee, Ministry of Textiles

116. Textile sector is majorly MSME-based and there are lot of issues that MSMEs face. They have small units, no knowledge, and no resources, to bear the high cost of compliance, which usually takes up 6-7% of their turnover. Hence, there is a need to create capacity and more initiatives for the same.

Subindu GARKHEL, Product Manager for Cotton, Fair Trade Foundation

117. Textiles is the second fastest growing industry and also second biggest polluting, riddled with child labour, genetically modified seeds, water pollution, and health and safety issues. Hence its magnitude is of prime importance when addressing these issues and it is also important to remember that cotton farmers are also a part of the supply chain as they are often forgotten.

118. Emphasis should be on avoiding duplication, and ensuring that there is enforcement of regulation.

Sumit GUPTA, Deputy Director, Standards Development & QA, Global Organic Textile Standard

119. The leading standards bodies have to take responsibility to collaborate with all stakeholders that are relevant and reliable.

120. There has to be transparent process for standard setting which accepts comments and counter-comments and then the decisions are taken.

Sanjeevan BAJAJ, Advisor, Federation of Indian Chambers of Commerce and Industry

121. Standards, especially those centring upon social aspects, and that focus on continuous improvement rather than one-time compliance, are comparatively more effective in improving performance on the ground. The way to address these complex issues is not by withdrawing or by having a policy of not working with suppliers from high-risk societies. Rather the policy should be inclined towards including them in global trade and using trade as an instrument to reduce poverty, improve human rights, reduce exploitation. In this context, improvement-based standards and practices are most appropriate in this regard.

122. On environmental aspects, the top three issues coming out from life cycle assessment studies and hotspots analysis are energy consumption in the manufacturing process, use of chemicals in dyeing and finishing process for all textiles and issue of water use. Setting standards around these aspects will be instrumental in addressing the environmental hotspots.

123. Many of the sustainability standards in the textile sector are striving to get the existing legal requirements implemented in producing countries. Evolution of standards should eventually take the producing

country suppliers ahead of the minimum required by national laws rather than merely following them as is happening now.

Charan SINGH, Vice President and Regional, TUV Rheinland:

124. Chemical management is the key area to be worked on now; the focus is shifting from end product to process.

Sarath CHANDRAN, Director, RSJ Inspection Service Pvt. Ltd

125. There is an annual, formal, internal review of BSCI auditing capacity requirements, including specific geographic and industry needs. In this context, there is need for adjusting capacity, including the need for additional capacity.

(e) National Initiatives Feature: Opportunities and challenges of consolidation efforts at the national level w.r.t. sustainability standards

Santiago FERNANDEZ DE CORDOBA, UNFSS Coordinator

126. Need to address the opportunities and challenges of consolidation efforts at the national level with respect to sustainability standards. The work that is being taken up by various nations and platforms is helping in advancing the sustainable development goals.

Manish PANDE, Joint Director, and Head, PAD Division, Quality Council of India

127. Deeper engagement is required among National Platforms.

128. Public procurement initiatives should be taken up actively to promote sustainable public procurement through standards.

129. Export and import markets should be studied to determine the impact of VSS.

130. Capacity development initiatives must be undertaken.

131. Sectoral committees should be mobilised for study of VSS.

132. Public policy advocacy should be undertaken to convince corporations to adopt responsible sourcing policies.

Agenda item 6: Closing of the Convention

Closing Plenary

Harsha Vardhana SINGH, President, Steering Council, India PSS Platform, and Former DDG, WTO

133. Important to create a global accountability mechanism for all VSS schemes which could be formulated and run by UNFSS. On the face of it, this may look very difficult and complex. However, considerable amount of work has already been done which can help to build upon this idea. This effort would include a benchmarking standard based on the principles of inclusiveness, transparency and good governance.

134. The second recommendation is to create a national response structure to evaluate the impact of all VSS for relevant export mechanisms. This will provide a basis for giving platforms to organizations to talk to each

other, to adopt consistent policies or standards, and to conform with the relevant requirements of larger markets within and across nations. Third would be to create capability enhancement initiatives to develop national skills in line with relevant priority SDGs.

135. The success of the Convention is something to be proud of and thus the next recommendation would be to collect all the thoughts that were expressed and take out key practical recommendations to add to the ones summarised by me.
