



# Multi-Stakeholder Committee

First year

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1<sup>st</sup> Meeting

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Friday, 16 December 2016, 10:00 Hrs.  
New Delhi

## Summary Record

|                      |   |                              |
|----------------------|---|------------------------------|
| <i>Chair:</i>        | Former Deputy Director-General, WTO .....                         | Dr. Harsha Vardhana Singh    |
| <i>Government:</i>   | Ministry of Commerce & Industry (DIPP) .....                      | Shri G R Raghavender         |
|                      | Ministry of Commerce & Industry (DoC) .....                       | Shri Ajay Yadav              |
|                      | Ministry of Commerce & Industry (DoC) .....                       | Shri P. V. Hari Krishna      |
|                      | Ministry of Steel .....   | Shri Sushil Kumar            |
| <i>Stakeholders:</i> | Aditya Birla Retail Ltd. ....                                     | Mr. Shiva Sagar Singh        |
|                      | Better Cotton .....   | Mr. Rajeev Baruah            |
|                      | BRC Global Standards .....  | Mr. Benz Thomas              |
|                      | Bureau of Indian Standards .....                                  | Mr. J. Roy Chowdhury         |
|                      | Capacity Building Initiative for Trade Development in India ..... | Mr. Nicola Antonopoulos      |
|                      | Central Drugs Standard Control Organization .....                 | Mr. S. Dey                   |
|                      | CHEMEXCIL .....   | Dr. J. P. Tiwari             |
|                      | CII-ITC Centre of Excellence for Sustainable Development .....    | Mr. Archith Ashok            |
|                      | CII-ITC Centre of Excellence for Sustainable Development .....    | Mr. Pranav Kumar             |
|                      | Dabur Research and Development Centre .....                       | Mr. Mahesh C. Joshi          |
|                      | EEPC India .....  | Ms. Pallavi Saha             |
|                      | Embassy of Sweden .....   | Ms. Yasmin Zaveri Roy        |
|                      | FICCI .....   | Dr. Sanjeevan Bajaj          |
|                      | FICCI .....   | Ms. Archana Datta            |
|                      | FICCI .....   | Mr. Himanshu Dhundia         |
|                      | Forest Stewardship Council .....                                  | Dr. T R Manoharan            |
|                      | Global Organic Textile Standard .....                             | Mr. Sumit Gupta              |
|                      | IDH - Sustainable Trade Initiative .....                          | Ms. Jasmer Dhingra           |
|                      | Indian Woollen Mills Federation .....                             | Mr. A.P. Deshpande           |
|                      | International Electrotechnical Commission .....                   | Mr. Vimal Mahendru           |
|                      | National Accreditation Board for Certification Bodies .....       | Mr. Anil Jauhri              |
|                      | National Accreditation Board for Certification Bodies .....       | Ms. Vani Bhambri Arora       |
|                      | National Accreditation Board for Certification Bodies .....       | Ms. Sona Sharma              |
|                      | Network for Certification and Conservation of Forests .....       | Mr. A. K. Srivastava         |
|                      | PLR Chambers .....  | Mr. Harsh H. Gursahani       |
|                      | Project Exports Promotion Council of India .....                  | Mr. Praveen Kumar            |
|                      | Rainforest Alliance, India .....                                  | Mr. Ashok Batra              |
|                      | Roundtable on Sustainable Palm Oil .....                          | Mr. Yogesh Kolte             |
|                      | Solidaridad .....   | Mr. Ramanand Tiwari          |
|                      | Sutradhara .....  | Ms. Mona Gupta               |
|                      | Telecommunication Equipment & Services EPC .....                  | Mr. Rakesh K. Bhatnagar      |
|                      | The Cashew Export Promotion Council of India .....                | Mr. T V Narayanaswamy        |
|                      | Trade Consultant .....  | Mr. Arpit Bhutani            |
|                      | United Nations Industrial Development Organization .....          | Mr. Suresh Kennit            |
|                      | WWF – India .....   | Ms. Anjana Shanmugavel       |
|                      | ZED – QCI .....   | Mr. A. K. Jain               |
| <i>Secretariat:</i>  | Quality Council of India .....                                    | Dr. R. P. Singh              |
|                      | Quality Council of India .....                                    | Dr. Manish Pande (Secretary) |
|                      | Quality Council of India .....                                    | Mr. Rudraneel Chattopadhyay  |

