



An ISO standard for Fair Trade?

Report and follow-up of COPOLCO meetings, Brazil, May 2007¹

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Background

Since 2001, the French Standard Association (AFNOR) has been working on the development of a Fair Trade standard document. In 2005, after a long and controversial process, a reference document on Fair Trade was approved by the stakeholders involved, including most French Fair Trade organisations².

In May 2006, ISO's Consumer Policy Committee (COPOLCO) adopted a resolution inviting Consumers International (CI) to develop a proposal for new technical work in Fair Trade, including certification, for consideration at the next meeting of COPOLCO in May 24-25, 2007. This initiative was mainly driven by the CI secretariat in London who detected a growing confusion of consumers due to the mushrooming of ethical trading schemes. With this initiative, CI aimed at protecting consumers against misleading and unfair claims and to increase clarity in the ethical market place. Both AFNOR and CI criticize Fair Trade for lack of clarity and transparency and for a lack of external stakeholder involvement, particularly from consumers and political decision makers. They also detected a lack of clarity about the Fair Trade concept and the lack of a harmonized definition of Fair Trade principles.

The issue was discussed at a related one-day COPOLCO workshop under the title "*Can consumers rely on fair trade claims?*" on 23 May 2007 in Brazil, immediately before the annual COPOLCO plenary session (24 to 25 May).

In October 2006, the international Fair Trade movement (FINE) and ISEAL (the International Alliance for Social and Environmental Accreditation and Labelling)³ requested a related meeting with CI and AFNOR which took place in December 2006 in London. In March 2007, FINE and the French Fair Trade Platform (PFCE) organized a two-days workshop, facilitated by an external consultant, to better understand the implications of the proposal and to agree to a joint position⁴.

The main results from the workshop were that

- There is clearly a need to differentiate between FT and other ethical trade approaches, possibly in the context of a multi-stakeholder process, facilitated by an external platform;
- ISO is not the right forum to develop a Fair Trade standard because ISO decision-making cannot ensure the respect of the voice of the different stakeholders, including the FT movement, particularly small and marginalized producers, and because ISO has no expertise in the area of development;
- ISO is a very powerful and business-driven body and previous experiences have shown that once ISO starts to develop work it is almost impossible to stop such a process.

¹ This report builds on the FLO report about the same issue, written by Gelkha Buitrago and Michael Conroy, and includes input from Frédéric de Sousa Santos (PFCE, France)

² The AFNOR agreement can be found at <http://www.boutique.afnor.org/> and downloaded against payment of around 50 euros. It is worth noting that all ISO standards have a cost.

³ ISEAL members include FLO, IFOAM, Rainforest Alliance and other ethical labelling organisations. <http://www.isealalliance.org/>

⁴ 12 participants at the workshop were representatives from the different FINE members, 2 participants came from ISEAL (one day)

It was therefore agreed that

- the Fair Trade movement would try to stop this process at the earliest possible stage (i.e. at the upcoming COPOLCO meetings in May 2007) and
- the underlying concerns and problems raised needed urgent attention and an alternative needed to be built

ISEAL agreed on the same position.

On this basis, FINE developed a position paper in April 2007 which was approved by FLO, NEWS, EFTA and by the IFAT Executive Committee. However, different views on this issue prevail within IFAT. At the IFAT Annual General Meeting (AGM) in Blankenberge, Netherlands, in May 2007, IFAT members passed the following resolution: *"IFAT should take a more positive, confident and active stand in the deliberations (at COPOLCO and elsewhere) on the development of an ISO norm on Fair Trade."*

6 representatives from the Fair Trade movement were present at the COPOLCO meetings in Brazil, 3 of which represented FLO, 1 IFAT/FINE and two national Fair Trade platforms (the French platform PFCE and the Brazilian platform FACES).

Main outcomes of the COPOLCO meetings

1. On 25th May, COPOLCO adopted the following resolution on Fair Trade:

COPOLCO - Resolution- 10 / 2007 Can consumers rely on Fair Trade claims?

COPOLCO

- *Thanks the speaker moderators, panelists and rapporteurs for their excellent contribution to the workshop and in particular representatives from the fair trade and associated organizations for their participation*
- *Emphasizes its interest in the area of ethical (values based) purchasing*
- *Acknowledges the need to better understand the potential for problems associated with accurate unreliable claims concerning the ethical dimension of consumer products and services*
- *Applauds the outcome of the constructive discussion and the agreement to establish a joint fact- finding process including IFAT, FLO, ISEAL, CI, AFNOR, ABNT and other interested stakeholders*
- *Welcomes the provisional offer by CI to host and support this activity*
- *Invites the fact finding group to report its research to COPOLCO for discussion at its next plenary meeting and to other interested parties*

Analysis:

The resolution means that the Fair Trade movement and ISEAL fully achieved the aims for the COPOLCO workshop:

- o COPOLCO members expressed a positive interest in Fair Trade and ethical trade;
- o The work on FT is no longer to be carried-out in the framework of COPOLCO or any other ISO body; however, it does involve two national standardisation bodies of which one (AFNOR) has a strong interest in developing an ISO norm on Fair Trade;
- o IFAT, FLO and ISEAL are among the drivers of the established fact-finding process.

In addition, the wording *fair trade* has been dropped and replaced by the broader descriptive *ethical / values based*. CI has tentatively offered to host the process, i.e. act as convener / secretariat for the work. The group should report back to COPOLCO in one year. If the group comes to the conclusion that ISO can play a positive role, COPOLCO would certainly be willing to develop work in this area.

