FAIR AND SUSTAINABLE TRADE:
SO MANY LABELS AND GUARANTEE SYSTEMS...
WHAT SHOULD I CHOOSE FOR MY PRODUCTS?
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HOW TO READ THIS BROCHURE

The main purpose of this brochure is to throw a little light on the different fair and sustainable trade labels and guarantee systems in existence.

- First, we must do a little exercise in semantics, in order to define properly what it is all about. Equitable, ethical, sustainable, fair, organic etc.: These adjectives are nowadays all associated with different commercial practices. What are we talking about exactly? What is the scope of these initiatives? What are the incentives put forward by operators on the ground? What are the key points to be considered by a producer who wants to become involved in sustainable trade? All these questions are answered in the introduction.

- What are the products and services concerned? Pages 14 and 15 are intended to “set the scene”. To a large extent, sustainable trade, most of the time, still concerns foodstuffs, sometimes the craft industries. But the concept is starting to “break through” into other types of product: wood, paper, toys, shoes, etc. Each guarantee system mentioned refers to a detailed sheet, which is, so to speak, its “identity card”.

- In the sheets, the reader will find information on the specific background of each system, but also on the scope of the guarantees offered, the nature of the assessments, the different steps to be followed to obtain certification, the costs involved, etc.

- Nowadays, commercial exchanges take place on a global scale, and it is interesting to see them on a geographical map. Pages 68 and 69 show the geographical zones of activity of the different guarantee systems available. This shows that certain practices are more widespread in the countries of the North than in those of the South - such as the MSC (“Marine Stewardship Council”) label, which is combating over-fishing and is 80% present in the northern hemisphere - while others are mainly deployed in the countries of the South, and still others are spatially distributed.

- Another synthetic view, presented on pages 70 and 71, describes in detail the criteria used by each guarantee system. These criteria are taken from three main pillars: environmental, social and economic.

- Finally, the brochure “gives the floor” to a number of actors on the ground, who reveal their motivation and the challenges and difficulties encountered, giving us a practical overview of the current main trends in fair and sustainable trade.
The aim of this brochure is to throw some light on the various systems in existence. Not by highlighting their good and bad points, but by giving entrepreneurs certain guidelines and a degree of analysis which will allow them to form an opinion.

To get into sustainable trade, there are currently several labels and guarantee systems. In all, 23 are examined in the following pages. All of them share in common the adoption of a system that allows them to offer guarantees. To be precise, these are social, economic and/or environmental guarantees offered at the time of trading.

But before studying these 23 systems individually, we need to know something about the actual concept of sustainable trade. And what about fair trade? This represents an alternative economic model with its own social and environmental criteria (see glossary).

As an extension to fair trade initiatives, one of whose main principles is fair remuneration for the producer, the term “sustainable trade” began to appear a few years ago: of the 23 guarantee systems described in this brochure, 12 have appeared in the last ten years.

In using the word “sustainable”, the promoters of these practices want to put the emphasis not only on decent working conditions, but also on the fact that this trade is carried out with a genuine consideration for environmental resources and a concern for the preservation and regeneration of raw materials. In their view, this type of trade generates social, economic and environmental benefits, corresponding to the three traditional pillars of sustainable development. Fair trade is therefore a specific model of sustainable trade. Nevertheless, if the abundance of initiatives reflects the concern of economic operators regarding sustainable development, it does not help enterprises that

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1. The concept of a “guarantee system”, and other concepts, are defined in the glossary on page 93
want to become involved in one or other of the different systems in making their choice.

THE KEY POINTS
What are the key points to be taken into account by a producer who wishes to become involved in sustainable trade?

- **Understand the context surrounding the creation of each system:** in most cases, a guarantee system is created to meet a very specific requirement (for example: incorporating better social practices, combating over-fishing, preventing the adverse effects of conventional farming practices, combating deforestation, etc.).

- **Become familiar with environmental criteria** (reduction of energy consumption, preservation of biodiversity, etc.), **social criteria** (prohibition of child labour and discrimination, etc.) and **economic criteria** (setting prices, pre-financing, etc.) to be observed in order to participate in the different guarantee systems. The “Which criteria for which systems?” table on page 70 summarises the key points of each set of requirements.

- **Find out about the methodology applied:** the various stages of certification, the type of assessment required – internal, second party or third party (see glossary) - and the methods used to carry out these assessments, the room for manoeuvre left to the certification candidate.

- **Have an idea of the “cost”, or at least an order of magnitude.** As far as possible, the sheets on pages 18 to 65 detail the criteria used to establish these costs, so that each producer can form their own idea.

- **Ascertain the reputation of the guarantee systems in the destination country.**

- **Be aware of the geographical areas of influence of the different systems.** The double spread (pages 68 and 69) is illuminating in this regard: using it, a producer of carpets located in South America can find out that the STEP label (Fair Trade Carpets) devotes 95% of its efforts to Asia, and it would therefore be much better off looking for systems with a greater presence on the American continent.

- **Know the demands/requirements of your potential buyer(s) in terms of labelling and guarantee systems.**

These different points are covered in detail in the following pages, which can therefore become a decision-making tool.

