

Framing International Standards and Certification

Strategic Retreat in Pocantico Center of the Rockefeller Brothers Fund

September 30- October 2, 2009

Meeting Summary¹

Overview

With the growing number of standards systems in operation, and their increasing interface with governmental policies and private sector practices, there is a recognized need to assess the precise roles that voluntary standards systems can effectively play, the impacts they are achieving, and their contribution to evolving patterns of sustainable production & consumption, and trade governance. These issues have been explored by standards systems², and by civil society groups. Rarely, however, do these two groups have the opportunity to address these questions together, and to jointly consider how best to engage and leverage the potentials of standards systems.

A desire to foster dialogue between these two stakeholder groups, geared toward building a coherent understanding and coordinated action among them, lay at the foundation of the strategic retreat “Framing International Standards & Certification”. Twenty-five individuals from leading international civil society groups, social & environmental standards systems, research institutes and intergovernmental organizations³, were brought together to explore their respective understandings and expectations on the roles that voluntary standards systems can and should play in addressing global sustainability. The retreat was designed to stimulate convergence in thinking amongst the participants, and specifically to:

¹ This report was written by Pacific Institute and ISEAL Alliance staff based on materials prepared for this meeting and the discussions that took place there. It reflects the views of the authors and not necessarily those of other conference participants or of the Rockefeller Brothers Fund, its trustees, or its staff.

² Please see E058 ISEAL Alliance Strategic Plan 2009-2013 available at www.isealalliance.org/strategicplan

³ List of participants can be found in Appendix B.

- Take a step towards consensus among civil society groups on the roles, responsibilities and limitations of voluntary standards systems in the delivery of global sustainability governance and impacts,
- Identify the frames (language, contextualization, needs and expectations) that would empower and motivate civil society organizations to contribute to voluntary standards systems, and to call for business and governmental support for them,
- Understand and incorporate the understanding, needs and expectations of civil society more effectively in the implementation of the ISEAL Alliance’s strategic plan and the Pacific Institute’s ethical standards-related research.

In order to support the group’s discussions and thinking, cognitive linguistic analysis on the mental models that promote or hinder people’s understanding of social and environmental standards was prepared and presented by Real Reason⁴. The Pacific Institute’s past and ongoing research on the current and future landscape around voluntary standards was also presented.

Through facilitated sessions, the participants discussed issues around their respective “theories of change”⁵ about how they deliver sustainability, the role of standards systems in shaping business behavior and governmental policies, and the role and potential for leveraging consumers to scale up the impacts of standards systems.

The retreat resulted in a shared interest amongst participants to move towards a more coordinated strategy and plan of action to address key emerging issues relating to international standards and sustainability. In particular, the participants expressed a strong desire to pursue the group dialogue, and to convene a second meeting to complete the development of a shared vision for the future role of sustainability standards systems, and identify the next steps and forms of collective action necessary to achieve that vision.

Discussions on “Framing”

The effective “framing” of complex issues can help to communicate them in ways that are most easily accessible to stakeholders. At the retreat, participants were introduced to framing as a means to better identify unifying themes on standards systems and certification. Participants were invited to consider how this could help catalyze and leverage coordinated actions that empower and motivate civil society organizations to advocate for effective sustainability standards systems and their use by governments and businesses in advancing sustainability goals.

Overall, there was a great interest in the concept and potential of framing, and the three main frames identified by the Real Reason research –a market frame, a governance frame, and a communication frame– became recurring themes throughout the retreat. Participants identified as an important next

⁴ <http://www.realreason.org>

⁵ A theory of change is a strategy or blueprint for achieving large-scale, long-term goals. More information about the concept can be found at <http://www.theoryofchange.org>

step deeper examination and discussion of how information about the existing frames can be better translated to inform potential individual and collective actions. To do this, participants recognized the need to look more deeply into their own theories of change, and to organize another, more-in-depth vision analysis and “blue sky” discussion which would aim to reach a collective “theory of change” on the ideal role of voluntary standards in achieving sustainability governance and impacts.

Main Themes Identified

Discussion sessions revealed numerous commonalities as well as differences in ideas and opinions among the participants around the roles, challenges and opportunities facing voluntary standards systems. A few core “themes” emerged from the discussions.