## Agenda

### Inaugural

*The meeting was called to order at 10:00 Hrs.*

**Dr. R. P. Singh** (The Secretary-General, QCI): Expressed gratitude to Dr. Harsha V. Singh for accepting to Chair the Meeting. Expressed appreciation to and welcomed the stakeholders and identified the relevance of the Platform in the current scenario. Highlighted promotion of the Platform at Berlin & Geneva, and how India has first-mover advantage for such an initiative. Expressed gratitude to the Ministry of Commerce, Government of India for its support.

**Dr. Harsha V. Singh** (The Chair): Emphasized how the strength of the initiative will be through the stakeholders. He walked the stakeholders through the Agenda Note [QCI/MS/INPPSS/2016/2 (Rev.)], and identified how the government's interest is crucial to this platform of join

He urged stakeholders to collaborate in driving efforts. Reiterated the requirement of operationalizing of the Institute for Standards, for which QCI is to collaborate with stakeholders. Large emerging economies realise the importance of such platforms. Even the declaration of G7 countries focused on sustainable production. Progress of economy dependent on producers linking their value chains to sustainability through sustainable standards.

The Platform's focus needs to be on the best way for partnerships to work through this initiative; must keep an eye open towards markets outside India.

Consider that this platform is the place where our producers interact with Lead Firms from other markets for learning and capacity building.

Stakeholders must proceed keeping in mind the agenda of practicality and not mere structural institutionalisation.

The focus of his deliberations was to maximise the positives of the PSS in manner that the outcome of the domestic production/ manufacturing processes are robust enough to be accepted in global supply chains. He also called upon the stakeholders to have strike a balance between accepting PSS to that of being competitive by adopting domestic quality standards.

**Mr. Anil Jauhri** (C.E.O. NABCB): Noted the shift from private standards to private sustainability standards, and put on record his reservation towards the term PSS – because in economies like that of India, it is essential for the government to get

involved, and therefore, voluntary sustainability standards (VSS).

Iterated the concerns regarding PSS, especially w.r.t. proliferation, compliance difficulties, perceived trade barriers, increased cost for producers etc. Also, iterated the boon of PSS linking producers to global value chains. The Platform may endeavour to help create standards for India. Case-by-case, standard-by-standard analysis should be carried out for standards for India. Localisation emphasized citing the case of national interpretation of GLOBALG.A.P.

India is a lucrative market and Private Sustainability Standards (PSS) are here to stay. This Platform will be key to facilitate the essential dialogue between PSS and the producers and all other stakeholders for tackling issues arising by PSS.

**The Chair:** Emphasized on the need of a compendium of knowledge and information in both paper and electronic format along with policy papers, and such initiative should be linked with ITC, ASDA and World Bank. He pointed out that dialogues at a sectoral level need to be organised for connecting with businesses; before which, steps towards linking products in domestic value chains need to be identified, and only then can one think of linking products to global value chains.

**Shri G.R. Raghavender** (DIPP, Ministry of Commerce): Praised the initiative and gave a brief background on how these standards started in 1990 and that time were focussed only on agriculture. He spoke about ZED (Zero Defect Zero Effect) initiative piloted with QCI.

He also spoke about the role of government; and explained that the reason for proliferation of these standards is because government standards were basic in nature whereas the markets demands were dynamic. It is important that the regulation needs to keep pace with globalisation. He urged that standards must link it with Sustainable Development Goals.

Finally, he congratulated Quality Council of India and wished success to the Platform.

### Introduction to the Platform

**Dr. Pande** (QCI): Introduced the platform to all the members of the meeting. He explained the following compliance difficulties in PSS in developing economies:

- (a) Readiness of the government,
- (b) Alien Concept
- (c) Foreign Contexts

- (d) Complex Interpretation
- (e) Long Term Investment
- (f) No interoperability among PSS
- (g) No national platforms for PSS harmonization
- (h) Fear of PSS becoming a barrier to trade
- (i) Access to funds and unclear timelines

Thereafter, Dr. Pande gave an overview of the journey of the national platform starting from the standards conclave in 2014 till the first MSC meeting in December 2016. There, he gave an overview of the role of secretariat in the platform and how the current activities of Quality Council of India would align with objectives and tasks of the platform.