WHAT ARE THE INCENTIVES REVEALED BY OPERATORS ON THE GROUND?
More generally, apart from the problem of which guarantee system to choose, the real question to ask must surely be: Why sustainable trade in the first place?

To answer this strategic question, page 73 and the following pages “give the floor” to operators on the ground who reveal their reasons and the challenges and difficulties they have encountered; in a more global perspective, this allows a number of important points to be highlighted:

- **Sustainable trade meets a market demand:** “The certification proposal came from our buyer, Kaoka” (Antonio Dias, Sào Tomé); “big international players like Unilever, Kraft and recently Nestle have given commitments that, from 2015, they will only buy palm oil which is “sustainable development” certified” (Olivier Tichit, Indonesia); “The demand from customers – brands such as Lee Cooper, Chasin, Scotch & Soda, Tommy Hilfiger, Campus – who normally have their suppliers audited and who were relieved to hear that we were going to be certified” (Bashar Esshali, Tunisia); “There was a growing demand from our customers for organic products, and also a need for guarantees” (Yapa Bandara, producer in Sri Lanka).

- **Sustainable trade is the result of legislation:** “In the beginning, labelling was a marketing tool. Gradually, with changes in legislation, it has become essen-
- **Sustainable trade allows you to stand out from the crowd:** “In the highly competitive wine market, we had to find a specific commercial niche, which could increase the value of our products on an international scale. Certification gives us access to the markets of many European countries and also to those of America and Asia” (Vernon Henn, South Africa).

- **Sustainable trade has positive effects on management and performance:** “By using good practices, farmers are not only increasing production, but also the quality of the coffee they produce. According to my estimates, in just three or four years they have increased their average incomes from coffee by around 30%.” (Charles Angebault, Rwanda). “The human impact is obvious and it results in better economic performance, since it represents more than 650 extra working days by our employees in one year”. (Bashar Esshali, Tunisia).

Despite these very positive aspects, we should be realistic and not paint too rosy a picture. The decision to enter the certification process, which is often very long (our interviewees mention a period of three years on average), is an important decision requiring a high level of commitment from a producer. Which goes to show the importance of good advance information.

### WHY SO MANY INITIATIVES?

Clearly there is no straightforward answer to this question. But we can put forward several possible reasons:

**ON THE DEMAND SIDE:**
Consumers are attaching increasing importance to ethical issues in trade. Such a viewpoint is gathering support during a period of financial and economic crisis in which conventional operators are losing credibility. A large majority of marketing professionals have included “ethical” and “authentic” values in the top five current trends, and their importance continues to grow.

“Fair trade” products have experienced average growth of 40% since 2003.

**ON THE SUPPLY SIDE:**
1/ What economic operator wants to deny itself a product with such growth perspectives? Nearly all large distributors are now offering a range of products supporting the concept of sustainable trade. This presence on supermarket shelves has clearly boosted sales. One example: 70%2 of Max Havelaar products are now sold in this way.

2/ But there isn’t just the fair trade label. Other guarantee systems, each responding to highly specific contexts, are being developed around the concepts of sustainable trade. The result? There is some competition between the systems. This competition is forcing the various systems to both improve their visibility and to clarify, supplement and raise the credibility of their own concepts.

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1. Patrick De Pelsmaecker, Professor of Marketing at the University of Antwerp, in SME-KMO, 15 October 2009.
2. Les entreprises font la différence avec le sustainable trade (Businesses are making a difference with sustainable trade), Fédération des Entreprises de Belgique (FEB) brochure, page 23, 2008
GUARANTEE SYSTEMS IN DETAIL
HOW TO READ THE SHEETS

Which products and services are involved in fair and sustainable trade? The following double page is designed to “set the scene”. To a large extent, this type of trade still concerns foodstuffs, sometimes the craft industries. But the concept is beginning to “break through” into other types of product: wood, paper, textiles, carpets, toys, shoes, etc. Each guarantee system mentioned refers to a detailed sheet, which is, so to speak, its “identity card”.

In the sheets, the reader will find information on the background specific to each guarantee system, the scope of the guarantees offered, the stakeholders (a concept defined in the glossary on page 81), the individuals, and the target groups or organisations that benefit from the system, etc.

The pictogram indicates that the guarantee system is developing an approach focusing on the social pillar.

The pictogram is shown to identify systems directed more towards an environmental approach.

Where possible, the sheets give details of the product(s) and services covered by the guarantee systems, which can be found on the Belgian market.

Each sheet also attempts to explain the type of assessment required by the guarantee systems reviewed: internal, second party or third party (see glossary). The methods employed to carry out these assessments are also explained in detail, as well as the room for manoeuvre left to candidates applying for certification/labelling.

The “costs” are examined: Clearly, these are orders of magnitude and not exact prices. As far as possible, the sheets detail the criteria that determine these costs, so that individual entrepreneurs can make up their own minds. This concern for useful primary information also informs the methodology section (“How do I get certified?”).