There is a growing need to better understand the role consumers can play in advancing the sustainability standards agenda. Opinions amongst participants were strongly divided amongst those who felt that there is a major role for consumers in scaling up the impacts of social and environmental standards through their purchasing choices, and by their engagement in standards systems. Whilst others questioned the influence of consumers, and suggested the greater effectiveness of engaging businesses, such as retailers, in their procurement choices thus shaping consumer markets for sustainable sourced products. To this end, the role of choice editing was also discussed.

The group identified the interest of exploring a more holistic and integrated approach to leveraging action from individuals, by addressing them through their multiple roles, for example, as citizens, community members, family members or workers. The need to better understand how to engage consumers in sustainability, beyond their purchasing choices, was also identified as necessary.

Businesses will be playing an increasingly important role in scaling up this movement, but they also present challenges around credibility. While the role of business in scaling up social and environmental standards was deemed significant, concerns were expressed about the consolidation of power among a relatively small number of global businesses (e.g., particularly large retailers such as Wal-Mart and major manufacturers such as Nestle) who are developing their own ethical standards systems and brands. This trend was seen as a game-changer, in its re-defining of sustainability in ways that differ from the sustainability missions of civil society groups and of multi-stakeholder-based standards systems.

Greenwashing and the implications of industry-driven weak standards were a common concern, yet the nature and breadth of the problem, as well as its potential solutions, were deemed still poorly explored. The group discussed, for example, how to support the development of sustainable procurement policies in retailers.

More cooperation with and support from government is needed to make standards systems more effective in bringing about sustainability changes. There was a general agreement that government can and should play a larger role in scaling up social and environmental standards systems and in

ensuring their effectiveness. The group discussed a variety of ways in which this could be done, including:

- Setting binding requirements for transparency and credibility for standards systems;
- Using standards as complements to public policy, to increase public sector capacity;
- Capacity building and financial support for small scale producers and local cooperatives to meet standards systems' requirements;
- More extensive use of sustainability standards in government procurement;
- Tax incentives for certified products and services, or other measures such as subsidies to make the price of certified products more competitive.

There was recognition that the governance of certain sustainability functions should be delivered by governmental authorities, such as setting and enforcing minimum legal requirements for human rights, health and safety, and environmental protection. However, there was also recognition that governments often fall short of addressing these issues or need help to do so effectively. Standards systems were deemed useful to this end, but also that to convince governments to support standards systems, it will become increasingly critical to be able to prove their positive social and environmental impacts on the ground.

Understanding and setting the appropriate “performance bar” for sustainability standards systems is key to their impact. Multi-stakeholder standards systems were recognized to be struggling to balance setting high standards and ensuring uptake, and in particular not imposing cost and other technical barriers to the entry of small scale producers. There was large consensus that standards systems should be ambitious and continue to blaze new trails of sustainability practice, and leave to governments to define minimum requirements. At the same time, however, high voluntary standards should be accompanied by mechanisms that help more producers and businesses achieve the higher standards.

The challenges of setting and maintaining high performance standards, in the light of changes in practices, knowledge and technologies, were recognized. This evolutionary nature of high standards can also alienate businesses who may feel that the “goalposts” are “constantly moving”, and that they might prefer to align to “low” or weak standards that better meet cheaper certification requirements.

Standards can play an important role in addressing governance gaps and can serve as a tool that fosters democratic processes. One of the important yet poorly understood roles of standard systems is their ability to provide governance mechanisms where none exist, are weak or suboptimal. Multi-stakeholder governance structures characteristic of many standards systems provide a forum for NGOs, governments and businesses to work together toward common sustainability goals. Standards and certifications can become environmental and social normative references alongside those developed by governmental bodies. Accordingly, although voluntary, multi-stakeholder standards can also become de

facto mandatory for certain producers, workers or businesses, when compliance to certain standard becomes a part of a company's business (albeit not legal) requirements. So long as a shared and compelling narrative for this governance function of standards remains undeveloped, this governance potential will not be effectively deployed and itself governed.

