

**Ad-hoc Expert Meeting on Socially and Environmentally
Responsible
Banana Production and Trade**

**Organised by
Food and Agriculture Organization of the United Nations**

Rome

22-24 March 2000

Overview report

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May 2000

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Summary of FAO *Ad-hoc* Expert Meeting on Socially and Environmentally Responsible Banana Production and Trade, Rome, 22-24 March 2000

At its last meeting in May 1999 the Intergovernmental Group on Bananas and Tropical Fruits discussed the topics of fair trade and organic bananas, as well as other modes of sustainable banana production and trade. The country delegates were concerned over the need to harmonise criteria employed by fair trade and other organisations, as well as with the compatibility of the fair-trade concept and World Trade Organisation (WTO) rules.

It was recommended that an *ad hoc* meeting of fair-trade and other certification organisations be convened for this purpose under the auspices of the FAO. This meeting was convened at FAO headquarters Rome from 22 - 24 March 2000.

The meeting was attended by representatives from Fairtrade Labelling Organisation International (FLO), International Federation of Organic Agricultural (IFOAM), the Better Banana Project (BBP) of the Rainforest Alliance of the Conservation Agricultural Network (CAN), the Ethical Trade Initiative (ETI) and Council of Economic Priorities Accreditation Agency (CEPAA), producers' representatives from the Windward Islands, Ghana, Ecuador, and Cameroon, an auditing company (SGS consultants) hired to provide background information, and representatives from the Common Fund for Commodities and the International Labour Organisation (ILO).

The main goal of the meeting was to build consensus among the stakeholders attending on a common approach to environmentally and socially responsible banana production and trade. This was approached through:

- a comparative analysis of the main environmental and social certification programmes in the banana sector and the scope for collaborative activities;
- approaches for further convergence among the banana certification schemes and development of collaborative initiatives between NGOs and other organisations.

It was apparent from the presentations and discussions that each of the certification programmes have many overall characteristics in common, particularly the 'mission' to improve the lives of workers and producers and the choice of vehicle for action through a set of standards of criteria to be complied with and verified by independent third parties. However, the discussions highlighted the contrasts and constraints encountered in setting appropriate standards and monitoring their application. Potential solutions to overcome these obstacles were examined as summarised below:

- standard setting - the need for a representative body;

- standard specificity - particularly addressing stakeholder diversity and the need to combine flexibility with credibility;
- monitoring - need for accepted guidelines and increase capacity in the South; · Certification of small farmers - problems of economic efficiency;
- role of private initiatives and government - balance between the role of government and international standards and private sector and NGO initiatives;
- monitoring of certification systems - how to develop credibility and transparency;
- collaboration between certification initiatives - development of effective networking and the potential for joint inspections.

The meeting identified six areas for immediate consideration to facilitate greater convergence and collaborative approaches:

1. Establishment of an interactive information system to facilitate more rapid sharing of information (particularly for producers) and a forum for discussing issues and options.
2. Production of information leaflets on the principal certification programmes.
3. Training packages to aid the certification and monitoring of standards.
4. Development of joint research initiatives e.g. banana certification, indicators to monitor social standards.
5. Production of guides/manuals to identify options for best practice.
6. Establishment of a Secretariat to take forward the above initiatives.

The meeting recognised that to take the above initiatives forward would require a co-ordinating institution (i.e. not one an NGO or organisation that are involved in ethical trading, certification and monitoring) and funding for co-ordination and joint activities.

Contents

Summary	i
Background	1
Objectives of the Meeting	1
Main Issues in Responsible Banana Production and Trade	1
The Way Forward	5
Appendix 1. Agenda and participants for the expert meeting	7
Appendix 2. Summary of the comparative analysis of the main environmental and social certification programmes in the banana sector	10

FAO *Ad-hoc* Expert Meeting on Socially and Environmentally Responsible Banana Production and Trade, Rome, 22-24 March 2000

Background

At its last meeting in May 1999 the FAO Intergovernmental Group on Bananas and Tropical Fruits discussed the topics of fair trade and organic bananas, as well as other modes of sustainable banana production and trade. The country delegates were concerned over the need to harmonise criteria employed by fair trade organisations, as well as with the compatibility of the fair-trade concept with World Trade Organisation (WTO) rules. It was recommended that an *ad hoc* meeting of experts on fair-trade be convened for this purpose under the auspices of the FAO. This meeting was convened at FAO headquarters Rome from 22 - 24 March 2000.

Objectives of the Meeting

The meeting was attended by representatives from Fairtrade Labelling Organisation International (FLO), International Federation of Organic Agricultural Movements (IFOAM), the Better Banana Project (BBP) of the Rainforest Alliance of the Conservation Agricultural Network (CAN), the Ethical Trade Initiative (ETI) and Council of Economic Priorities Accreditation Agency (CEPAA), producers' representatives from the Windward Islands, Ghana, Ecuador, Cameroon, an auditing company -SGS consultants - hired to provide background information, and representatives from the Common Fund for Commodities and the International Labour Organisation (ILO).

The main goal of the meeting was to explore the scope for collaboration among the stakeholders attending and for defining a common approach to environmentally and socially responsible banana production and trade (the agenda of the meeting and the list of participants can be found in Appendix 1)

This was approached through:

- presentations of the certification programmes run by BBP, FLO, IFOAM, CEPAA, and ETI;
- a presentation of results from a comparative analysis of the main environmental and social certification programmes in the banana sector and the scope for collaborative activities in various areas;
- identification of approaches for further convergence among the banana certification schemes;
- development of collaborative initiatives between the NGOs.

