

## WORLD EXPORT DEVELOPMENT FORUM – W·E·D·F 2008

### BREAKOUT SERIES 4: SUSTAINABLE TRADE: E-TRANSPARENCY THROUGH THE VALUE CHAIN

#### **The Issue:**

Many developing countries, including LDCs, have grown at an unprecedented pace over the last ten years, driven by the strong growth of their export sectors. However, it became apparent that more growth and trade does not automatically translate into development impact and improved human wellbeing. There is even an increasing perception, in particular in developed market economies, that current trade patterns threaten the environment, are responsible for high transport-related greenhouse gas emissions and lower social standards, leading to a fast growing “sustainable trade practices” market, estimated today at over US\$206 billion.

However, the empirical evidence on which perceptions are based and actions taken is still very imprecise and incomplete. Stakeholders face a number of challenges:

- Developing country producers and exporters have difficulties in accessing global sourcing chains and markets that require different, sometimes mutually contradictory codes of conduct, certification requirements, industry standards and traceability schemes;
- Policymakers need reliable information to put in action adequate policies to promote and make the most of the booming sustainable trade market;
- Retailers and consumers get confused by the multitude of sustainable trade labels and standards, as well as voluntary company commitments in the context of corporate social responsibility;
- Sustainable trade promoting NGOs and their supporters lack yardsticks to measure their impact and to compare their relative performance.

#### **The Proposition:**

One way forward is to develop an integrated system that can provide more transparency and comparability for all stakeholders and decision makers along the value chain. Electronic governance (“e-governance”), which is the use of information technology to make the public sector more accessible to their citizens, has already proven useful to inform actors on the impact of public sector projects and regulations. Could Information and Communication Technologies (ICT) also be used to improve transparency in trade practices?

A number of challenges will need to be addressed. Players and decision makers along the value-chain require very specific and different sets of information. Measuring actions or inputs is different from trying to assess results or impact. Further, a heated debate still exists on the alternative methodologies that should be used for measuring the evolution of environmental and socio-economic indicators.

Ultimately, can ICT based tools be a support for stakeholders along the value chain seeking information on sustainable trade debate or is it simply a “virtual dream”?

#### **Focus of the debate:**

The debate will address the following questions:

1. What specific needs and benefits can be realistically met through the creation of an e-based integrated information system?
2. Would such a system create an additional burden to stakeholders in developing countries, or will its benefits exceed the costs?
3. What are the essential user requirements the system needs to ensure that it is utilised by stakeholders on both the supply and demand side of the value chain?