As explained on the next page, the sheets are presented in two main families: labels (13 sheets) followed by undertakings by businesses (10 sheets).
These 13 guarantee systems have chosen to use labelling to illustrate the commitments of organisations. In practice, a label is displayed on products, which are the result of good commercial, social and environmental practices. The end consumer can then easily find them, as the labels will be visible on the product packaging.
These 10 initiatives chose for an organisational approach: The companies underwrite an improvement programme of their social and/or environmental performance, which could lead to certification. This approach is based on the respect of a commitment to comply with the principles of the initiative and to receive controllers (who check conformity) during a set time period. It is the functioning of the organisation, and not its product, that is controlled, and certified if complying. So, such a commitment is not visible to the consumer.
GUARANTEE LABELS IN DETAIL

> THE LABELS
- Organic farming: managing the ecosystem
- The European Ecolabel: the flower label
- The butterfly effect of EFT trade (Ecocert)
- Fair for Life (IMO): fair but different
- FairWild: wild yes, wildly no
- FSC: combating deforestation
- GoodWeave (RugMark): importing carpets from India and Nepal
- Max Havelaar (FLO): the pioneering label of fair trade
- MSC: fish for today - and tomorrow
- Naturland: the trailblazer
- PEFC: first steps in Asia and Africa
- Rainforest Alliance: for intelligent farming
- Utz, “good” in Mayan language
ORGANIC FARMING: MANAGING THE ECOSYSTEM

ORGANIC FARMING HAS DEVELOPED ON A GLOBAL SCALE AND ON A LEGAL FOUNDATION. IT REPRESENTS A COMPLEX SYSTEM OF NATIONAL AND REGIONAL INITIATIVES WHICH MUTUALLY RECOGNISE ONE ANOTHER. EXPLANATIONS

The International Federation of Organic Agriculture Movements (IFOAM) has created this definition: “Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.”

In Europe, a European Commission Order relating to organic farming has been in force since 1991. But it was only in March 2000 that the “EU organic farming label” was launched, based on this Order. Its use is permitted as soon as approval for organic origin has been obtained in one of the member States of the EU.

Thus, in Belgium, Biogarantie is the organic farming label par excellence. It certifies organic products made in Belgium or those, which, although originating abroad, offer a guarantee system that is at least equivalent.

In France, the equivalent is the “AB” label issued by the Agence Bio. In the United States, the “USDA Organic” label is administered by the US Department of Agriculture.

“Organic farming is not a phenomenon that is exclusive to developed countries. In 2006, it was being practised in 120 countries on a total of 31 million hectares, and represented a market of 40 billion dollars”, says the UN Food and Agriculture Organisation (FAO). It brings vital benefits, in particular in terms of food security and providing farmers with a sustainable livelihood.

**DID YOU KNOW?**

Sometimes national organic labels are more stringent than the European regulations. Thus, unlike the latter, the Biogarantie label imposes criteria for product packaging: Unnecessary packaging must be avoided. As far as possible, preference should be given to recyclable or reusable packaging.

More information on organic farming: ec.europa.eu/agriculture/organic


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HOW DO I GET ORGANIC CERTIFICATION?
Any economic operator wishing to put “bio” on an agricultural product within the EU must comply with the European regulations on organic farming. Their production premises and methods must be inspected and approved by the inspection agency or authority.

Each grower, processor or importer of organic food products must be inspected at least once a year, in order to comply with the regulations. This process is monitored by the member States of the EU. In this regard, each member State is responsible for setting up an inspection system and competent authorities to ensure compliance with the organic farming regulations.

Three possible scenarios:
- The producer is located within the EU:
  > Apply to an accredited (national) inspection agency. In Belgium, these are Certisys and Blik/Integra.
- The producer is located outside the EU:
  > Apply to an accredited and approved inspection agency if there is one. In Argentina, these are Food Safety, Argencert, Letis and OIA. The agency manages inspection and import procedures.
  > Apply to a European inspection agency accredited by the importing country. This will travel to carry out the necessary inspections and will produce an import application. When this has been accepted, the agency will issue a batch certificate, which will accompany the products across the EU.

If it is established that an operator in the chain is in breach of the statutory regulations or those of the inspecting agency, the latter or the inspection authority may prohibit it from marketing its products under the organic label.

A RESPONSE TO THE ENVIRONMENTAL AND SOCIAL CHALLENGES
Organic farming represents one of the many alternative agricultural systems that have sprung up in response to major current ecological and social challenges (food insecurity, soil degradation, water contamination, health hazards, falling farm incomes).

The International Federation of Organic Agriculture Movements (IFOAM) points out that conversion to organic farming results in higher incomes for farmers, together with guaranteed access to the market; this leads to better health for their family and greater access to food, education and essential healthcare services. The health of the agricultural environment is also improved and local communities are empowered. In short, conversion to organic agriculture has the capacity to establish sustainable livelihoods for farm families and their communities1.