Standards function as communication tools. Sustainability standards and certification can facilitate communication among diverse stakeholders. For instance, one participant characterized standards as a joint "ask" of NGOs and industry to government. Others pointed out that standards allow NGOs to have positive dialogue with business, focusing on what business can do, rather than condemning bad practice. At a more conceptual level, standards can illustrate how to move from conventional to sustainable practices. As such, labels can communicate the link between problems and their solutions, linking production and consumption, and advancing the principle of cost internalization.

Although communication is a core function of standards and certification, there are challenges to be addressed in order for them to serve that purpose. For instance, a recurring theme at the retreat was the proliferation of standards and the challenges this presents for effective communication. While proliferation can have various negative impacts (such as the burden of multiple certification for producers and businesses, etc.), one of the main concerns raised was consumer confusion and its impacts on consumer decision-making. For example, there is a need to find the balance between providing information that can substantiate the impacts of multiple labels at the point purchase, whilst at the same time keeping messages accessible and short. More work was recognized as needed to better understand both the impacts and potential ways forward in addressing communications around standards proliferation.

What would standards look like in ideal world – what is the "end-goal"? Brainstorming on this question was hard, but some ideas did arise reflecting both current needs in an economic- and sustainability-crisis ridden global economy, and the potentials of multi-stakeholder standards systems. As regards needs, participants considered the potential for standards systems to create new valuation mechanisms for companies, incorporating political and ethical risk analysis; to internalize externalities more effectively; and to function as incubators of ideas and solutions, and help us solve the problem with collective knowledge.

Participants also brainstormed on how standards systems would need to evolve, and move from pioneering systems to learn from past mistakes and also take advantage of new generation, new and collective cutting edge thinking. In particular, the need for increased harmonization, and recognizing the importance of decentralization were stressed, noting no single organization/entity can solve all sustainability problems. The need to focus on right space to negotiate and bring all the affected stakeholders into system was also underlined.

In terms of the end game for standards, while there was an overall agreement and recognition that social and environmental standards are filling and bridging the gaps in public policy and governance, there were questions about the desired long-term role of social and environmental standards in this area. Can standards play a fundamental long-term role in global governance around sustainability issues

or are they just filling a short/medium-term governance gap? Are we aiming for progressive change or transformational change? Can standards make changes or do they follow changes? Should standards systems keep operating in the existing economic growth model? Is the end-goal to create the world where we do not need standards? While our discussion at this retreat did not lead to clear answers to these questions, some saw the value in revisiting them and developing a shared understanding about the end-goal and vision, which was deemed a precursor to developing a common strategy.

Strategic Priorities

The last day of the retreat was spent identifying the strategic priorities for the standards movement.

Better organization and network of standards systems. While there a range of ideas on what to prioritize, numerous participants identified better organization as a high priority. We have vast knowledge and experience in the field, but there is not enough dialogue among initiatives and key stakeholders. The standards movement is still fragmented and lacking “critical mass.” In order for us to influence big businesses such as Wal-Mart and Home Depot, we need to better organize ourselves to be more efficient and effective, and create a “unified front”. Several ideas for such collaboration and organization were proposed:

- Better understand and use new communication approaches and networking methods;
- Learn from successful processes of creating large, global initiatives such as the one established by John Ruggie on business and human rights;
- Move toward a federation model -more than just a network;
- Self-organizing club, such as Club of Rome;
- Identify areas of overlap and focus collaborative efforts in these areas;
- Utilize and build upon ISEAL’s effectiveness on convening standards systems
- Create a narrative that can serve as a platform and common set of values, and can foster a sense of personal and emotional engagement towards a collective agenda.

Better data and information exchange. There was consensus that we need to improve data and information exchange. While there is a significant body of existing research and data on standards systems, it is not shared or used efficiently. One way to improve the accessibility of the data is to first define what we want to achieve, and then collect, organize, and present the data on that specific topic. Other ideas for improvement include: systematized exchange of data through data repository or global consortium, and “social network” of standards community to identify onsite/local partners. Independent data on impacts, profiles of different governance systems, and lessons learned by various standards initiatives were identified as particularly useful. It was also pointed out that there are existing initiatives to improve access and sharing of data about the state of standards, including the ones led by ISEAL (Impacts Code www.isealalliance.org/impacts), IISD (State of Sustainability Initiatives www.sustainablecommodities.org/ssi) and International Trade Center (Trade for Sustainable Development – T4SD www.intracen.org).

