

# **E15 Initiative on Regulatory Systems Coherence**

## **Private standards – Implications for trade, development and governance**

Think Piece prepared by

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### **1 Introduction**

The past decades have witnessed the emergence and proliferation of private standards. While there has not yet been an internationally recognized definition, private standards generally refer to any requirements that are established by non-governmental entities including wholesale or retail stores, national producer associations, civil society groups or combinations of them<sup>2</sup>. They contain rules mainly related to food safety, environmental protection, animal welfare, fair trade, labour conditions, human rights protection and others. Sectors addressed by private standards are agriculture, forestry, aquaculture, apparel, fair trade, but other sectors are experiencing the emergence of such standards as well. While private standards may provide a stimulus to improved production practices and performance in exporting countries, and potentially provide a competitive advantage to complying producers, the proliferation and increased influence of private standards has become an increasing concern for suppliers in particular those in developing exporting countries.

In recent years, there have been many discussions and debates on private standards with regard to trade. These discussions are mostly centered on their impacts on market access and development, their legal status in the WTO, their implications for global governance and the means of maximizing their benefits and minimizing their risks. Unfortunately, there has not been much progress achieved so far. Despite years of efforts of a working group under the leadership of China and New Zealand, the WTO Committee on Sanitary and Phytosanitary Measures (SPS Committee) has still not been able to reach consensus on a working definition of SPS-related private standards (WTO, 2014). The fourth review of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), which should have been completed by the end of 2014, has so far resulted in stalemate in WTO Members' negotiations in relation to private standards.

In the Committee on Technical Barriers to Trade (TBT Committee), Members' attention was drawn to the Code of Good Practice for the Preparation, Adoption and Application of Standards Code of Good Practice), which is open for acceptance by standardizing bodies including non-

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<sup>1</sup> The views expressed in this paper are those of the authors and do not necessarily represent the views of the organizations they are affiliated with. While they are based on consensus, not all policy recommendations may be equally supported by all the authors.

<sup>2</sup> A discussion of the term "private standard" is contained in Annex 4 of this paper.

governmental bodies, However, up to now, Members have neither notified the WTO of the acceptance of the Code of Good Practice by any of these non-governmental bodies nor have they shared any experiences or information on the “reasonable measures” they have taken “to ensure that ... non-governmental standardizing bodies within their territories,... accept and comply with the Code of Good Practice” (Article 4 of the TBT Agreement).

This paper starts with a discussion of the drivers in the emergence and proliferation of private standards. It then seeks to elaborate on how private standards relate to trade, development and governance and explores how the relevant challenges can be addressed. The paper concludes that greater involvement and supervision by national governments, increased dialogue between multilateral stakeholders, including relevant multilateral organizations, would be beneficial to the operation and the “sustainable growth” of private standards. The paper further recommends that a more proactive approach be taken by the WTO in addressing trade concerns and in harnessing the potential benefits of credible voluntary sustainability schemes while involving also a range of other stakeholders and relevant organizations into a multi-stakeholder dialogue. Among others, it is of vital importance to encourage more open and in-depth dialogue in the WTO, on the basis of which the existing rules of the WTO should be further clarified and possibly expanded to encompass private standards.

## **2 Trends among and impacts of private standards**

Private standards have been increasingly influential over the past decades due to several factors, such as increasing market power of transnational corporations, of major retailers and the emergence of global value chains that spread across various countries and are often coordinated by lead firms that use standards as one means to govern production processes and supply chains across the globe to ensure coherence between the value chain partners. Other factors driving the increase in importance of private standards are civil society groups that address environmental and social impacts through private standards which are also often referred to as "voluntary sustainability standards" (VSS).

### **2.1 Drivers in the emergence and proliferation of private standards**

There are at least three interrelated drivers for the emergence of private standards:

#### **2.1.1 The emergence of Global Value Chains (GVCs) coordinated by large corporations (TNCs) either as system-integrators or as key buyers (e.g. retailers and supermarket chains)**

UNCTAD's World Investment Report 2013 (p. XXII) makes the following statement:

"Global Value Chains (GVCs) are typically coordinated by TNCs, with cross-border trade of inputs and outputs taking place within their networks of affiliates, contractual partners and arm's-length suppliers. TNC-coordinated GVCs account for some 80 per cent of global trade. Patterns of value added trade in GVCs are shaped to a significant extent by the investment decisions of TNCs. Countries with a higher presence of FDI relative to the size of their economies tend to have a higher level of participation in GVCs and to generate relatively more domestic value

added from trade. TNCs coordinate GVCs through complex webs of supplier relationships and various governance modes, from direct ownership of foreign affiliates to contractual relationships (in non-equity modes of international production, or NEMs), to arm's-length dealings. These governance modes and the resulting power structures in GVCs have a significant bearing on the distribution of economic gains from trade in GVCs and on their long-term development implications."