- **At this point in time all doors are open and the Fair Trade movement (particularly IFAT and FLO) are in a very strong position. It will now depend on IFAT and FLO to make the most out of this opportunity.**

2. Workshop “Can consumers rely on fair trade claims”?

The workshop brought together 10 speakers from different backgrounds (Consumers International, AFNOR (the French standardisation body), OECD, Dutch government, a Brazilian tourism company, ISEAL, FLO, the Brazilian Fair Trade platform FACES do Brasil, etc.

Many speakers at the workshop mixed concepts and showed little understanding of Fair Trade and ethical trading, thus creating even greater confusion among participants.

Three break-out sessions were organized, one of which dealt specifically with “challenges, issues and benefits linked to standardisation of fair trade”. Participants at this break-out session agreed that it was premature to start any work on Fair Trade in the context of ISO because there was no clarity about the scope (Fair Trade, ethical trade or “values based consumption”) neither about the problems that needed to be addressed nor if an ISO standard could present a solution to these problems.

This result was highlighted to the plenary session at the end of the day and was a basis for the final resolution (see above).

Key reasons for the successful outcome of the meetings

- We had a strong presence with six representatives from the Fair Trade movement (Michael Conroy, Gelkha Buitrago, Christophe Alliot from FLO, Anja Osterhaus from the Fair Trade Advocacy Office (IFAT/FINE), Frédéric de Sousa Santos from the French FT Platform and Fabiola Zerbini from FACES do Brasil) and two representatives from ISEAL (Karin Kreider and Elizabeth Guttenstein).
- We had a strong and unified position which was constructive and open to dialogue with interested stakeholders but clearly against any work within ISO.
- The three speakers at the COPOLCO workshop (Michael Conroy for FLO, Fabiola Zerbini for FACES do Brasil / IFAT and Karin Kreider for ISEAL) were very complementary; particularly Michael Conroy’s contribution was instrumental to explain the value of Fair Trade and our position regarding an ISO standard.
- The drivers of the initiative (AFNOR and CI) had not agreed upon a joint strategy. No concrete proposal was ever presented to COPOLCO members.
- Most COPOLCO members did not have a clear view and did not take actively part in the debates. Several delegations had been informed by Fair Trade representatives in their countries and were therefore either hesitant (e.g. DIN/Germany and BSI/United Kingdom) or against an ISO work in this area (e.g. NEN/Netherlands, ANSI/USA, and a member of the Canadian delegation).
- ISEAL and the Fair Trade delegation worked very well together, both at the meeting itself as well as in the preparation phase. Our position papers and lobby tools were complementary.

About COPOLCO decision making

The COPOLCO meeting confirmed our concerns regarding working in an ISO context:

- At least 90% of the interventions during the meetings were made by delegates from developed countries, most of which spoke English at a mother tongue level. No interpretation was provided;
- ISO works on the basis of consensus. However, even though a clear consensus was reached during the specialized session on 23 May, there were several attempts to impose a different outcome. Only thanks to the eloquent interventions from some delegates it was possible to avoid that the resolution was changed;
- Decision making is done at national level and delegates from National Standardisation Bodies or consumer organisations do normally not have much understanding of development or small producers concerns. For many, ISO seems to be a panacea which can solve any possible problem.

Follow-up

ISO members will keep an eye on the process launched. In his speech, the ISO Secretary General made clear that it is ISO’s strategic interest to develop a Fair Trade standard. Unless the fact-finding

process can deliver clear recommendations next year which offer an alternative solution it is very likely that ISO will start work in this area.

The fact-finding process itself presents a unique opportunity for the Fair Trade movement to develop alliances and a joint strategy in this area with consumers associations around the world. However, since at least two entities who participate in the fact-finding process (AFNOR and CI) will push for an ISO norm on Fair Trade and are getting prepared for having a strong presence in this process, the Fair Trade movement needs to clarify its position and strategy very quickly.

Recommended next steps

The outcome obtained is a unique opportunity to develop and reinforce alliances with consumers organizations that could help to shape the discussion within ISO and also to profile Fair Trade in an increased crowded market of ethical initiatives. It is recommended that both FLO and IFAT mandate at least one person to lead this process.

Fact-finding process

- Work in a coordinated manner within the Fair Trade movement and in close co-ordination with ISEAL to develop a strong Fair Trade /ethical position
- Develop a clear view within the Fair Trade movement about the aims and the intended outcome of the fact-finding process
- Meet with CI to define jointly the fact-finding process (including design of the study, tendering conditions, set up of a committee to evaluate tenders and discuss results)
- Raise resources for this project
- Meeting of interested stakeholders (possibly in Vienna parallel to the SR 26 000 meeting) to discuss the results allowing enough time to develop a strategy in view of the next COPOLCO meeting (May 2008 in South Korea)

Strengthening the alliance with Consumers Organizations

- FLO labelling initiatives and Fair Trade Organisations to develop or reinforce contacts with Consumer Organizations and National Standardization Bodies (some good contacts have been established during the process and in the meeting with representatives from Germany, the UK, USA, Canada, among others).
- The fact-finding process could be the starting point of an effective collaboration between the Fair Trade movement, ISEAL, the consumer movement and other interested stakeholders to increase clarity among consumers about different options on the ethical market place.
- It should be carefully assessed if an external platform would be helpful to facilitate and to give greater credibility to a multi-stakeholder process

Finalization of the "Generic Standard" process

- AFNOR quoted the non-existence of a definition and agreed criteria within the movement as a reason to develop an ISO standard on Fair Trade. In fact, the lack of a joint definition of Fair Trade is one of the key drivers for existing regulation processes, not only in the context of ISO but also regarding the law initiatives in France, Italy, Belgium and Brazil.
- The agreement of harmonized Fair Trade definition and principles between FLO and IFAT is a pre-condition to reduce the confusion of consumers in this area and to reduce the appealing for an ISO standard. Therefore it is recommended that the Generic Standards project is given priority and finished, in collaboration with IFAT, before the end of 2007.

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