THE EUROPEAN ECOLABEL: THE FLOWER LABEL

IN BRIEF
Based at: Brussels (helpdesk in Paris).
Origin/need: European Union initiative to provide consumers with better information and help them make greener choices.
Reduction of the impact of products and services on the environment.
Sector: all non-food sectors, including services.
In Belgium: cleaning products, campsites, mattresses, paper, detergents, floor coverings, paints and varnishes, lubricants, computers, soaps and shampoos, televisions, textiles, tourist accommodation, etc.
What is guaranteed: products/services of a quality comparable to or greater than standard products/services and which are less harmful to the environment and present no danger to health.
Stakeholders: NGOs, businesses, trade unions, consumers, public authorities.
Beneficiaries: independent producers, cooperatives, factories, businesses, distributors having their own product ranges.

INTRODUCED IN 1992, THE EUROPEAN ECOLABEL IS DESIGNED TO PROMOTE NON-FOOD PRODUCTS THAT HAVE A LOW IMPACT ON THE ENVIRONMENT. THE ECOLABEL TODAY COVERS 20,000 PRODUCTS AND SERVICES, INCLUDING 1,500 IN BELGIUM

In the jungle of labels, it is never easy for a new label to establish itself, even when it has the power of the European Union behind it. The Ecolabel has established itself gradually until consumers are now generating real demand, drawing producers into a virtuous circle. In 2004, only about 30 products were available for sale in Belgium. In 2006, fourteen years after introduction of the label, this figure had scarcely doubled, reaching a total of 77. Today, there are more than 1500.

The advantage of the European Ecolabel is clear, as it promotes products (excluding foodstuffs and pharmaceuticals) that are kinder to the environment than competing products. Thus, for its specifications, the Ecolabel takes eleven types of ecological aspects into consideration: air quality, water quality, soil protection, waste reduction, energy savings, natural resource management, global warming prevention, ozone layer protection, environmental safety, noise and biodiversity. These different criteria are analysed as part of the life cycle of the product at each of its stages, beginning with the extraction of raw materials, through the manufacturing process, distribution, use and ending with the final disposal.

The members of the European Union Eco-labelling Board (EUEB) are representatives of the competent bodies of the member States, environmental NGOs, consumer associations, trade associations, trade unions, SMEs and distributors. They propose the criteria, which, after approval, are reviewed every three to five years.

DID YOU KNOW?
The EU participates in the UNEP project “to allow developing countries to seize opportunities associated with ecolabels”, which is designed to develop skills and technical assistance in certain pilot countries (China, India, Kenya, South Africa, Brazil and Mexico).
For more information: www.ecolabel.eu

*United Nations Environment Programme.
A GOOD WAY TO PENETRATE THE EUROPEAN MARKET: THE EXAMPLE OF THAILAND

There is growing pressure in the textile industry to implement manufacturing processes that are kinder to the environment, and at the same time some operators have difficulties preserving their market share. To this end, the Ecolabel has opened up new market opportunities for Asia, in particular for the textile industries of Thailand and India, although the costs of compliance can sometimes be high. As an example, the number of businesses obtaining a licence in Thailand could soon go from 4 to 13. As the Flower symbol is recognised in the member countries of the EU, market penetration has been rapid, principally in the big markets such as Italy, the United Kingdom, France, Germany and Spain.

HOW DO I GET ECOLABEL CERTIFIED?

Every European or non-European enterprise which manufactures or sells products within the categories covered by the Ecolabel, and all campsites and providers of tourist accommodation, can participate.

1. Apply for the European Ecolabel by contacting a competent national organisation. It will identify the requirements and provide technical support. If your enterprise is located outside the EU, you must contact an organisation in the European country in which sales will take place.
2. Set up a dossier and carry out the necessary product tests using ecological and performance criteria. A checklist is available. A site visit can be organised to ensure conformity.
3. Obtain the European Ecolabel and the right to use the label. A monitoring system exists to ensure continuous conformity of production (site visits, product tests). In the event of non-conformity, either more detailed assessments are required, or the right to use the label is withdrawn.

HOW MUCH DOES ECOLABEL CERTIFICATION COST?

Administrative expenses: minimum 300 euros; maximum 1,300 euros. Reductions: 25% for SMEs and applicants from developing countries.

Annual fees: use of the label = 0.15% of annual sales volume: minimum 500 euros; maximum 25,000 euros. Reductions: 25% for SMEs and applicants from developing countries; 15% if EMAS and/or ISO 14001 certified.

As part of a revision of the European Ecolabel system, new tariffs will come into force in spring 2010. The main change will concern annual fees, which will no longer be linked to sales (350 euros for very small enterprises, 750 euros for SMEs and operators in developing countries and 1,500 euros for all others).

Type of assessment: third party.
Methods: analysis of the documentary system, pre-announced site visits, interviews with external stakeholders.
Sector activities concerned: the whole life cycle, from extraction of raw materials to the end of the product’s life.
Requirements: There are different requirements (criteria) for each product group. They are all available on the website.
Room for manoeuvre: closed system, no allowance.
Improvement procedure: When the various criteria are revised, the licence holders must meet these new requirements. For instance, from 2010, the new regulations will include social and ethical aspects where applicable.
THE BUTTERFLY EFFECT OF EFT TRADE (ECOCERT)

INIALLY ESTABLISHED IN THE DOMAIN OF ORGANIC FARMING IN FRANCE, ECOCERT HAS GRADUALLY DIVERSIFIED ITS ACTIVITIES IN EUROPE AND BEYOND, CREATING ITS OWN FAIR TRADE SYSTEM, KNOWN AS EFT – “ECOCERT FAIR TRADE IN THE SPIRIT OF SOLIDARITY AND RESPONSIBILITY”.