A typology of governance structures of GVCs is contained in Annex 3 (Gereffi et al, 2005). Standards can be used as a means for lead firms to coordinate the consistency of requirements regarding inputs, quality, working conditions, environmental impacts etc. throughout GVCs (in order to ensure "traceability", to meet "chain of custody"- requirements etc.).

### **2.1.2 Societal concerns addressing the need for more ecologically sustainable and better social production conditions and environmentally friendly products**

Main players in this area are consumers, mainly in developed countries, but also large companies and/or NGOs and/or standards consortia that are engaged in standards-setting and in some cases also in accreditation and certification schemes that support the implementation and fast market penetration of standards. Examples for such organizations are Fairtrade International, GlobalGAP, Rainforest Alliance, Better Cotton Initiative, Marine Stewardship Council, Forest Stewardship Council, UTZ Certified and many other organizations involved mainly in fair trade, agriculture, forestry, aquaculture, cotton, but spreading increasingly into other areas as well (oil and gas, aluminium value chain, building, tourism services etc.). All of these organizations have a very specific focus either on certain products or a certain aspect of production and trade (e.g. adequate wage, human rights issues).

From this perspective, private standards are often seen as a means to fill the gaps left by regulations or other standards and as a way of raising the bar to achieve higher levels of economic, social and environmental sustainability.

### **2.1.3 Branding and marketing by companies to obtain additional benefits ("greenwashing")**

In many cases private standards may be used to support green or bio-labeling schemes that lack a scientific and evidence-basis. The multiplication of brands and labels without control through some kind of a "clearing house" to ensure they are based on scientific evidence, results in confusion of consumers, increasing costs of production and affecting exports from developing countries.

## **3 Impacts of private standards on trade, development and governance of the multilateral trade-system**

The emergence and proliferation of stringent buyer-driven, process-oriented private standards may lead to exclusive and exploitative supply chains and may result in adverse implications for trade, development and global governance.

### **3.1 Trade-related problems caused by private standards**

Private standards have been a growing concern among developing countries in the WTO. The replies from a survey carried out by the WTO/TBT Secretariat in 2009 (WTO 2009a) indicates that compliance with private standards is considered by exporters to be the prerequisite for exporting to a large number of developed country markets. Farmers and producers, who cannot achieve compliance with private standards, even if they meet standards developed by Codex or other formal standards-setters, are losing market access opportunities and are forced to switch to alternative markets.

The survey also finds that certain retailers require very restrictive maximum residue limits (MRLs) for pesticides, determined as a percentage of national MRLs, which are themselves at times more restrictive than MRLs set by Codex standards for the same products. Such low MRLs result in the exclusion of certain producers from the market even though they meet requirements stipulated in Codex or formal international standards. A number of replies express the view that such restrictive MRLs have neither scientific justification nor enhance food safety for consumers.

Other concerns include the high costs of compliance (e.g. the average annual certification fee may vary between US\$2,000 to US\$8,000 for a private standard), which are additional to what would be incurred to comply with formal standards, repeated annual certification requirements for firms even if they have a good past record, non-transparent and inconsistent evaluations by some auditors, lack of a price premium despite the investments needed to obtain certification, multiplicity of mutually inconsistent private standards, disproportionate effect on smallholders, lack of transparency and non-involvement of exporters and other stakeholders in the private standard-setting process, and the lack of appeal procedures.

It is worth noting that the United Nations Forum on Sustainability Standards (UNFSS), a joint initiative of five UN Agencies (FAO, ITC, UNCTAD, UNEP and UNIDO), identified in 2013 trade-related challenges much similar to those observed by the WTO Secretariat (UNFSS, 2013). Additionally, the UNFSS further notes that many of the private standards are not science-based and that the multiplication of private standards may put at risk their sustainability objectives and create confusion for producers and consumers.