He then explained the existing ecosystem of PSS and that various components of the quality infrastructure – including the Scheme owner, accreditation body and conformity assessment bodies. He explained that whether it is regulation or through PSS - ultimately the benefit goes to the consumers.

He listed the objectives of the platform as follows:

- (a) Facilitating dialogue between stakeholders
- (b) Transparency, accountability, participation
- (c) Enhance market access opportunities of PSS
- (d) Maximize Sustainable Development Benefits the structure of the platform and the way forward.

Then he gave an overview of the proposed structure of the platform, which will be managed by the secretariat and would consist of a multi stakeholder committee, expert panel and ad-hoc bodies.

Followed by a way forward of the platform wherein he mentioned that every economy must identify a single body for PSS. The conformity assessment process must be harmonized. A maturity model approach has worked well in India; other economies may also consider it as a long-term strategy. He also mentioned that every voluntary standard must be followed with an action plan to the Government.

**Mr. Chattopadhyay** (QCI): Gave an overview of PSS in the coffee sector and highlighted the lessons to be learned from the sector, with the help of and with due credit to the Report of the Global Coffee Platform on National Coffee Platforms.

He provided an insight into the study that focused on 6 coffee producing countries (Brazil, Colombia, Indonesia, Tanzania, Uganda, Vietnam) and their national coffee platforms.

The challenges faced by these national platforms were put forth as follows:

- (a) Question of Trust (all countries)
- (b) Transparency (all countries)
- (c) Accountability (all countries)
- (d) Sustaining engagement (all countries)
- (e) Long Term involvement (all countries)
- (f) Remained focused on objectives (all countries)
- (g) Duplication of standards (all countries)
- (h) Access to small holders and producers (Colombia)
- (i) Funding (all countries)
- (j) Low Attendance (Uganda)
- (k) Working without legal framework (Vietnam)

Finally, he concentrated on the lessons learnt from the Coffee platform as follows:

- (a) As per the World Bank, platforms are most successful when focused on marginalised and small holders
- (b) Convener should be receptive and objective
- (c) Neutrality of the facilitating organisation (Indonesia)
- (d) Communication
- (e) Collaboration
- (f) Mid/Long term goals
- (g) Necessity of Public Sector Involvement (Vietnam)

*The meeting proceeded to the Briefing session.*

## Briefing

### Adoption of the Agenda

*The agenda was adopted.*

### Industry experience & Sectoral Dialogue: Challenges, Bottlenecks for outreach, Trade facilitation and contribution - Global and Domestic, linkages with the SDGs, Way Forward for PSS – role & facilitation

#### Cotton

**Mr. Baruah** (Better Cotton Initiative): Gave a brief background on the Better Cotton Initiative (BCI) and how BCI has given special emphasis to smallholder farmers. He explained that BCI follows a three-pillar approach to sustainability: environmental, social and economic.

Thereafter the speaker enlisted the following sustainability challenges faced by India -

- (a) Production Principles: Crop Protection, Water usage, Soil Health, biodiversity, fibre quality, decent work + 20 additional criteria for medium and large farms.

- (b) Sectoral Challenges: Central Cotton Institute for Cotton Research is not well-equipped, cotton yields in India are very low. Fertilizer and insecticides consumption has gone up.

He then gave an overview about the 2020 Better Cotton plan, which is supported by retail brands like Tesco, ASOS, IKEA, and Nike etc. He especially informed the august gathering that by 2020 100 percent cotton used by Levi Strauss would be BCI certified.

He then linked BCI production principles with UN SDGs – 15, 12, 13, 3, 8, 5, 17, 4.

In way forward for this platform he emphasised the necessary stress should be on policy engagement, engaging with the research stations and research institutes and capacity building of personnel.

**(Q) Mr. Mahendru (IEC):** Queried on what were somethings that BCI had done that can be termed as a success in India.

**Mr. Baruah (BCI):** He said there are around 2000 people on ground enforcing BCI certification and which has led to 15 percent reduction of fertilizers as well as reduction of use of insecticides in cotton production.