Main Issues in Responsible Banana Production and Trade

The expert meeting discussed a wide array of issues related to social and environmental certification in the banana sector. The presentation of the lessons learnt from the implementation of the certification schemes provided useful insights.

It was apparent from the presentations from each of the certification programmes and the comparative study that all of the initiatives have many overall characteristics in common. These characteristics include the desire for improvement in the lives of workers and producers, the focus (although not exclusively in some cases) on one particular commodity, the banana, and the choice of vehicle for action through a set of standards of criteria to be complied with and verified by independent third parties.

The subsequent discussions centred on the issues and constraints encountered in setting appropriate standards and monitoring their application. Potential solutions to overcome these obstacles were examined as summarised below.

1. Standards

Standard setting process

The establishment of adequate environmental and social standards is a fundamental issue. The standard setting body should be representative of the various stakeholders in banana production and trade. As a result, preliminary consultations should include most stakeholders in order to ensure that the standard is beneficial to them (or at least does not have adverse effects on them). However, consultations that include a large number of stakeholders are time consuming, expensive and not practical. There is a trade-off between efficiency and participation in the standard setting process.

Standard specificity

Standards need to take into account the specific parameters of the region where they are to be applied. The agro-ecological, climatic and socio-economic situation may vary widely from one region to another and even within a country. Standards should also consider the diversity of beneficiaries or target groups. Some criteria that are relevant to plantations may not be adequate for small-farmer groups, and vice-versa. As a result, standards should be sufficiently flexible to permit specific interpretations relevant to each local context. However, too much flexibility could run counter to the need for strong credibility on the consumer side.

Potential adverse effects of standards

Several studies (e.g. those undertaken by the Natural Resources Institutes) have shown that in some cases, standards may unintentionally discriminate against some categories of producers or stakeholders. For example, it has been argued that very stringent environmental requirements are more likely to be met by large companies, which have the human and financial resources necessary to make the improvements, than by small producers. Similarly, some standards may result in an increased work burden for women, or in the layoff of migrant workers. A possible way of circumventing these problems is to evaluate the likely impacts of a new standard together with the stakeholders as mentioned above. It is also recommended to evaluate the cost of putting the farm in compliance with the new standard, in particular in the case of smallholder farmers. In the case of organic farming, there is an ongoing study on the costs of conversion.

Problem areas in setting standards

Further work needs to be done to obtain a more precise definition of some key social concepts such as basic needs or indigenous rights. The issue of land ownership was unanimously considered as essential but very delicate. In terms of labour rights, although the standards used by the certification programmes are largely based on the same core conventions of the International Labour Organization (ILO), their approaches differ widely. Similar differences in approaches can be found in topics such as biological diversity (some programmes emphasize on-farm diversity while others focus on off-farm diversity) and diversification into other crops and non-agricultural activities. Conversely, the use of agro-chemicals and its impact on worker health and safety is a crosscutting issue in which some harmonization of the criteria used by the various programmes could be beneficial.

2. Monitoring and Control

Monitoring of social criteria

The monitoring of social criteria, in particular labour criteria, is much more difficult than for environmental criteria. One of the reasons for this is the wide variation in cultural, social and economic situations across the world and the need for standards to take these variations into account. Another difficulty is that it is not always possible to detect non-compliance with labour standards on a farm during a short inspection visit. Thus, the auditor's judgement, experience and competence play a very important role in reviewing labour conditions. However, it is necessary to strike the right balance between the auditor's discretion and objective criteria. A possible solution is to use the guidelines that have been prepared by various organizations to implement those standards, including the ILO Recommendations that can be used as a guide for the implementation of the ILO conventions. Another solution could be to organize training sessions on monitoring labour rights for the auditors (e.g. at the ILO Training Centre in Turin).

Certification of smallholder farmers

The problems facing small-scale farms seeking certification are well known. The cost of the inspection visits (especially when the inspectors come from abroad) is too high for these farmers. Moreover, they often lack the skills and information needed to deal with the administrative procedures involved. Substantial time is required to deal with these procedures and this can be a problem for smallholder growers whose time is devoted to daily farming activities.

However, solutions exist to overcome these constraints. Empowering farmers and helping them organize in groups can lead to the establishment of internal control systems (as exemplified by some organic farmer associations). In this case the external auditors only inspect the systems and a few sample farms, not all the farms, thereby reducing the cost of the audit. Training of farmers and producer association employees is required. There is a role for the public sector but the private sector can also contribute to the capacity building efforts. Some participants suggested that retailers should be asked to participate as they stand to benefit from the sales of certified products.

Another means of reducing the cost of certification and making it more sensitive to the regional context is the use of local inspectors. This is increasingly practised by the certification initiatives. The next step is the establishment of local certification bodies. This can be done through partnerships between certification bodies in the importing countries and NGOs in the producing countries. When funding is available, direct partnerships between NGOs of developing countries is also a very effective way to build capacity. Finally, the establishment of more direct marketing channels between banana producers and consumers could generate the resources needed to obtain certification, as exemplified by the fair trade movement.

Respective roles of private initiatives and government

While environmental and social certification is done on a voluntary basis by the private sector, government is increasingly entering this area by issuing regulations. This is clearly the case in organic agriculture where there are now private (IFOAM's basic standards), national, regional and intergovernmental standards. It is essential to find an efficient balance between private certification and regulation by governmental or intergovernmental bodies. The private sector and government have complementary roles. Public-private partnerships (e.g. in the training of farmers and local auditors) can be a useful way of exploiting this complementarity. They may also facilitate changes in current government regulations towards stricter environmental and social requirements. Where they exist, governmental standards may help foreign certification programmes adapt their basic standards to the specific situation of the country.