Figure 1 exemplifies the conditions under which standards can cause specific trade-related problems which may be at the core of the concerns about private standards: a combination of a high degree of enforcement of a standard or scheme (through the support by important market players), a low degree of openness, transparency and inclusiveness in the development process (through direct or indirect control of the development process by these market players) and a medium to high degree of market penetration of the standard (through the market power of these players).

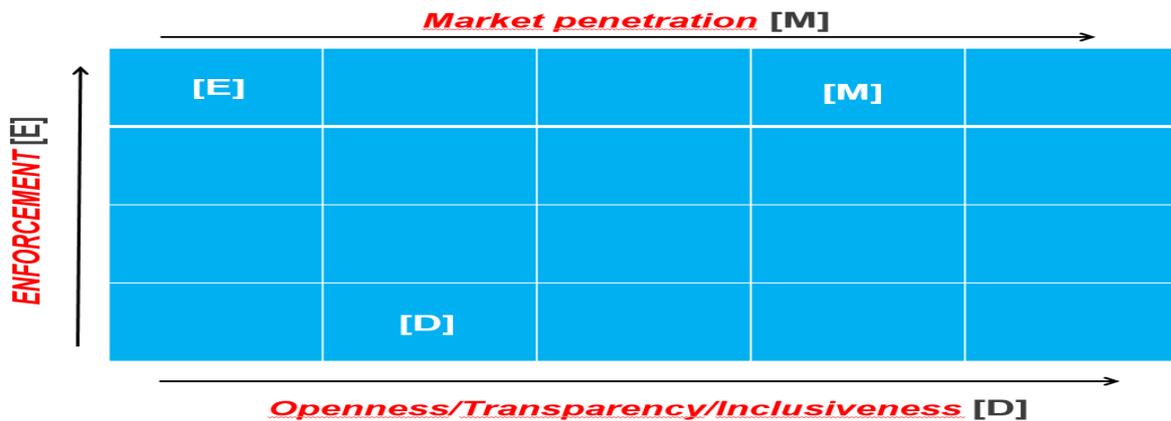


Figure 1: Conditions for the creation of trade barriers through standards

In such cases, other market players may be cut out of a market in case they try to avoid such a standard. They also have legitimate reason to claim that the standard is imposed on them due to a combination of market power and the lack of openness in its development.

A more positive set of conditions is shown in Figure 2:

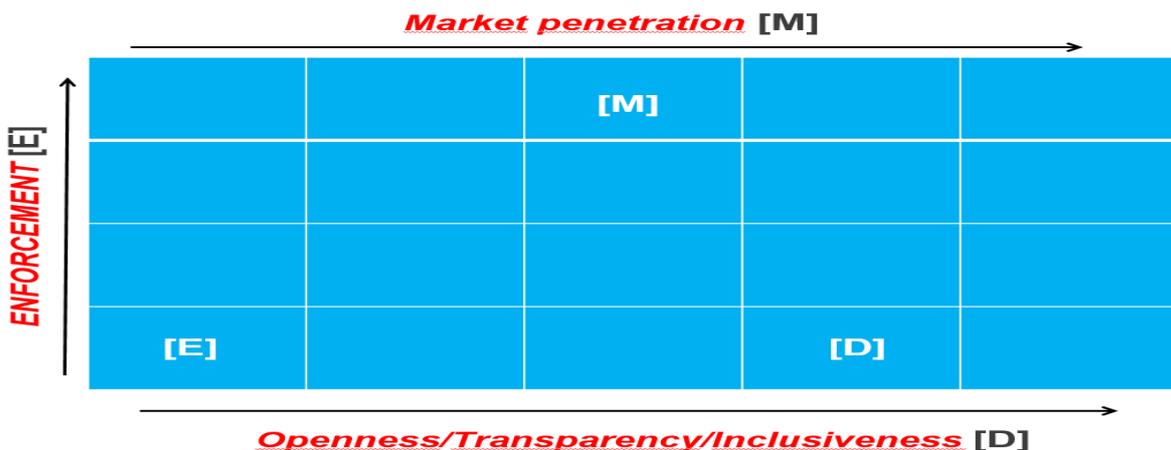


Figure 2: Conditions of open standards avoiding the creation of trade barriers

In this case, there exists a combination of a low degree of enforcement, a low to medium degree of market penetration (which may change over time) and a much higher degree of openness, transparency and inclusiveness of the development process, which may involve many more different stakeholders to ensure they have the possibility to influence the content of the standard during its development.