### Forest

**Dr. Manoharan (FSC):** Gave a background of the Forest Stewardship Council: Founded in 1993 after 1992 UN Conference on Sustainable Development by business representatives, social groups, and environmental organisations.

He explained that FSC follows a three-pillar-approach to sustainable development- Social (Local People and Society), Ecological (Biodiversity and Ecological Process) and Economic (Responsible and Profitable).

He explained that FSC provides for setting standards for Responsible forest management and valuing ecosystem services, Accreditation/Certification system and a product labelling system.

Finally, the speaker provided a way forward for the platform and explained how government engagement can provide FSC certification in India.

- (a) Ensure adequate Government incentives to secure and retain the FSC certificates in particular to benefit small holders and small and medium enterprises (SMEs) for market access and increase domestic supply of FSC certified materials.

- (b) Promote capacity building and awareness among the relevant government officials regarding the benefits of forest certification and the linkages with various government initiatives.
- (c) Initiate collaborative programmes at both national and local level (eg. Implementation of sustainable development goals, programmes addressing to the climate change)
- (d) Cooperation and support in the development of FSC National Forest Stewardship Standards in India and associated multi stakeholder consultations

### Textile

**Mr. Gupta (GOTS):** Gave an introduction to the GOTS: Processing Standards, ISO Type, Environment Criteria, Social Criteria, Entire Supply Chain, Annual Onsite inspection and risk based product testing.

He explained that India is highest in GOTS certified farms followed by Turkey. The speaker provided a positive List – 479 suppliers, 5042 colorants and 7110 auxiliary agents for producers to use.

Thereafter, the speaker explained the relation between GOTS and UN SDGs. More than 12 UN SDGS are explicitly covered in GOTS.

He also explained that GOTS is internationally recognised by USDA and IFOAM.

Way Forward for PSS in India – Government of India should recognise GOTS through an official endorsement, public procurement policies of central and state government must prioritise products certified to sustainability standards. Finally, he also stated that financial subsidies should be extended to PSS like GOTS.

### Food & Retail

**Mr. Thomas (BRC Global Standards):** Gave an introduction to the BRC Global standards with history. The standard has proved its credibility with Multinational Corporations. At present, there are 23000 certification sites globally.

India as a food market is growing; therefore, it is an important market for BRC wherein 435 sites in India are certified.

Follow are the challenges listed by BRC:

- (a) Beyond Compliance
- (b) Education

- (c) Need for Comprehensive and focused training
- (d) Investment in facilities
- (e) Understandable defined path
- (f) Recognition of the value by the market place
- (g) Understanding long-term benefits. – Reduction in complaints, waste etc.

There are also significant linkages between BRC standards and UN SDGs – SDG2 (Zero hunger), SDG 3 (Good Health and Well-being) and SDG 9 (Industry Association and Infrastructure).

Way Forward – Bring in a global mind set in the country, standard recognition, developing an ecosystem of training, guidance, implementation, certification, best practice sharing portal and international expertise.

### Industry

**Dr. Bajaj** (FICCI): Gave a brief outline on the role of industry associations in addressing the role of PSS. Dr. Bajaj explained that with interaction with the industry over the years they have realised that there are two important things needed first an exhaustive compendium and second need for building domestic value chains.

Life Cycle Assessment and Management – Established platform for Global LC Community, Board Membership of UNEP Life Cycle Initiatives, ECs Product Environmental FootPrint Project.

Sustainable Production and Consumption (SDG12) -Green Business Symposium/Forums, Resource Efficiency/Conservation, Sustainable Recycling Industries.

**Mr. Kumar** (CII): He said that the idea of this platform is to bring three major stakeholders, government, business, and standard makers on one platform. He also stated that PSS are going to stay and there is no escape route. For instance, United States has been trying to pursue this agenda through their Free Trade Agreement. It is imperative that we must respond to these challenges.

Thereafter, he explained that there are approximately 500 or more PSS in the market and industry cannot meet them alone. Especially, when meeting them is a huge challenge.

He finally said that even if we have a proper legislative framework in place there is a need for strong implementation and enforcement.

**Mr. Ashok** (CII): Mr. Ashok explained that his organisation follows a three-tier approach, policy, research and consultancy division. He said that CII-ITC works a lot in the area of PSS and has found out

that till now most companies in India have only focussed on ISO. Mr. Archith, also from CII said that there is an issue of multiplicity of PSS in the system and gave an example of the textile sector, where the standards exist for not just suppliers but the whole sector programmes.