The influence of supermarket chains

The large and growing share of the retail market held by large-scale retail companies gives them the power to impose changes in the practice of their suppliers. If buyers in supermarket chains decide to purchase socially and environmentally responsible products, and provided supply meets their requirements, supermarkets can be a powerful factor for improvement. However, the certification of retailers themselves raises the issue of how far compliance with standards should go, as demonstrated by the experiences of the Council on Economic Priority Accreditation Agency (CEPAA) and the Ethical Trading Initiative (ETI). The average supermarket has thousands of different suppliers. Retail companies are expected to ask their suppliers to comply with the codes of conduct but they cannot monitor compliance in so many suppliers. On the other hand, certification is of little interest if its benefits do not accrue to producers and workers in supplying countries. The issue of the compliance of the whole supply chain is complex because it includes many actors such as exporters, importers, wholesales, transporters, trade service companies. Monitoring all these actors would prove difficult.

The accreditation process

Although they are private and voluntary, the certification systems must be accountable to the key stakeholders, in particular consumers and producers. In the case of both the organic and SA-8000 standards there are mechanisms for approving and controlling the certification bodies (the IFOAM accreditation programme and CEPAA, respectively), while no similar distinction between the certification and standard setting functions exists in the other three programmes.

These mechanisms include regular reports and a system for recording complaints. Decision-makers in NGOs are generally not elected and if they are, candidatures are not open to the wider public. Thus, it is unclear how representative NGOs are. This problem can be partly solved by opening up membership and increasing transparency in the decision making process.

They all point to the need for closer collaboration so that the beneficial impacts of the initiatives are not lost in cumbersome administrative processes and inertia.

The Way Forward

The participants of the meeting recognized that each certification initiative has its specificity and its usefulness that need to be preserved. They respond to different consumer needs and therefore they should not regard each other as competitors. Instead, they all share the same goal of increasing sustainability in the banana industry. Therefore, there is much scope for exchange of information, collaboration and joint activities in several specific areas.

The meeting identified five areas for immediate consideration:

1. Network for information exchange

All the participants recognized that the certification programmes have much to learn from each other and would substantially benefit from sharing information. The establishment of an interactive electronic information system that would be accessible to all stakeholders, particularly those in producing countries, would facilitate more rapid sharing of information and a forum for discussing issues and options. This instrument would disseminate information on the activities of the different programmes, best practices (see below), and news of general interest in responsible banana production, etc. It would also have a role of liaison with other initiatives and fora with similar concerns, such as the International Social and Environmental Accreditation Labelling group (ISEAL).

2. Defining a common approach to responsible banana production and trade

In order to reduce confusion as to what is covered by the various labels and schemes, and to ensure that retailers and consumers understand the differences between the various initiatives, a brochure will be prepared. It will summarize the common points and main differences between the schemes. There will be one page for each scheme (including ISO 14000), and a section with frequently asked questions. The target public will be retailers and consumers, but a special version could be prepared for banana growers.

3. Training

Training is a key factor in improving the sustainability of the banana industry. The participants agreed that training of inspectors, particularly the establishment of capability in the South, on issues that are particularly difficult to monitor (e.g. compliance with labour rights) would be very useful to all. In this respect, the ILO could organize specific training sessions in its Turin training centre.

Training of banana farmers (including farm workers and managers) on the environmental and social aspects of banana production is also necessary.

4. Joint research on specific issues related to banana certification

Research on how joint inspections could be implemented in practice is considered as useful by all the programmes. It was recommended to pool information on experienced auditors in order to have centres of expertise in each producing country. The idea of facilitating the establishment of “multipurpose certification bodies” with local inspectors who can work for different certification schemes was also suggested. Other issues where joint research could be undertaken are those listed above, in particular, the definition of basic needs and common criteria for worker health and safety; identification of indicators to monitor social standards; socio-economic costs of adoption of ethical trading initiatives.

5. Options for better banana cultivation practices

Through their experience, the certification schemes have gained considerable knowledge on good practices in banana cultivation. It would be useful to pool this information, add it to other sources (e.g. FAO’s codes of good practice), format it in a user-friendly layout and disseminate it to banana producers. This could be done through the electronic forum mentioned above. However, in order to avoid sidelining smallholders who generally do not have access to the Internet, a focal point would be responsible for disseminating hardcopies in each country. These recommendations should take into account the regional variations. The main users would be farmers and extension agents. Visits to more advanced farms in terms of environmental and social responsibility could be organized.

6. Creation of an ad-hoc working group/Secretariat

It was recommended to create a structure to continue the dialogue and monitor progress made on the proposed activities. This could take the form of an ad-hoc working group. Although much of the work can be done by phone and electronic mail, the group should meet regularly (at least once per year). A co-ordinating institution (i.e. not an NGO or organisation involved in ethical trading, certification and monitoring) and funding for co-ordination and joint activities must be sought.

It was suggested to enlarge participation in this process in order to take into account the views of key stakeholders such as the large banana companies, governmental institutions, trade associations and banana worker unions. To this end, a multi-stakeholder meeting could be organized back to back with the next meeting of the ad-hoc working group.