### 3.2 Private standards and development

It is worrying that many private standards are developed without adequate developing country representation. The lack of consideration of the special development, financial and trade needs of

developing countries in the preparation and application of private standards and the related certification schemes explains the often unnecessary barriers created by private standards to exports from developing countries.

### **3.3 Private standards and challenges for the multilateral trading system**

Particularly from the perspective of developing countries, the proliferation of private standards can have the potential to undermine the value, credibility and relevance of the multilateral trading system, international standards developed in the formal standardization system and even regulations of governments.

There have been heated debates whether private standards are covered by WTO rules. The WTO TBT and SPS agreements generally deal with standards and conformity assessment schemes set by international standards-setting bodies and those adopted by governments.

The proliferation of private standards is bringing significant challenges towards the legitimacy of the trade system, because the uncontrolled multiplication of these standards is affecting the responsibility of the States towards the behavior of the bodies that have issued them. States are members of the WTO and there is evidence that private standards are creating discrimination and barriers to trade.

There are strong arguments for the application of the WTO rules, TBT and SPS agreements in particular, to private standards:

First, the WTO TBT and SPS agreements impose explicit obligations on Members' governments to "take such reasonable measures as may be available to them" to ensure that "non-governmental" entities or bodies "within their territories" observe certain principles set out in the agreements, including transparency, non-discrimination, scientific justification, use of international standards as their basis and others (Articles 4 and 8 of the TBT Agreement, and Article 13 of the SPS Agreement).

Secondly, besides these obligations, Articles 4 and 8 of the TBT Agreement and Article 13 of the SPS Agreement clearly stipulate that Members "shall not take measures which have the effect of, directly or indirectly, requiring or encouraging" "non-governmental" entities or bodies "to act in a manner inconsistent with" the provisions of the agreements.

Thirdly, the TBT and SPS agreements also require Members to rely on conformity assessment procedures by non-governmental entities or bodies only if they comply with the relevant provisions (Article 13 of SPS Agreement and Article 8 of TBT Agreement).

### **3.4 Private standards and public governance**

Private standards often arise to fill the gaps in standards developed through the formal standardization system or public bodies, including government regulations and recognized international standards. However, proliferating private standards can result in competition, duplication and even conflicts among private standards and between private standards and

standards developed through the formal standardization system. Particularly, private standards have the potential to weaken the roles of governments and international standard-setting bodies and may, under certain conditions, even render their work irrelevant. This causes inefficiency in achieving public policy objectives, it can create confusion for producers and consumers and raises questions about the legitimacy of the market-driven private initiatives. It is therefore important that private standard-setters follow certain codes of good practice in standards development and application to make sure standards developed through the formal standardization system always play a key role in protecting public goods and correcting market failures, that more complementarity and harmonization is achieved among private standards and between private standards and standards developed through the formal standardization system.

#### **4 Policy recommendations to meet the challenges of private standards**

In this paper we distinguish between policy recommendations for the shorter and the longer term. However, irrespective of this distinction, it is suggested that action be taken towards the implementation of both in parallel.

##### **A. Shorter term recommendations:**

#### **4.1 Develop an integrated and holistic approach within the WTO**

The discussion of private standards and their potential negative effects should be undertaken jointly in the TBT, SPS and the Trade and Environment Committees of the WTO.

The attempt of confining the discussion to the definition of what is a private standard in the SPS Committee and postponing the issue in the TBT Committee, should be reconsidered. An impartial assessment of the problem shows that some private standards address sustainability concerns, which – in addition to the SPS Committee – also fall into the scope of the TBT and the Trade and Environment Committees.

In order to reach a better understanding of the nature and the size of the issues at stake, private standards should be analyzed in joint meetings of the SPS and TBT Committees, together with the Trade and Environment Committee, to overcome an artificial separation. In order to address the full complexity of private standards, an integrated and holistic approach is required.