Established in France in 1991, the Ecocert inspection and certification organisation is a legacy of the communal movement linked to organic farming in the 1970s and was initially limited to a small group of green activists. Since the mid-1990s, it has become established in several European countries (Germany, Portugal, Spain, etc.), gradually expanding beyond the frontiers of the Union into Africa (Madagascar, Burkina Faso, etc.), Asia (China) and America. This rapid expansion has occasionally been challenged. In Belgium, for example, the representatives of this organisation abandoned the Ecocert ship to set up a new organisation (Certisys) in March 2007.

This has not prevented Ecocert from becoming a benchmark for organic certification throughout the world. In 2007, Ecocert France developed its own fair trade system. Known as EFT (Ecocert fair trade in the spirit of solidarity and responsibility), it provides the consumer with guarantees similar to those offered by Max Havelaar (see p. 32). Thus, EFT membership requires payment of a guaranteed minimum price to producers, the existence of a social fund for financing development projects, technical and commercial support for disadvantaged producers and good agricultural farming practices (organic certification is required for bananas, flowers and cotton). Irrespective of the volumes marketed, these requirements apply to the food processing sector, cosmetics and textiles. Special feature: Transportation by air is discouraged. Today only Ecocert carries out inspections. It is currently undergoing ISO 65 certification, to demonstrate the independence of these inspections.

DID YOU KNOW?
Control of margins: All operators must be transparent about the margins applied to their EFT products. Ecocert verifies that these margins are no greater than the margins applied to similar conventional products.
For more information: http://www.ecocert.com/-EFT-.html
HOW DO I GET EFT CERTIFIED?
The person responsible for marketing the product (the project sponsor) must, with the collaboration of all the operators in the EFT system, compile a production chain summary. The sponsor, who may be a producer or a purchaser, will organise the procedures for certification.
1. The sponsor fills in an application form so that the Ecocert fair trade service can evaluate its degree of conformity with the EFT system.
2. The Ecocert fair trade service appoints one of its inspectors.
3. The inspection is performed on site, using the EFT checklist. The inspection will result in a list of deviations from the EFT system.
4. When all the inhibitory deviations have been resolved (proof of corrective actions), the Ecocert fair trade service will send the certificate to the applicant.

HOW MUCH DOES EFT CERTIFICATION COST?
The cost of audit and certification is linked to the number of producers and/or employees involved in the project. Average costs as on 30 October 2009: around 2000 euros for a production business and 1000 euros for a processing enterprise (possibility of combining with organic certification, which will reduce the cost). These amounts are paid by the project sponsor, in other words the production body if it has the capacity to support the individual producers or, which is the more usual case, the purchaser, or even the brand holder. There is no user charge for the EFT label.

Type of assessment: third party.
ISO 65 in progress for Ecocert.
Methods: analysis of the documentary system, pre-announced and random site visits, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export, processing, distribution, public awareness.
Requirements: The EFT requirements (downloadable from the Internet) are the only fair trade requirements produced by Ecocert. Special features associated with raw materials and the production area.
Room for manoeuvre: The system consists of minimum or entry requirements, general requirements (every operator must comply with them to renew its certificate) and progress requirements.
Improvement procedure: The improvements made by the operator to comply with the progress criteria are monitored each year. For certain of these criteria, the operator must draw up formal action plans, which are monitored over time.

AN EXAMPLE OF COLLABORATION
The French association Bio Partenaire, formerly Bio Equitable, has collaborated in the review of the Ecocert ESR documentation. In 2009, Bio Partenaire decided to delegate the whole of its inspection process to the Ecocert organisation in order to redeploy its efforts to supporting businesses and the setting up of procedures. Operators found to be compliant by Ecocert using the ESR documentation can decide freely whether or not to belong to the Bio Partenaire association in order to benefit from the Bio Equitable mark and the various services offered by the association: training courses on the fair trade process and sector, networking, representation at trade fairs, public relations, etc.
FAIR FOR LIFE (IMO): FAIR BUT DIFFERENT

IN BRIEF
Creation: 2006.
Based at: Weinfelden, Switzerland.
Origin/need: Offer all producers that wish to become fair trade - especially the smallest and least organised - the benefit of certification by a third party organisation.
Sector: mainly agriculture, also fishing, forest management, manufacture (textiles, cosmetics).
What is guaranteed: no forced labour, freedom of association, no illegal form of child labour (ILO conventions), equal opportunities and treatment, adequate health and safety systems, fair salaries and working conditions, activities which observe environmental protection (water conservation, management of ecosystems, energy and waste materials), fair trade-compliant relations throughout the production chain.
Stakeholders: NGOs, experts, businesses, consultants, certification organisations.
Beneficiaries: independent producers, cooperatives, factories, enterprises / brands.