Address issues around proliferation. Many identified proliferation as one of the more pressing problems that could affect credibility and effectiveness of standards systems. Suggestions to address the problem included: valid and legitimate process of mutual recognition, creation of overarching framework or “meta-label” to identify best of the market in each sector (such as Earth Mark OK, or the standard by Tourism Sustainability Council), and tools to differentiate credible standards systems from the rest. Other suggestions for strategic priorities include:

- Incorporate climate change into our strategy and plan for the consensus of Copenhagen;
- Increase government involvement (as discussed above);
- Tap the power and influence of large institutions such as WTO, United Nations;
- Focus on and pay more attention to standards as governance tool;
- Shift attention and focus from North America/Europe to BRICs – away from G8 and moving to G20 thinking. (We would need more information about the new markets to do so effectively.)
- Better governance of standards systems to make our institutions more stable;
- Develop shared understanding of the current problems in order to set priority and work towards finding the most efficient solution.

Next Steps

The participants expressed high levels of interest in continuing the discussions of this group. The idea was raised to create a group/club to formalize the network. At the same time, there were a wide variety of views and options about the form, function, and legitimacy of such a formal group.

At the conclusion of the retreat, there was a strong sense that we need another face-to-face convening to lay the ground for the next actions, and to discuss the options and merits of continuing dialogue and collaboration (formal or otherwise) beyond that. Such a convening will provide the group an opportunity to:

- Discuss a shared vision for the future role of ethical standards systems and develop common goals and directions for the movement;
- Discuss the concrete next steps and forms of collective action necessary to achieve the vision;
- Continue the framing exercise and translate and align them the abovementioned strategies and actions, and
- Define who we are collectively and decide on what form of network/collaboration can be established.

In order to maintain the trust and sense of community created at this retreat, it was decided to hold the next meeting with roughly the same group of participants as a principle, but also agreed to identify and fill in gaps in representation (such as labor, diversity in geographical representation, intergovernmental institutions such as UN).

The event was supported by the Herrington Fitch Family Foundation, Rockefeller Brothers Fund, and Richard and Rhoda Goldman Fund.

Appendix A: Framing International Standards & Certification Meeting Agenda

Date & Venue

30 September to 02 October, 2009

The Pocantico Center of the Rockefeller Brothers Fund
www.rbf.org/programs/programs_show.htm?doc_id=472520

Agenda

Day 1: Wednesday 30 September	
<i>03:00 – 09:00 Setting the Context</i>	
03:00	Welcomes, Introductions and Event Orientation Discussion led by Michael Conroy, meeting facilitator <ul style="list-style-type: none"> • Who are we? And why are we here? • A “sense of place” introduction to Pocantico • The culture of the Conference Center • The culture of the meeting
04:15	Coffee break
04:45	Context Setting Presentation by the Organizers <ul style="list-style-type: none"> • What were the origins of the meeting? • What are the goals for the meeting from each of the organizers? • Who are the donors, and what are their interests?
05:15	What do standards and certification mean to the work of each of us? <i>Each participant will have 3 minutes (no more) to explain the theory of change behind his or her organization’s work on sustainability, and about what is the role, if any, of social and environmental standards in their efforts?</i>
06:30	Reception in Loggia of the Conference Center
07:00	Dinner in Dining Room
08:30	Presentation by Real Reason ⁶ in the Hay Loft: Framing as a tool to address communications challenges
09:00	End of day 1
Day 2: Thursday 1 October	
<i>08:30 – 06:00 International Standards - Opportunities & Challenges</i>	
7:30	Breakfast in Dining Room
08:30	Introduction to the day

⁶ Based in the San Francisco Bay Area, **Real Reason** employs the insights of cognitive science and linguistics to guide individuals and organizations toward a fuller realization of the core values and principles of democracy. Prior to establishing the consultancy, the founders of Real Reason worked with George Lakoff at the Rockridge Institute.