#### **4.2 Launch a multi-stakeholder dialogue**

The WTO, in collaboration with other agencies, such as UNFSS, ITC, ISO, the Codex Alimentarius Commission, OIE, and possibly others, could consider launching a multi-stakeholder dialogue by inviting key organizations and stakeholders, i.e. standards-setting bodies both from the formal as well as the private areas, main standards users, TNC-representatives, and relevant international organizations to review and discuss the issues of private standards, their relationship with formal standards with the intention to develop a common understanding of the challenges and the potential for fragmenting the existing system of standardization, and to encourage private behaviour to be consistent with the provisions of the TBT and SPS agreements.

### **4.3 Establish national focal points**

In support of transparency, it should be considered to establish focal points for private standards in all interested countries.

As TBT and SPS rules oblige Members to establish enquiry points, private standards may also have focal points in all interested countries. These focal points could be accommodated by private or public bodies in the countries that would represent the interests of commerce, quality, agriculture, agribusiness, industry, certification and standardization entities. Its role could be to deal with issues related to different trade barriers caused by the proliferation of private standards.

### **4.4 Encourage formal standards bodies to strengthen their role**

Formal standards bodies, such as ISO, IEC and its members, the national standards bodies from over 160 countries, and partner organizations at regional level, should consider taking appropriate measures to serve those interests more effectively that would otherwise support the development and proliferation of private standards.

## **B. Longer term recommendations:**

### **4.5 Establish a standing (voluntary) peer group**

It is recommended to establish a standing (voluntary) peer-group of leading standards setters, from the formal standards system as well as from private standards setters, together with regulators, main standards users, TNC-representatives and relevant international organizations with the task to review, monitor and recommend actions in this area. Its main objective could be the negotiation of a Code of Conduct for Standards Development and Implementation, building on existing models of such codes or principles (e.g. ISO/IEC Guide 59, TBT Code of Good Practice, the six principles for the development of international standards, guides and recommendations resulting from the Second Triennial review of the TBT Agreement, the Standards-Setting Code of the ISEAL Alliance) to ensure transparency, non-discrimination, accountability, supervision through commonly applied principles.

This peer group could be based on a 'secretariat' - or a 'membership' -model. While a membership model, such as the one established by ISO, may generate more support for the governance process among member organizations and States and could possibly lead more easily to negotiations of plurilateral or multilateral deals, a secretariat-model such as the one of the UNFSS, would have more autonomy for decisions, arriving faster at its goal.

### **4.6 Clarify and strengthen WTO rules**

Significant work should be undertaken by the WTO. It is necessary to reflect the reality of private standards in the existing Agreements. The objective is to clarify, improve and develop guidelines regarding the implementation of Article 13 of the SPS Agreement, and Article 4.1, 8.1 and 8.2 of the TBT Agreement to address the challenges posed by this reality.

One goal could be to extend the application of the “Code of Good Practice” of the TBT Agreement and the TBT Committee’s “Decision on Principles for the Development of International Standards, Guides and Recommendations to the preparation and application of all standards” to include private standards.

#### **4.7 Clarify the scope of responsibility of certain WTO bodies**

Another important task is to clarify the scope of responsibility of existing WTO bodies, such as the TBT-, SPS- and Trade and Environment-Committees, to cover specific trade concerns related to private standards. In the absence of such a clarification, the problems already faced by many Members in relation to private standards will probably escalate to the level of trade disputes and will be brought to the Dispute Settlement Body of the WTO.

#### **4.8 Establish a new body**

The proliferation of private standards and the need for global governance could make it beneficial to consider the establishment of a new body, sourced from key stakeholders.

A new body may be able to better deal with the overall problems associated with the proliferation of private standards and deal with their complexity. The objective is to develop and support the implementation of basic principles, rules and instruments for the establishment, compliance, supervision and conflict resolution of such standards.

This body will also bear responsibility for the representation of their stakeholders in the international trade forum, in particular, the WTO.

### **5 Conclusions**

The past decades have witnessed the emergence and proliferation of so-called "private standards". These standards are produced by non-governmental bodies in defense of different concerns related to food safety, environmental protection, animal welfare, fair trade, labour conditions and human rights issues.

While private standards may provide a stimulus to improved production practices and performance for exporting countries, and potentially provide a competitive advantage to complying producers, the proliferation and increasing influence of private standards has become an increasing concern for exporters in particular in developing countries.

This paper contains a number of policy recommendations (see section 4) which aim at addressing these challenges in the shorter and the longer term. The recommendations focus on the WTO, but also aim at engaging key players in a multistakeholder dialogue to arrive at an understanding of the challenges of private standards with a view to agreeing on basic principles for standards-setting to overcome the current proliferation of mutually competing standards and certification systems.