DID YOU KNOW?
Several new criteria have been proposed for the next revision of the requirements: production without harm to animals, absence of animal testing.
For more information: www.fairforlife.net

The label symbolises commitment to respecting animal and plant life, without requiring agricultural production to be “organic”.

THE FAIR FOR LIFE (IMO) MISSION IS TO OFFER FAIR TRADE CERTIFICATION AND LABELLING FOR ANY PRODUCT, IN ANY COUNTRY AND FOR ANY PRODUCTION CHAIN.

The Fair for Life certification programme was launched in Switzerland in 2006, by the Bio-Foundation and IMO (Institute for Marketecology) with the explicit intention of distinguishing itself from the system set up by FLO International (see p. 32).
The objective was to allow all fair trade producers and operators - including those who were unable to join the FLO system - to benefit from independent certification evidencing their observance of criteria such as: rejection of forced labour and child labour, freedom of association, safe and decent working conditions, etc.
Represented by a double tree-leaf, the Fair for Life label symbolises its commitment to respecting animal and plant life, but without requiring agricultural production to be “organic”. The Fair for Life label is applied to agricultural produce (fruits and vegetables, herbs and spices, oils, etc.), and also to seafood, cosmetics, textiles, crafts and even toys. Fair for Life also offers its certification programme (the “IMO Social and Fair Trade Program”) to larger businesses, which, without necessarily having specific certified production, wish to show, from a neutral and independent viewpoint, that they observe the highest social standards and the general principles of fair trade. Although only established relatively recently, Fair for Life believes it has contributed to improving the income and living conditions of thousands of workers, small owners and small farmers in Europe, Africa, Asia and America.
The label symbolises commitment to respecting animal and plant life, without requiring agricultural production to be “organic”.

GUARANTEE SYSTEMS IN DETAIL
**GUARANTEE SYSTEMS IN DETAIL**

**NO EXCLUSIVE SALE CONTRACT**
A few details from the certification requirements:
- Attention paid to the dependence of small organisations: partner businesses must assist the latter in reducing this dependence. Therefore, no exclusive sale contract is permitted.
- Producers are free to sell their certified products to any operator (on fair terms). Conventional sales are permitted provided no reference is made to certification throughout the chain.

**HOW DO I GET FAIR FOR LIFE CERTIFICATION?**
- Initial contact: send the application form to the Fair for Life programme.
- Information about the implications and purpose of certification.
- Preparation of an offer on costs.
- Agreement on an offer: prepayment of a certain percentage of the costs (depends on the region and the risk of non-payment).
- Planning of the audit (appointment of the auditor, date, scope, logistics, etc.).
- Audit.
- Assessment of the audit reports by IMO Switzerland.
- Decision regarding certification (if negative: notification letter, audit reports; if positive: certification letter, certificate, audit reports).
- Payment of the balance (certificate sent after payment).

**HOW MUCH DOES FAIR FOR LIFE CERTIFICATION COST?**
Many parameters affect the costs, which vary between 500 and 30,000 euros depending on the location (country, length of journey), size of the organisation and degree of heterogeneity of the operation; the nature of the organisation (small producer, plantation, type of business, processing, etc.); the auditor; the level of risk (evaluation of the degree of precision of the audit); combination with other certification procedures, previous performance, etc. This is why the cost offers are prepared on a case-by-case basis with a daily rate, which can range from 95 to 600 euros.

At present, IMO carries out the majority of the audits. Negotiations are in progress with other certification organisations.

**Type de contrôle:** third party.
**Methods:** analysis of the documentary system, pre-announced site visits, interviews with internal and external stakeholders throughout the production chain.
**Sector activities concerned:** production, import/export, processing, distribution.
**Requirements:** The programme has special features depending on the operation profile (labour, groups, fair trade). The requirements are public and downloadable.
**Room for manoeuvre:** Mandatory control points (minimum criteria); a certain number of general criteria must be met depending on the year of certification.
**Improvement procedure:** A minimum must be achieved for certification. The criteria increase with changes in the development process.
At the beginning of the 21st century, professionals involved in the trade and protection of medicinal and aromatic plants began reviewing the good agricultural practices that were recommended by organisations such as the WHO, the WWF and the IUCN (International Union for Conservation of Nature). Beyond this review, their objective was to ‘fine-tune’ one of the recommendations, in order to ensure the sustainability of these natural resources and maintain compliance by local rural communities, whose survival often depends on these botanical species. These professionals soon realised that with the exception of “standard” crops like tea and vanilla, the normal criteria used in fair trade (FLO, for example) and organic production were not precise enough for the specific range of plants used in medicines, cosmetics and foodstuffs. They therefore created a set of requirements and a certification system entitled the International Standard for Sustainable Wild Collection of Medicinal and Aromatic Plants (ISSC-MAP).