08:45	<p>Report on Research Commissioned for this Retreat by Real Reason</p> <ul style="list-style-type: none"> • <i>Findings of preliminary research on the cognitive models that shape people’s understanding of international standards and certification.</i> • <i>What do we understand as the roles and responsibilities of international social and environmental standards in advancing sustainable development?</i> • <i>Do we need to better communicate and/or advocate for them?</i> • <i>How do current models of international certification and standards facilitate or hinder these goals?</i>
10:15	Coffee break
10:45	Report on Pacific Institute’s research project: <i>“Framing International Standards and Certification”</i>
11:15	<p>Group discussion on Pacific Institute’s research results:</p> <ul style="list-style-type: none"> • <i>What are the common themes around roles, opportunities and challenges of voluntary standards?</i> • <i>How can we use these themes to better communicate the changes and develop coordinated strategy?</i>
12:15	Lunch break
01:15	<p>Facilitated discussion on standards and business.</p> <ul style="list-style-type: none"> • <i>What makes standards systems most effective in changing business practices?</i> • <i>What are our principal concerns about these processes?</i>
02:15	Coffee break
02:45	<p>Facilitated discussion on standards and public policy.</p> <ul style="list-style-type: none"> • <i>What relationships and partnerships are needed between government and voluntary standards systems to deliver sustainability outcomes?</i> • <i>What concerns do these approaches raise for democracy and sustainability?</i>
03:45	<p>Facilitated discussion on standards and consumers.</p> <ul style="list-style-type: none"> • <i>How can the power of consumers, as market actors, be mobilized most effectively?</i> • <i>How can the concerns of the public and specifically of consumers be mitigated?</i> • <i>What are the implications of the changes needed for current and future standards and certification?</i>
05:00	Optional tour of Kykuit, the former residence of 4 generations of the Rockefeller family
06:00	Cocktail reception on Kykuit terrace (Carriage Room if inclement)
06:45	Dinner in Dining Room
08:15	<p>“Blue sky” dialogue in the Hay Loft</p> <ul style="list-style-type: none"> • <i>What kinds of standards and certification systems does the world need?</i>
09:00	End of day 2
<p>Day 3: Friday 2 October 09:00 – 01:00 <i>Strategies & Collaboration for Moving Forward</i></p>	
07:30	Breakfast in Dining Room
08:30	Introductions to the day
08:45	<i>Facilitated discussion focused on the “next steps” and possible collaboration modalities and strategies among standards systems and civil society groups.</i>
10:30	Coffee Break
10:45	Continue discussion on the next steps
12:30	Lunch
01:30	Departures

Appendix B: List of Participants

<u>First Name</u>	<u>Last Name</u>	<u>Title</u>	<u>Organization</u>
Motoko	Aizawa	Adviser	International Finance Corporation
Bama	Athreya	Executive Director	International Labor Rights Forum
Michael	Conroy	Co-founder and Co-director	Colibri Consulting - Certification for Sustainable Development
Christina	Echavarria	Executive Director	Association for Responsible Mining
Chisara	Ehiemere	Director of Certification	TransFair USA
Elizabeth	Guttenstein	Director for Learning & Innovation	ISEAL Alliance
Eileen	Kaufman	Executive Director	Social Accountability International
Alan	Knight	Professor	Single Planet Living and FSC
Tom	Kruse	Program Officer	Rockefeller Brothers Fund
Mari	Morikawa	Senior Research Associate	Pacific Institute
Jason	Morrison	Director, Globalization Program	Pacific Institute
Eric	Palola	Senior Director, Forests for Wildlife	National Wildlife Federation
Scott	Paul	Director, Forest Campaign	Greenpeace USA
Bjarne	Pedersen	Director of Operations	Consumers International
Jason	Potts	Program Manager	International Institute for Sustainable Development
Melanie	Siggs	Vice President, Sustainable Markets	SeaWeb
Todd	Stark	Chief Operating Officer	TransFair USA
Johan	Verbung	Senior Policy Advisor - Private Sector Programme	Oxfam Novib
Jose	Villalon	Managing Director	WWF Aquaculture Dialogues
Marianne	Voss	Private Sector Department	Oxfam America
Halina	Ward	Director	Foundation for Democracy and Sustainable Development

Matthew	Wenban-Smith	Director	OneWorldStandards
Alyssa	Wulf	President & Principal	Real Reason
Alan	Young	Corporate Program Director	Canadian Boreal Initiative
Fabiola	Zerbini	Executive Director	FACES – Platform to Coordinate Fair and Solidary Trade in Brazil