In the longer term, further clarification of some WTO rules and functions is required as well as a more stable institutional environment to address standards setting, either in the form of a standing voluntary peer group to review ongoing developments and suggest approaches to deal with challenges or in the form of a new body specially created for this purpose.

## **Annex 1: Definitions**

Source: WTO (1995), Agreement on Technical Barriers to Trade, Annex 1

### ***Technical regulation***

Document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, **with which compliance is mandatory**. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

### ***Standard***

Document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, **with which compliance is not mandatory**. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

## **Annex 2: Six principles for the development of international standards, guides and recommendations**

Source: Annex 4 of the Second Triennial review of the TBT Agreement (November 2000)

### **A. Transparency**

All essential information regarding current work programmes, as well as on proposals for standards, guides and recommendations under consideration and on the final results should be made easily accessible to at least all interested parties in the territories of at least all WTO Members. Procedures should be established so that adequate time and opportunities are provided for written comments. The information on these procedures should be effectively disseminated.

### **B. Openness**

Membership of an international standardizing body should be open on a non-discriminatory basis to relevant bodies of at least all WTO Members. This would include openness without discrimination with respect to the participation at the policy development level and at every stage of standards development.

### **C. Impartiality and consensus**

All relevant bodies of WTO Members should be provided with meaningful opportunities to contribute to the elaboration of an international standard so that the standard development process will not give privilege to, or favour the interests of, a particular supplier/s, country/ies or region/s. Consensus procedures should be established that seek to take into account the views of all parties concerned and to reconcile any conflicting arguments.

### **D. Effectiveness and relevance**

In order to serve the interests of the WTO membership in facilitating international trade and preventing unnecessary trade barriers, international standards need to be relevant and to effectively respond to regulatory and market needs, as well as scientific and technological developments in various countries. They should not distort the global market, have adverse effects on fair competition, or stifle innovation and technological development. In addition, they should not give preference to the characteristics or requirements of specific countries or regions when different needs or interests exist in other countries or regions. Whenever possible, international standards should be performance based rather than based on design or descriptive characteristics.

### **E. Coherence**

In order to avoid the development of conflicting international standards, it is important that international standardizing bodies avoid duplication of, or overlap with, the work of other international standardizing bodies. In this respect, cooperation and coordination with other relevant international bodies is essential.

### **F. Development dimension**

Constraints on developing countries, in particular, to effectively participate in standards development, should be taken into consideration in the standards development process. Tangible ways of facilitating developing countries participation in international standards development

should be sought. The impartiality and openness of any international standardization process requires that developing countries are not excluded *de facto* from the process. With respect to improving participation by developing countries, it may be appropriate to use technical assistance, in line with Article 11 of the TBT Agreement. Provisions for capacity building and technical assistance within international standardizing bodies are important in this context.