Based on economic, social and environmental criteria, this guarantee system has been in existence since 2005. The FairWild Foundation has been promoting it since 2008 among plant gatherers, businesses, traders, importers and exporters, etc., through various training and awareness programmes.

Finished products using “FairWild plants” are authorised to bear the logo if they contain at least 75% certified ingredients. If the proportion is lower, they can carry the wording “Contains FairWild ingredients”.

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The first FairWild certified products are expected in North America and Europe in 2010. They will come from Eastern Europe, Africa, Asia and Latin America.

**IN BRIEF**

**Creation:** 2005.

**Based at:**
Weinfelden, Switzerland (IMO) with secretariat at Frankfurt, Germany (WWF Germany)

**Origin/need:** The growing demand for natural products in the food, cosmetics and medicinal sectors is putting too much pressure on vulnerable plants, threatening local ecosystems and the plant gathering communities, who normally belong to the poorest social groups.

**Sector:** picking/gathering (fruits, nuts, plants, mushrooms, berries, etc.)

**What is guaranteed:**
Maintenance of MAP resources (wild Medicinal and Aromatic Plants); prevention of harmful effects on the environment; compliance with laws, regulations, agreements, the common law; establishment of responsible management practices; fair working conditions and commercial relationships; fair commercial behaviour and quality awareness.

**Stakeholders:** NGOs, consumers, public authorities, businesses, experts in conservation, fair trade, FLO and ILO requirements.

**Beneficiaries:** Independent producers, cooperatives, factories, businesses/brand holders.

**DID YOU KNOW?**

Traditional Medicinals (TM) is the first manufacturing company in the United States to obtain FairWild certification. A leader in fair trade certified medicinal teas, TM had identified a lack of sustainable trade certification for plants picked in the wild.

Out of almost 70,000 plant species used for medicinal purposes throughout the world, only some 3,000 are traded on an international scale. For more information: [www.fairwild.org](http://www.fairwild.org)
HOW DO I GET FAIRWILD CERTIFICATION?
1. Contact the FairWild Foundation / Institute for Marketecology (IMO).
2. IMO will send the inspection and certification offer.
3. The future holder of the certificate (importer or plant gatherer) pays for the offer.
4. The inspection is scheduled and carried out. It lasts between two and three days.
5. IMO carries out the assessment and certification. Annual follow-up inspections may be carried out by other accredited organisations.

HOW MUCH DOES FAIRWILD CERTIFICATION COST?
The costs of inspection depend on the rates charged by each inspection organisation and the number of days necessary to carry out the inspections (size, complexity, types of product). At present, IMO is the only organisation approved by FairWild. The costs are borne by the holder of the certificate, which may be the importer or the plant-gathering organisation.
The licence costs are fixed at 1% of annual turnover. The internal development costs are borne by the developing organisation.
Payment of a premium is guaranteed. This may be added to the price of the final product and is intended to fund social investment within the plant gathering communities.

CULTURAL HERITAGE IS PRESERVED
Traditional customs, access rights and the cultural heritage are at the heart of the FairWild approach. The local communities and indigenous peoples that have legal or customary rights keep the necessary control over the protection of rights, resources and the aromatic and medicinal plant gathering operations. Some projects are designed to implement agreements to share the benefits produced by genetic resources.

Type of assessment: internal, second and third party inspections.
Methods: analysis of the documentary system, pre-announced visits to collection sites, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export, processing.
Requirements: the FairWild requirements are a combination of the old FairWild standard (social section) with the ISSC MAP standard (environmental section). A revised version is planned for 2010. Available on www.fairwild.org
Room for manoeuvre: checklist with grading system (0 = non-compliant; 1 = basic compliance; 2 = compliant with requirements; 3 = exceptional). 90% of the points in the requirements must be achieved during the 1st year. All the main points must be achieved.
Improvement procedure: 95% must be achieved during the 2nd year, 100% during the 3rd year.
The Forest Stewardship Council (FSC) was created in 1993 in Toronto (Canada) by forest owners, businesses active in the timber industry, various social groups and NGOs anxious to respond to the problem of deforestation. Its objective: to offer consumers a genuine guarantee (evidenced by the FSC label) that the wood or paper they buy comes from a forest that is being managed in a manner that preserves its biodiversity and is socially beneficial and economically viable. "Socially beneficial" means that the FSC protects the well-being of the local communities living in or close to the exploited forests and that of the operators and forestry workers. One of the principal characteristics of FSC is the reputation it enjoys with the large environmental organisations (in particular WWF and UNEP). Award of the label requires compliance with ten main principles (and certain criteria) adapted by local working groups depending on the type of forest in question.

These principles are based on those of the International Labour Organisation (ILO) (the right of ownership of the indigenous populations, financial compensation in the event of land appropriation, etc.) and on various environmental standards (development of a forest management plan, protection of extraordinary forests, observance of national law, preservation of biodiversity, etc.). The FSC label need not be compulsorily placed on the wood or paper sold, but rather on the sales invoices. Certification is granted for a period of five years, on the basis of an independent audit, which must be carried out at least once a year. This audit is carried out in respect of both administrative and field operations, and may be pre-announced or random. It covers both the product (wood and all stages of its processing) and the forest (its management).