### Tea

**Mr. Tiwari** (Solidaridad, on behalf of Trustea): Submitted that Trustea is a locally developed and owned Indian Sustainable Tea Code. It is championed by the Tea Board of India and funded by IDH, HUL and TGBL.

The Code was formally launched in 2013 with backing of Tea board of India. Supported by Tata. Solidaridad is the lead implementing partner of the trust team and is currently moving from program to institution mode.

He informed everybody that 30 percent of India Tea Production i.e. 370 million Kgs is planned to be Trustea certified by the end of 2016.

However, Mr. Tiwari also informed that there are sectoral challenges and bottlenecks –

- (a) Complex and slow decision making
- (b) Lack of success with small tea growers and bought leaf factories,
- (c) Lack of perceived monetary benefits by suppliers resulting in delay to achieve compliance,
- (d) Significant proportion of gap assessed suppliers yet to be certified.
- (e) Tea Trust yet to migrate from program mode to institution mode.

Thereafter, Mr. Tiwari explained how Trustea could provide for trade facilitation. Technical support on field towards trust team code compliance, training and hand holding support aiming at consumer safety, better productivity, compliance on tea board of India's Plant Protection Code, Improved Image of Indian Tea locally and globally. Thereby, enabling Producers to sell to MNCs.

There are also linkages of the trust team with the UN SDGs – Goal 17 i.e. strengthen the means of implementation and revitalise the global partnership for sustainable development.

Way Forward – Active involvement of Tea Board of India will be very helpful, need to maintain independence, neutrality and industry wide acceptance. Need to have a viable funding/Business model and rigorous impact assessment.

### Small & Medium Enterprises

**Mr. Jain** (ZED – QCI): Explained to everyone that the scheme is an extensive drive of the Government of India to enhance global competitiveness of MSMEs by providing them financial support in assessment, rating and handholding of its manufacturing processes on quality and environment aspects. Thereafter he gave an overview of the procedural aspects of the scheme and its objectives.

Zero Defect Zero Effect – QCI has developed Zed Maturity Assessment Model through a consultative process. The government has come up with financial support to MSMEs in ZED Certification scheme. QCI is the national monitoring implementing unit of the program.

He outlined the following benefits of the ZED scheme –

- (a) Credible recognition for international investors,
- (b) Part of supply chain of national and international OEMs,
- (c) Streamlined operations and lowers costs,
- (d) Superior quality, reduced rejection and higher revenues
- (e) Increased environmental consciousness,
- (f) ZED mark to enable MSME to be seen as a company with a difference

Mr. Jain outlined that there are significant linkages of the ZED scheme with UN SDGs.

Finally, he also stated that the ZED scheme can put to rest many issues and concerns related to PSS such as preventing linkages, cost of implementation, interoperability of standards and others.

### Agriculture

**Ms. Arora** (NABCB): Focused on Agriculture through the example of INDGAP. Explained the international scenario and the need of standards as below:

- (a) Globalisation
- (b) Transboundary movement of Food
- (c) Potential for spread of contamination high
- (d) Increasingly new challenges
- (e) Quality, health, safety, environmental, sustainability issues, labelling, food fraud
- (f) Food Safety

She explained that Good Agricultural Practices (GAP) are applied from farm to fork. There are couple of GAP standards such as Global GAP, IndGAP, TN10, Jain GAP, Philippine GAP, Thai GAP, SAARC GAP and others,

She gave the approach of QCI towards good agriculture practices. INDGAP is on two levels – BASICGAP and INDGAP which will be benchmarked with GLOBALG.A.P. and currently QCI is also reviewing the requirements of foreign regulators like USFDA.

Ms. Arora thereafter gave an overview of the INDGAP certification scheme –

- (a) Develop a system to ensure food safety and quality
- (b) Intrinsic support system assisting components to survive and thrive
- (c) Covers issues like food safety, environmental management, worker health and safety and produce quality.
- (d) Mechanism of Group Certification.