### Annex 3: Governance in Global Value Chains

Source: Gereffi, G., Humphrey, J., Sturgeon, T. (2005), p. 89

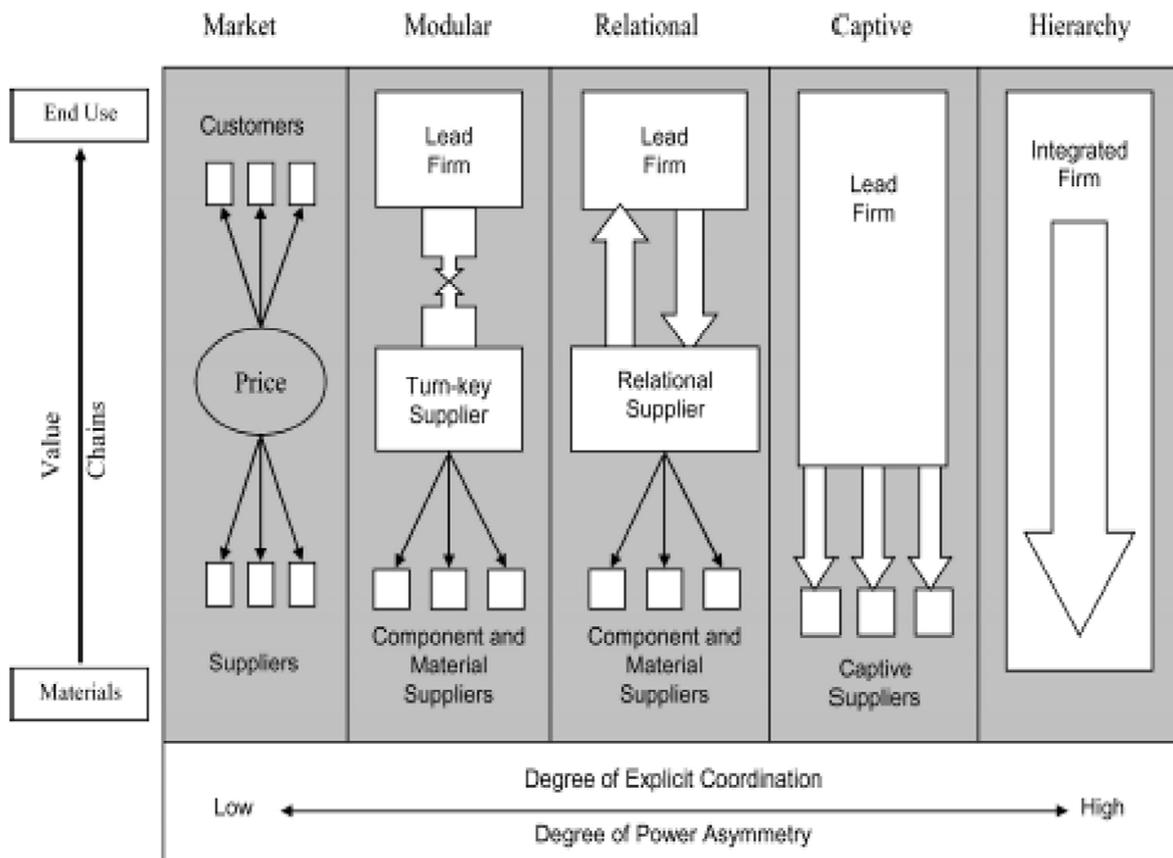


Figure 3: Typology of governance structures in Global Value Chains

Figure 3 provides a typology of the organization of global value chains and their governance structures ranging from market-based exchanges between independent firms ("market") to full integration of certain operations into lead firms ("hierarchy"). The basis of this typology is the specific combination of three factors:

- A. The complexity of the information and of the knowledge transfer required to communicate product and process specifications from lead firms to suppliers;
- B. the extent to which such information can be codified and thereby made self-sufficient so that additional transactions between the cooperating firms are not needed;
- C. the capabilities of actual and potential suppliers to handle product and process specifications of lead firms and thereby to meet the requirements posed by them.

#### **Annex 4: A discussion of the term "private standard"**

The term "private standard" was introduced in June 2005 in the SPS committee through a case raised by St. Vincent and the Grenadines expressing concerns about trade impacts caused by EurepGAP certification for bananas and is in use in the WTO since then.

As mentioned in the Introduction of this paper, the term "private standards generally refers to any requirements that are established by non-governmental entities including wholesale or retail stores, national producer associations or civil society groups or combinations of them."

However, it is argued here that the term "private standard" itself is inappropriate and misleading for the following reasons:

(1) Many standards are developed by bodies that have the legal status of private entities. Most standards organizations in Western European and the USA are private, although some of them are recognized – through different agreements and in different forms – by the governments in their respective countries as "national standards bodies".

(2) On the opposite, in many other countries standards organizations are governmental entities. In spite of this fact, the vast majority of the standards developed by them are voluntary regarding their use. An example is China whose national standards body, the Standardization Administration of China (SAC), is a governmental entity. However, over 90% of the national standards published by SAC have the status of "voluntary" standards.

(3) In line with the WTO/TBT definition of "standard" (see Annex 1), standards are voluntary, but they can be

- a) made mandatory through reference in legislation or
- b) introduced as one option (amongst possible others) to meet the requirements stipulated by legislation in which case they are not legally binding but have a prominent status as a means to satisfy legal requirements.

Both of the options in (3) exist, irrespective of whether a standard was developed by a governmental or a non-governmental entity. In both cases their status changes from a voluntary document, i.e. a standard, to a "regulation" or a kind of "quasi-regulation" (in case b)).