Appendix 1. Agenda and participants for the expert meeting on socially and environmentally responsible banana production and trade

AGENDA

22 March: Presentation, analysis and discussion of the certification schemes

Morning Arrival and registration of participants

Afternoon

13.30 Introduction: background and objectives of the meeting

by Paul Pilkauskas, Secretary, Sub-Group on Bananas,

Intergovernmental Group on Bananas and Tropical Fruits

Rapid self-presentation of the participants

14.00 Presentation of the main environmental and/or social certification schemes that are relevant to banana production and trade

- Main principles, goals and beneficiaries
- Organization and technical structure of the schemes
- Certification and accreditation
- Lessons learned from implementation (examples of successful and unsuccessful approaches, main limitations and constraints, main success factors)

23 March: Presentation and discussion of criteria

8.30 Presentation of a comparative study of the different certification schemes

by Sasha Courville, Consultant

- General overview
- Monitoring and control
- Environmental criteria

10.30 Coffee break

- Environmental criteria (continued)

- Social criteria and conclusions

12.30 Lunch break

14.00 **Discussion of social and environmental criteria**

24 March: Conclusions and discussion of possibilities for collaboration

8.30 **Discussion of main findings from presentations and prepared papers**
(*Facilitators: Pilkauskas/Liu*).

10.15 Coffee break

10.30 **Discussion of main findings from presentations and prepared papers (contd.).**

- Discussion of the scope for convergence in criteria
- Discussion of the scope for a common approach and collaboration

12.30 Lunch break

14.00 **Conclusions and activity proposals**

14.00 **Discussion of possibilities for collaboration** (*Facilitators: Pilkauskas/Liu*)

16.00 **Follow-up activities** (*Facilitators: Pilkauskas/Liu*)

Discussion of the establishment of a working group and of its possible functions

List of participants

1. Yamileth Astorga, Environmental Consultant, University of Heredia, Costa Rica
2. Rolf Belling, Fairtrade Labelling Organisations International, Denmark
3. Jem Bendell, researcher, New Academy of Business, University of Bristol, UK
4. Dorianne Beyer, Council on Economic Priorities Accreditation Agency (CEPAA), USA
5. John Brookes, SGS, USA

6. Mark Clayton, Common Fund for Commodities, Netherlands
7. Sasha Courville, researcher, Australian National University
8. Cleopatra Doumbia-Henry, Deputy-Director, Sectoral Activities Department, ILO, Geneva
9. Wilberforce Emmanuel, WINFA, Saint Vincent
10. Anthony Kofi Blay, Volta River Estates Ltd, Ghana
11. Harriet Lamb, Fair Trade Labelling Organizations International , Germany
12. John Orchard, Natural Resources Institute, UK
13. Jorge Ramirez, Asociacion de Bananeros El Guabo, Ecuador
14. Rosella Ramirez, SGS, Italy
15. David Steele, Ethical Trading Initiative, UK
16. Jean Martin Tetang, Export Agro, Cameroon
17. Jose Valdiviezo, Corporacion de Conservacion y Desarrollo (CCD), Ecuador
18. Bo Van Elzakker, environmental consultant, AgroEco, Netherlands (also IFOAM Board member)
19. Chris Wille, Rainforest Alliance, USA/Costa Rica

Appendix 2. Comparative Analysis of the Main Environmental and Social Certification Programmes in the Banana Sector : Background document for discussion at the *Ad-hoc* Expert Meeting on Responsible Banana Production and Trade

Report prepared for the Food and Agriculture Organization of the United Nations

Written by Sasha Courville

Executive Summary

A number of voluntary initiatives have been developed by non-governmental organisations (NGOs) to promote banana production, trade and consumption based on social and ecological principles and which involve monitoring, certification, labelling and codes of conduct. These initiatives include:

- The Fair Trade Labelling Organisations International programme to promote fair trade for disadvantaged producers in developing countries,
- The ECO-OK Better Banana Project that supports ecologically and socially preferable banana production,
- Organic production and certification systems through the International Federation of Organic Agricultural Movements, to ensure that bananas are grown without the use of agrochemicals and in what is considered a holistic manner.
- The Ethical Trading Initiative of the UK is developing a programme to link a base ethical code of conduct to monitoring and verification programmes, and has announced that one of four pilot projects will be focused on bananas.
- Furthermore, the Council on Economic Priorities Accreditation Agency's Social Accountability Standard SA 8000, which has to date been used to promote ILO conventions of social justice and labour conditions in the manufacturing sector, is currently reviewing its applicability to agriculture.

While these various initiatives do address unique issues and target different actors in banana production and trade world-wide, there is substantial possible overlap that needs to be considered. Potential problems resulting from this overlap include consumer confusion, the additional costs to producers generated by multiple inspections and certifications, different and incompatible demands from supply chain clients as well as the duplication of efforts and the fact that there are limited resources available to set up and run these various initiatives.

This study examines the main certification programmes in the banana sector mentioned above. As the report is divided into three sections, the executive summary will follow this structure, including General Principles and Objectives, Monitoring and Control, and Standards. The Standards section, comprising the bulk of the report, is sub-divided into environmental, social and economic-institutional criteria. Finally, the prospects for further convergence will be examined.