**(Q) Mr. Gursahani** (PLR): How does INDGAP go beyond the already existing FSMS program of FSSAI?

**Ms. Bhambri** (NABCB): Replied that FSSAI mandate is not primary production.

**Mr. Jauhri** (NABCB): Added that INDGAP initiative started at the behest of FSSAI's but later as it was not pursued further, QCI decided to launch on its own.

**The Chair:** Further added that FSSAI focuses on food safety and certification schemes, while INDGAP focuses on sustainability.

**(C) Mr. Baruah** (BCI): Urged INDGAP to also look into health aspects of agriculture, such as increased use of pesticides and insecticides.

### Social issues

**Ms. Gupta** (Sutradhara): Addressed socio-cultural complexities in standards, specifically addressing the textile sector, its area of influence, transparency, & scope of operation.

She stated that there are several sectoral challenges / bottle necks applying PSS in the Indian textile sector:

- (a) MSME / Unregulated,
- (b) 8 Season/Fast Fashion,
- (c) Long and Complex Supply chain (ancillary supply chain) and
- (d) Women Dominated

PSS in textile has direct linkages with UN SDGs – People, prosperity, peace and partnerships.

Way Forward for PSS in India: – Macro Level – Government and States, Meso Level – Industry and

Business – We have to transform from labour regulation to labour care and help make a level playing field for SMEs, Micro Level – PSS – Refocusing the requirement of the standards and redefining the degree of obligation.

**(Q) Mr. Bhutani** (Trade consultant): Queried that one of the sectoral challenges mentioned was that the sector is women-dominated. Could the speaker elaborate on that?

**Ms. Gupta** (Sutradhara): Replied that textile is a women-dominated sector and often there are barriers of employment and are only employed for a short period of time, which makes it difficult to have a transformational change in the sector.

*The meeting proceeded to the Closing session.*

## Closing

**The Chair:** Summarised all the issues, which were raised and called upon everybody to provide all issues that can be a trade barrier we can then work towards that.

He also suggested that we must address the low hanging fruits first and get to the more complicated issues at hand.

He explained that we must try and understand that PSS are not static standards they are continuously evolving. He gave an example of global gap and how difficult it is to benchmark with that. Hence, there remains two options: either compete with them or be informed.

He said that largely there are two objectives of the platform –

- i. Process to identify issues
- ii. Try and find solutions to these issues

He explained that the platform would consist of a Steering Committee, Multi-Stakeholder Committee and technical committees. The Steering Committee may be proposed to be consisting of up to 20 experts in trade policy. The Multi-Stakeholder Committee would be open for all and have all stakeholders. Then we will have technical committees on issues like Forest, Food, Cotton, Textiles, Aquaculture, Electrical Machinery, Retail, Labour issues among others.

Industry associations (FICCI, CII, ASSOCHAM) were urged to be members of each Committee.

Brief framework of Rules of Procedure was outlined.

*Floor was opened for any final remarks or issues or concerns.*

**Mr. Chattopadhyay** (QCI): Highlighted that the Secretariat has been developing an indexing code and that Stakeholders can send communications to the Secretariat which it will be happy to circulate with requisite indexing symbol.

**Dr. Manoharan** (FSC): Requested exploring funding opportunities for the Platform as the structure outlined in very expensive and resource intensive.

**The Chair:** Proposed that the Steering Committee could meet every 6 months. Every subcommittee will have a chairman and a vice chairman. The Secretariat will do all the reporting. He also asked everybody that in the next two weeks please provide us with gaps and conflict and informed that the next proposed meeting would be in 4 months.

**Dr. Bajaj** (FICCI): Asked about the terms of reference of every committee and the issue of compendium relating to research and publication.

**The Chair:** Considered the point valid and assured working on it.

**Ms. Shanmugavel** (WWF – India): Raised concern that while we speak about SDGs, we tend to highlight responsible production but not responsible consumption.

**The Chair:** Responded to the concern by stating that responsible consumption is inevitable if consumers demand sustainable products, which is at a very nascent stage in India.

## Vote of thanks

*A vote of thanks was proposed by Dr. Pande (QCI).*

*The meeting was adjourned at 14:20 Hrs.*

For picture gallery of this Meeting, please visit: <http://www.qcin.org/gallery-2.php>.

For other information related to the PSS Platform, please visit: <http://www.qcin.org/pss-platform.php>.