As a consequence, a standard, irrespective of whether it was developed by a governmental or a non-governmental entity, can be voluntary or become mandatory. This means the term "private" does not introduce a relevant distinction between standards.

It is therefore more appropriate to refer to "standards" in general and to distinguish between different types of standards on the basis of a set of three principal dimensions<sup>3</sup>:

- **Degree of enforcement of the standard:** Has the standard been made mandatory through legislation? Is it imposed by a lead firm in a supply or value chain making compliance by a firm a pre-condition for its participation in the chain?

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<sup>3</sup> Other criteria may also be applied, e.g. the degree to which a standard is based on scientific or related evidence (e.g. from laboratory tests), see e.g. Wijkström, E., McDaniels, D. (2013).

- **Degree of market penetration:** What is the spread of the standard in (a) market(s)? Has it reached a market-dominating position?
- **Degree of openness/transparency/inclusiveness of the development process and,** as a consequence, the **level of consensus** it represents: Was the development process open, transparent and inclusive of all relevant stakeholders? Which degree of consensus does it consequently represent? To which extent did it meet the six principles formulated by the TBT Committee in the second triennial review (see Annex 2)?

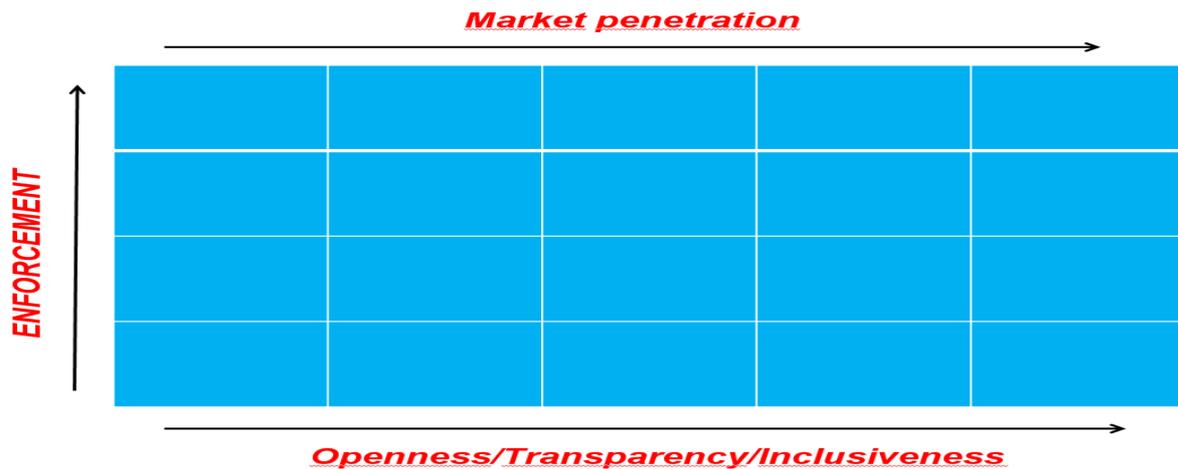


Figure 3: Standards mapping – Three principal dimensions

Different standards can be mapped to these three dimensions and can be distinguished on this basis. It should be noted that not in all instances maximum openness, transparency and inclusiveness may be required: E.g. standards regarding the design of a technical device may be developed by a consortium of manufacturers without negatively affecting the interests of other manufacturers or end users of the device.

However, whenever standards have or are likely to have a significant impact on markets and in particular on end users and consumers, the degree of openness, transparency, inclusiveness and, consequently, the level of consensus which standards represent, is essential. Appropriate procedures and rules applied by standards-setting bodies should therefore ensure that such requirements are met.

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## **List of abbreviations**

FAO	Food and Agricultural Organization of the United Nations
FDI	Foreign Direct Investment
GAP	Good Agricultural Practices
GVC	Global Value Chain
IEC	International Electrotechnical Commission
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
ISO	International Organization for Standardization
ITC	International Trade Center
MRL	Maximum Residue Limits
NEM	Non-Equity Mode
OIE	World Organization for Animal Health
SPS	Sanitary and Phytosanitary (Measures)
TBT	Technical Barriers to Trade
TNC	Transnational Corporation
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environmental Programme
UNFSS	United Nations Forum for Sustainability Standards
UNIDO	United Nations Industrial Development Organization
VSS	Voluntary Sustainability Standards
WTO	World Trade Organization