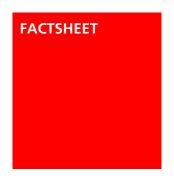
Federal Departement of Economic Affairs, Education and Research EAER State Secretariat for Economic Affairs SECO

Swiss Confederation



Transparency and Innovation of Sustainability Standards (TISS), Phase II

Interest and attention to sustainability in global value chains is at an all-time high, and yet true solutions to the world's most challenging problems are still elusive. SECO encourage transparent and innovative sustainability standards through the second phase of the «Transparency and Innovation of Sustainability Standards» programme.

Background

SECO has supported the establishment and further development of voluntary sustainability standards (VSS) for many years, one example being the seed funding provided to the Swiss Max Havelaar Foundation in 1992 and to baseline standards such as the Better Cotton Initiative or the Common Code for the Coffee Community (4C). Over the past years, SECO has increasingly focused on strengthening the VSS movement on a more systemic level. Notably, SECO has supported the Trade for Sustainable Development (T4SD) of the International Trade Centre (ITC) to foster increased knowledge and transparency on VSS. In parallel, SECO has a close collaboration with ISEAL, the global membership organization for major VSS.

Interest in VSS by all different kinds of stakeholders has grown. At the same time, VSS need to continuously improve their systems and strategies to keep pace with stakeholder expectations and global sustainability ambitions, and they need to actively engage in coordinated efforts with a wide range of actors to reach their sustainability goals.

Results of the previous TISS phase

The ISEAL Innovations Programme supported by SECO under the previous phase of the Transparency and Innovation of Sustainability Standards Program (TISS) has proved to be a critical incentive mechanism through which ISEAL members and their partners can work together around new ideas, approaches, technologies, and strategies. Some of the specific issues the Innovations Programme has helped to work on were:

• <u>Data and digitization</u>: VSS sit on a wealth of data but have traditionally not been able to create value from it effectively. The program has helped VSS to internalise the

Country/region

Global

Executing agency

ISEAL Alliance

Duration

2022-2026

Total budget

CHF 27,991,000

SECO contribution

CHF 10,000,000



importance of data and supported them to use it as a means to understand and act on critical risks in their systems.

- <u>Continual improvement</u>: With the ambition of transforming entire sectors and geographies, it is clear that only recognising good performers through certification will not drive the scale of change needed. TISS supported ISEAL members to step back from pass/fail certification to explore how best to incentivise improvement among enterprises; for instance, by embedding a producer-focused improvement framework with local governments in a given landscape.
- <u>Performance outcomes</u>: VSS have traditionally focused on the good practices needed
 to deliver on priority sustainability objectives. However, it has become increasingly
 important to be able to show the performance results achieved through certification.
 VSS initially developed monitoring and evaluation programmes, but have more
 recently sought to integrate outcome-oriented criteria directly into their standards.
- <u>Enabling conditions</u>: Large-scale transformation cannot be achieved by individual enterprises or initiatives. TISS has focused on supporting VSS to understand the broader environments in which they are working and to make informed choices about which strategies are most applicable in specific contexts.

Objectives and Activities of TISS II

The programme's overall goal under its second phase is to continue building understanding and catalysing innovation in sustainability systems, so as to support governments and companies in finding effective solutions to the world's most pressing sustainability challenges.

Concretely, the Programme will contribute to the following main outcomes:

- <u>Public sector engagement</u>: Government actors will know how they can most effectively partner with and reference sustainability systems in relevant trade policy and smart mix regulatory approaches.
- <u>VSS Innovation</u>: Sustainability systems increase their value for producers and are well-positioned to support governments and businesses in meeting due diligence requirements and other regulatory conditions for sustainability in global trade.
- <u>Transparency</u>: Leaders in government, business, and sustainability systems will share an evidence-based understanding of how to design and deliver more effective sustainability policies and interventions.

Expected key outputs

- Governments, multilateral agencies, and private sector have easy access to tailored materials and expertise on VSS and their use in sustainability and trade regulations.
- Information and guidance are available for sustainability systems regarding legislative developments, changing needs and expectations of standards system users, and what is needed to increase effectiveness and impact of VSS.
- Innovations projects support testing and development of new approaches and tools
- Increase in breadth and depth of engagement with partners, VSS, governments, multi-lateral agencies and, private sector actors to support project goals
- Deeper ISEAL engagement with public and private sector actors in Switzerland.

Further information and contact details

Website for ISEAL: www.isealalliance.org Website for ITC: www.standardsmap.org

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Integration in value chains



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