- General Principles and Objectives:

One of the fundamental similarities in the basic principles, values and philosophies of all the initiatives is a goal towards improving social justice considerations of production world-wide. This is a commonality that links all initiatives and upon this co-ordination may be built. In terms of the place of environmental values in the basic principles, there are significant differences between the initiatives. For both the Ethical Trading Initiative and the Council on Economic Priorities Accreditation Agency (CEPAA) SA 8000, environmental values are outside the scope of consideration, while for the International Federation of Organic Agricultural Movements (IFOAM), environmental objectives are fundamental principles. In the Fair Trade Labelling Organisations International (FLO) and the Conservation Agriculture Network (CAN) Better Banana Project (BBP), both social and ecological values are included. In the former, social values have historically been emphasised while in the latter, environmental values are more comprehensively covered in the standards

In terms of the beneficiaries a main distinction is that FLO has specific content criteria for small- producer organisations primarily dependent upon family labour as well as different criteria specially tailored for plantations dependent upon hired labour. While IFOAM's accreditation criteria detail procedures for certifying grower groups, the content criteria are the same. For all other initiatives, the standards are the same regardless of the size of operations of the applicant though the inspection and certification process is to take size into account. There is a further distinction in terms of geographic scope, as both CEPAA SA 8000 and IFOAM organic standards are applicable world-wide, while BBP and FLO standards apply in tropical or developing countries. The ETI is an initiative based in the UK, although suppliers can be located anywhere in the world.

- Monitoring and Control

A main objective of all of the initiatives is that there are obligations underlying their respective standards. In all cases this involves the development and refinement of standards and an independent verification system to carry out inspections and certifications or inscription. As the ETI is currently in a process of establishment, independent verification is seen as a goal. In the case of CEPAA SA 8000 and IFOAM, these systems are actually accreditation agencies with criteria for accrediting certification agencies that will evaluate applicants against certain standards. In the case of CEPAA, this standard is the SA 8000. IFOAM standards are standards for standards; in other words, they are not to be directly inspectable but are to be incorporated into the standards of each accredited certification body and expanded upon.

In all of the initiatives, the certification process, whether by the initiative or accredited certifiers, follows the same basic steps of application, submission of documents, site visit and inspection of facilities, production sites and records, report of inspection and a certification decision-making process plus provisions for periodic review. This period is normally once a year except in the case of CEPAA where a full audit takes place every three years with biannual surveillance audits. During the inspection, certain initiatives require input from external stakeholder groups apart from workers, members or management. In

the case of the BBP, the main external stakeholders are local communities. For CEPAA and the ETI, they are NGOs and trade unions.

Of note, the IFOAM accreditation criteria for certification are more comprehensive than the rest as they deal with the need for clear recording and communication between parties and for clearly stated reasons in the event that certification is denied. Also of note, CEPAA has a two-tiered system of participation: membership in SA 8000 directly to CEPAA by retailers and certification by accredited bodies for manufacturers and suppliers (facility based). The objective is for SA 8000 members to commit to a process of encouraging and assisting suppliers to meet SA 8000.

With regard to arbitration, both accreditation agencies (CEPAA and IFOAM) have set out clear channels for arbitration. The processes of arbitration for FLO and BBP are not as clearly articulated in public documents. This could be due to the need for accredited certifiers of IFOAM and CEPAA to have clear rules to follow. Beyond arbitration, all of the initiatives have a process for de-certification where major breaches of the standards/criteria are found during inspection and monitoring. All systems distinguish major breaches from minor ones. Furthermore in systems based on continual improvement such as FLO, BBP, CEPAA SA 8000 and the ETI, minor breaches are corrected through time while major breaches may mean that certification is withdrawn or not given.

Procedures for the use of labels depend on whether the initiatives are chain-of-custody-based or not. For example, in both the Better Banana Project and organic systems under IFOAM, there are comprehensive processes for ensuring the integrity of the chain of custody. This is due to the actual labelling of, and claims made regarding, the product. In both cases, chain of custody audits/inspections is carried out so that a clear separation between certified and conventional product can be made at all times from production to the retail level. In the FLO system, there is a division of responsibility between the FLO secretariat and the national initiatives. FLO undertakes the monitoring and inscription of producers while the national initiatives are responsible for the control of fair trade labels and registering of importers/retailers. In order to grant the use of the fair trade label, the national initiative must ensure that importers/retailers have complied with fair trade contracting conditions. In the CEPAA system, certification is based on a particular facility rather than the entire chain of custody. The focus is on workplace conditions, not on the product itself. However, there is an element of supply chain focus within CEPAA as members (retailers) are encouraged to find and assist suppliers (facilities) to meet internationally recognised workplace standards, mainly the ILO conventions. In the ETI, members sign up and agree to apply the base code to at least one part of their supply chain or product range. In this way, the chain of custody issues is similar to CEPAA given the link between retailers and their suppliers.

In terms of the funding of the monitoring system, the exception to the rule is that producer groups/plantations in the FLO initiative do not pay for the costs of monitoring and inscription. Instead, importers/retailers are charged a royalty fee for the use of the fair trade label of the consumer country. In all other cases, the producer pays for the costs of inspection and certification. In the BBP, however,

there is a provision for producers who cannot afford these costs where alternative sources of funding are sought. In terms of other sources of funding, one main point of note is that the ETI receives over half of its funding from the British government. Another point is that the FLO system functions through a social premium that the importer pays on top of the market price or a fair trade minimum price, whichever is highest at the time. This social premium is to be used for activities that promote social and socio-economic justice as well as ecological protection. It is also normal for organically certified products to fetch a premium above market prices. Finally in the ETI, the principles of implementation state that the company ensures that human and financial resources necessary to comply with the code are made available.

Standards

- Environmental Criteria

The first major distinction to be made is that CEPAA SA 8000 and the ETI do not cover environmental issues; therefore, they do not have environmental criteria to compare.

IFOAM, the Better Banana Project of the Conservation Agriculture Network and FLO's standards all contain broad statements about the need to conserve habitats and ecosystems. For BBP and FLO, natural habitats should be protected and conserved. For IFOAM, the habitat within the farming system is the focal point.

All three initiatives studied here prohibit the clearing of primary forest and the BBP prohibits deforestation. BBP requirements are the most comprehensive on the issue of reforestation, requiring that all suitable lands be re-forested. For the BBP, IFOAM and FLO, their standards all contain a list of specific high ecological value ecosystems that should be conserved.

In terms of soil conservation and management, BBP, FLO and IFOAM standards all require specific activities for erosion control. For example, lands must be suitable for the proposed crop and soil conservation practices that should be undertaken to sustain long-term productivity, fertility and biological activity. All three systems also require a soil conservation plan or an integrated crop/pest management programme to improve soil conservation and fertility. One final point is that the standards of FLO and IFOAM link the issues of water conservation to soil conservation much more explicitly than the BBP criteria.

One fundamental similarity between FLO and the BBP is that both of these initiatives allow strict and controlled minimal use of synthetic fertilisers, while these are prohibited in organic agriculture. While both call for minimised use of synthetic fertilisers, FLO criteria are slightly stronger in moving towards alternative strategies with time lines from inscription on the introduction of alternative techniques and the phasing out of conventional strategies and chemical product use.

With respect to Water conservation and Watershed Management, IFOAM's criteria are general but link soil and water conservation together. Both FLO and BBP cover this issue extensively requiring buffer zones along watercourses and

filter/treatment of residual water from mills, washing facilities and packing station as well as requiring a monitoring system for water conservation and treatment. In both cases, water sources should be protected against pollution from agrochemicals.

With respect to pest and disease management, the fundamental difference between IFOAM compared to FLO and BBP criteria in the use of agrochemicals is seen again. While IFOAM prohibits agrochemicals, FLO and BBP allow for their use, except those prohibited by national laws, international agreements and conventions including pesticides in the FAO/UNEP Prior Informed Consent Procedure. In terms of their limited and minimised application, all standards require adequate training, proper personal equipment and appropriate work areas. Workers must also undergo regular medical exams. BBP criteria also cover detailed procedures for the transport of agrochemicals. Both include specific requirements for agrochemical storage in locked dedicated and appropriate areas. They both also cover special procedures for aerial spraying in their respective standards and safety measures. Both also include special provisions for pesticide-treated bags. In the case of FLO, the use of such bags must be reduced and eventually eliminated. While both initiatives cover agrochemical handling and application, the BBP criteria also address transport of agrochemicals.

In terms of other methods of pest and disease management, all of IFOAM's methods fall under this category. The BBP and FLO also require integrated pest management or integrated crop management systems to be in place. These systems include physical, mechanical and biological practices to control pests. FLO's criteria are more comprehensive and come closer to those of organic farming.

In terms of waste management and recycling all three initiatives cover this issue. BBP and FLO have comprehensive requirements for waste management. All systems encourage the use of organic waste for compost. Reduction of inputs by using renewable resources in locally organised production systems is an objective for IFOAM. FLO's process criteria cover progress demonstrated on the reduction of resources used.

With respect to environmental planning and monitoring systems, IFOAM requires an internal control system in its accreditation criteria for grower groups and also requires a conversion plan in its basic standards. BBP and FLO both require an environmental planning and monitoring system though this is accomplished in different forms. In the case of the BBP, an overall plan on how compliance with the standards will be achieved is required. In the case of FLO, a premium work plan must be drafted and approved every year, detailing improvements in meeting the process criteria. An environmental plan is included as part of this. More specific plans such as waste management plans (BBP) and integrated crop management plans (FLO, BBP) are to be included in the overall plans.

In terms of monitoring, BBP standards are explicit in stating that a monitoring system must be set up so that compliance with the standards can be proven. In the case of FLO, the only explicit mentioning of a monitoring system is the case of soil and root monitoring for the integrated crop management system.

However, as the standards are based on continual improvement and the work plan is to be up-dated on an annual basis, this can be understood to be the basis for a monitoring system.

- Social Criteria

With respect to the right to freedom of association and collective bargaining, all of the initiatives address these issues on the basis of ILO conventions (87 and 98). It should be noted that IFOAM's social criteria are vague, recommending that all ILO conventions with respect to labour welfare be complied with.

One issue covered explicitly by FLO, BBP, CEPAA and ETI is the right to freedom of association. All four state that workers have rights to organise and/or form unions. CEPAA, ETI and FLO explicitly state that there will be no discrimination against representatives of organised workers and that these representatives will be allowed to carry out their functions. BBP covers this issue in a slightly different way by stating that workers' have rights to negotiate freely with management, which must be guaranteed.

FLO moves beyond the other initiatives in terms of the comprehensiveness on the issue of participation in decision making and in collective bargaining. For example, in both the collective organisation and plantation draft process criteria, the plantation or organisation must hold permanent training activities aimed at increasing the representation of workers. As well as this, collective organisations are to undertake education activities to enhance the participation of members. Collective organisations are defined as democratically organised with organisational structures that guarantee control by members. Furthermore, FLO draft standards not only recognise the right to collective bargaining but put this into practice with the requirement that a collective bargaining agreement be drawn up and approved by all parties, including coverage of issues from salary to maternity benefits, from dismissal to vacation.

With regard to minimum wage, FLO, BBP, CEPAA SA 8000 and the ETI all require that wages are equal to or greater than the established minimum legal wage and/or the average regional (industry) salary. CEPAA, the ETI and FLO all include requirements as to the administration of payment. These three initiatives also go beyond the minimum wage requirement. For SA 8000 and the ETI, an added qualifier for the minimum wage is that this shall be sufficient to meet basic needs and to provide some discretionary income.

FLO tackles the issue of minimum wage in a unique way, through a social premium to be added onto the final price of the product and to be paid directly to producers (exporters) by the importer. How this social premium is used is decided by the members of the collective organisation or the union and management in the case of plantations, through the drafting of an annual premium work plan. One of the main uses of the premium is for increased salary support for workers and members. This is to be added on top of the basic wage described above.

A final point to make here is the unique requirement in the ETI base code for negotiations with suppliers to take into account the costs of observing the code. In this way, the social costs are internalised into the supply chain cost structure.

Social security is an issue that is addressed by all five of the initiatives, though in different ways. CEPAA and the ETI approach this issue by prohibiting practices that would avoid payment of social security benefits by employers. The other schemes address social security by discussing content issues. For example, IFOAM's recommendations call for the meeting of social security needs such as maternity, sickness and retirement benefit. For FLO draft criteria, these issues and others are to be included in the Collective Bargaining Agreement that is to be re-negotiated every year. FLO minimum criteria for organisations structurally dependent on hired labour also require that a social security provisions premium be paid for all workers and also address maternity leave and pension schemes. While it should be noted that the BBP has a detailed section on housing and basic services, the standards do not cover all the issues normally associated with social security.

In terms of hours of work limitations, CEPAA and ETI state that working hours comply with applicable national laws and industry standards. In any case, they both state that 48 hours/week is the maximum regular level if not the level set by the applicable law with 1 out of 7 days off. Both allow room to extend working hours on a voluntary basis to a maximum of 12 hours of overtime work per week in exceptional circumstances. In the BBP, while there are no standards that directly relate to hours of work, there is an indicator that states "work time is restricted to 8 hours a day and 42 hours a week for workers between 15 and 18 years of age". It should be kept in mind that in the case of agriculture, the setting of work hours is much more difficult than in the case of other sectors. FLO's criteria for work hours apply to employees, but not to producer farmers.

With respect to equity in wages and non-discrimination, all initiatives have standards to cover the issue in varying degrees of detail. All of the standards prohibit discrimination of race/colour, gender and religion. All of the standards also apply non-discrimination to wages and opportunities, with CEPAA SA 8000 being more specific in terms of the areas of coverage. CEPAA also includes requirements not addressed in the standards of the other initiatives, including non-interference with the exercises of rights of personnel to observe tenets or practices or to meet needs relating to race, caste, national origin and disability among other categories, and the prohibition of sexual harassment. One final point to be made on this issue is the requirement of FLO to have a system in place for the progressive elimination of forms of discrimination (as per ILO standards).

Under the category of specific protection of certain categories of worker, all of the initiatives address at least one category. The most covered category is children. All of the standards relating to this are based on UN conventions and the UN Charter of Rights for Children.

All of the initiatives explicitly state in their standards that child labour is not allowed except for IFOAM standards, which recommend that the Charter mentioned above should be complied with. The actual definition of a child does raise some differences however. All of the initiatives except IFOAM show

special consideration for young workers normally defined as in between 15 and 18 years of age. In all cases, young workers must not undertake hazardous work. A further consideration that FLO, ETI and CEPAA SA 8000 share is that any work undertaken by young people does not jeopardise schooling. The BBP criteria also address this issue requiring that a policy to encourage children to stay in school be established. Both CEPAA and the ETI also have special procedures for the phasing out of employment of children where detected.

With regard to disabled workers, the only initiative to specifically address disabled workers is the BBP, prohibiting workers who are mentally unfit or who have chronic diseases, respiratory diseases or weaknesses from handling agrochemicals. In all other initiatives, disabled workers fall under the general category of non-discrimination.

Pregnant women is another category of worker for which there are no direct references in the standards except for FLO's collective bargaining agreement and the minimum requirement that maternity leave be at least 12 weeks with basic salary guaranteed for permanent workers. This is not to say that there is not consideration of pregnant women in the standards (indicators, verifiers, and guidance) of the other initiatives.

Another category of worker for whom special protection may be seen as necessary is migrant or temporary workers. Only FLO and BBP address this category of worker specifically. This may be due to the significance of this social issue in the agricultural sector, a sector in which FLO and BBP focus their activities.

All of the five initiatives address occupational health and safety including general standards on providing a safe and healthy working environment. All except IFOAM have standards that cover the need for adequate training of workers and provision of information on issues related to occupational health and safety including the use, handling and storage of agrochemicals (FLO and BBP) as well as the use of tools, machinery and equipment (FLO and BBP). CEPAA and the ETI have a more generalised standard linking the training required and other activities to the hazards that are inherent in the working environment.

With regard to protective equipment (in the case of agrochemical application), BBP and FLO require that workers be provided with adequate protection. IFOAM's standards contain a recommendation that workers should have adequate protection and that labour conditions regarding noise, dust, light and exposure to chemicals should be within acceptable limits. The absence of such a category in CEPAA and the ETI is probably due to the fact that these standards were not drafted specifically with the agricultural sector in mind unlike IFOAM, BBP and FLO.

Basic Needs is an issue explicitly addressed by IFOAM, CEPAA and the ETI. However, given that there are various components to basic needs, each initiative stresses different aspects. For example, BBP is very comprehensive in detailing housing considerations, while FLO, BBP and IFOAM address the issue of

medical care directly. In terms of education, both BBP and FLO require that environmental education be provided to workers.

In terms of relations with local communities and indigenous rights, only IFOAM and BBP cover these issues. IFOAM recommends that the rights of indigenous peoples be respected while the BBP extensively considers the linkages between local communities and the agricultural operations in environmental, socio-economic, employment and land ownership terms.

The final category under social criteria is company policies. All of the initiatives include general policies on social justice in their standards. Training is a key element of the implementation of the standards in all initiatives with the exception of IFOAM. CEPAA, ETI, BBP and FLO all cover training for workers related to health and safety issues while FLO, ETI and CEPAA also broaden the application of training to other elements of the standards.

With respect to planning and monitoring, all systems with the exception of IFOAM require an overall management plan to implement the social criteria (and environmental in the case of FLO and BBP). Linked to the management plan, a monitoring system is generally required to be in place to monitor, evaluate and update the plans. However, not all initiatives explicitly state the need for such monitoring systems. Finally, all systems have in place a process for corrective action though again, this is not always explicit.

- Economic and Institutional Criteria

Under economic and institutional criteria, the following categories are addressed: economic viability, diversification, access to credit, time horizon, respect for legislation/principles and accountability.

Economic viability is not normally an issue addressed directly through standards. None of the initiatives directly include it as a requirement, though in most cases this is implied as a basis for then being able to address social and ecological issues. However, both the BBP and FLO suggest the need for economic viability to be a main objective, moderating environmental protection performance. This can be seen in the allowance of agrochemicals where necessary to protect farmers from economic failure and to ensure optimal production.

In terms of diversification, the only two initiatives to address this issue are FLO and IFOAM. While the reasons for this requirement are agricultural given that crop diversity is a major element in organic agricultural systems, economic diversification beyond the agricultural sector can also go hand in hand with agricultural diversification.

In terms of time horizon, a main objective of both FLO and the ETI is to foster long-term relationships between producers and importers (companies and suppliers). The BBP management plan requires short, medium and long-term goals. For all of the initiatives, there is an implied or explicit assumption that the commitment of the company/producer/ organisation undertaking the certification or inscription is long-term.

Respect for legislation is covered explicitly by all initiatives. All five state in their standards that local and national laws of the country where production is based must be complied with. In terms of compliance with ILO conventions, all of the initiatives base their social criteria on these. Finally in terms of compliance with other international agreements, IFOAM and CEPAA cover compliance with the UN charter of Rights for Children. CEPAA standards are also based on the Universal Declaration of Human Rights.

The final issue in this section that is addressed is accountability. All of the initiatives address this issue in their standards though this is covered in various forms. Accountability can be addressed within internal structures of the company or organisation or it can be addressed in terms of external relations. In terms of internal accountability, FLO, CEPAA and the ETI require that processes to ensure accountability with the overall implementation of the standards be in place. At the level of certification agencies, IFOAM's accreditation criteria cover issues of accountability, responsibility and access to information. In terms of external accountability, the BBP, IFOAM, CEPAA SA 8000 and the ETI all cover this issue explicitly in their standards, though very different vehicles are used to ensure this.

From the above discussion of social criteria, it becomes apparent that CEPAA SA 8000 and the ETI standards are similar with regard to most issues. In terms of prospects for convergence, this is a promising grouping for closer co-operation. However, it should be noted that the ETI is currently in the process of development. If after the completion of this process, the ETI feels the need for an external verification system, it may be worth examining the one used by CEPAA SA 8000.

Other possible points for convergence include the focus in FLO to move gradually towards the strategies used by organic agriculture in pest management and soil and water conservation. FLO monitors (and producer groups/plantations) could benefit from organic experiences in these areas through joint monitor/inspector training exercises and through sharing of information on organic inspection criteria, possibly by working with organic inspectors. Given that there are already a large number of products that are sold as both fair-trade and organic, more attention might be placed on harmonisation of inspection processes between these two systems. One possibility to be noted for the future is a gradual move towards the idea that if a producer group/plantation is already certified organic, it is deemed to fulfil the environmental criteria of FLO. However, it should be noted that in regions where organic production of bananas is more difficult, this long-term idea might not be an option for all producers.

While the Better Banana Project and FLO have different objectives and target beneficiaries, their standards (but not methodologies) in environmental criteria are for the most part very similar. This is an area that could be pursued in discussions. However, it should be noted that the social criteria of FLO and the BBP are different in their approaches.

Another area where co-ordination could take place is between FLO and CEPAA. While they take different approaches and target different beneficiaries at the

production side, most of the same issues are covered on the social side. The differences between fair trade and ethical trade are not clearly known to consumers and this could cause confusion and/or competition depending on how the products are marketed.

Furthermore, one area where all initiatives have much in common is the actual inspection and certification process (except for the ETI where the process is under development). In all cases, the same basic steps are followed even though the organisation and the inspection team carrying out the inspection can vary. Of these steps, the inspection process offers perhaps the most useful possibilities for further co-operation.

Clear lines of responsibilities, objectives, beneficiaries and geographic scope are needed so that producers, supply chain actors and consumers are not confused by the various initiatives.

Beyond the points of convergence mentioned above, all of the initiatives have many overall characteristics in common. These characteristics include the desire for improvement in the lives of workers and producers, the focus (although not exclusively in some cases) on one particular commodity, the banana and the choice of vehicle for action through a set of standards of criteria to be complied with and verified by independent third parties. They all point to the need for closer collaboration so that the beneficial impacts of the initiatives are not lost in cumbersome administrative processes and inertia.