The majority of the certified forests are located in the northern hemisphere, in particular in the United States and Canada. In Belgium, 13% of imported wood (for frames, garden furniture, etc.) is FSC labelled (2007).
HOW DO I GET FSC CERTIFIED?
1. Make contact with one or more certification organisations accredited by FSC. These will give you an estimate of the costs, and advise the initial requirements and the time necessary for the process, based on the information you provide.
2. Choose an FSC-certifying organisation and enter into agreement with it.
3. Certification audit to verify conformity with the FSC principles and criteria.
4. Drafting of an audit report based on the data collected.
5. Decision regarding certification based on the report. If it is positive, an FSC certificate is issued. If the level of conformity is insufficient, other audits may be carried out based on changes suggested in the certification report.

HOW MUCH DOES FSC CERTIFICATION COST?
The costs of certification depend on the type of certification (forest or production chain) and on a series of other parameters: size, location, complexity of the forest. The main cost element is the number of days and auditors required to carry out the audit. The bigger the forest, the higher the cost, but not necessarily the cost per hectare. Conversely, the smaller the forest, the higher the cost per hectare (group certification will give economies of scale). In addition, everything depends on the country.

As an example, in South America, the total cost of forest management certification can vary from about 20 USD/ha for small properties (less than 1000ha) to 1-3 USD/ha for larger properties up to 10,000 ha, to less than 0.5 USD/ha for properties of more than 50,000 ha.

Annual costs of participation in the FSC programme in Belgium:
- Forest certification: 1-2 euros/year/ha (individual or as a group beyond a certain surface area)
- Certification of production chain: from 750 euros/year for businesses employing fewer than fifteen persons. Beyond that number, the costs are from 850 euros/year.

FOR SMALL OWNERS TOO
The costs and procedures of certification prevent many small forestry owners, or forests with low levels of production, from gaining access to certification, unlike many large owners or operators. FSC participates in various projects designed to allow these disadvantaged operators to demonstrate their sustainable management: SLIMF (Small and Low Intensity Forest Management) project, GEF project (improved tropical forest management certification), collaboration with the Fairtrade Labelling Organisation (FLO).
GOODWEAVE (RUGMARK) : IMPORTING CARPETS FROM INDIA AND NEPAL

IN BRIEF
Siège social: Bonn, Germany.
Origine/contexte: Established as a response to concerns over global deforestation, FSC is widely regarded the most important initiatives to promote responsible forest management worldwide.
Labellisation Produit Concerne: All products originating from responsible forest management: mostly timber and paper products, but also NTFPs.
En Belgique: Mostly wood, wooden products and paper products.
Ce qui est garanti: The FSC label provides a credible link between responsible production and consumption of forest products, enabling consumers and businesses to make purchasing decisions that benefit people and the environment as well as providing GOODWEAVE (RUGMARK) :
IMPORTING CARPETS FROM INDIA AND NEPAL

RUGMARK IS AN AMERICAN NGO THAT FIGHTS AGAINST CHILD LABOUR IN THE CRAFT CARPET INDUSTRY, WHILST OFFERING EDUCATIONAL OPPORTUNITIES. IT GRANTS THE “GOODWEAVE” LABEL AFTER AN INDEPENDENT AUDIT.

For some fifteen years, the RugMark organisation has been fighting to eradicate child labour in the carpet production sector, which has one of the highest levels of exploitation of children at work. In Southeast Asia, more than 250,000 children aged between 4 and 14 are forced to work making carpets, which dramatically compromises their future. Many consumers are unaware that their purchases can contribute to maintaining child exploitation. RugMark works not only in the field, but also in the areas of public awareness and media coverage in order to bring this problem to the attention of consumers.

Since August 2009, the certification programme has been known as “GoodWeave”. Like the previous label, GoodWeave certifies to consumers that their purchases are not contributing to maintaining the exploitation of children. It also allows designers, retailers and importers to work within a “clean” industry. Thanks to this certification, more than 3,600 children have been taken out of dingy workshops and put into schools and educational programmes.

To obtain certification, candidates must sign a contract under which they undertake not to employ children under the age of 14, to agree to unannounced inspections of their premises, to pay a fair wage to their workers and a fee to the RugMark organisation as a contribution towards the monitoring, audits and educational programmes set up by the organisation.

DID YOU KNOW?
In 2009, more than 4% of the carpets sold in the United States were certified by this programme. In the future, this certification will also include social and environmental criteria.
For more information: www.rugmark.net; www.goodweave.org

Since 1994, more than 9,000 children have benefited from education programmes set up by RugMark.
HOW CAN I PARTICIPATE IN THE GOODWEAVE PROGRAMME?

Importers are the major players in the GoodWeave programme. It is they who make the choice to source their carpets from certified carpet manufacturers. To do this, they are required to sign an agreement, which will govern their relationship with GoodWeave. They also undertake to pay licence fees, 60% of which is used to Fund the GoodWeave educational programmes.

If they want to sell GoodWeave carpets, dealers and exhibitors simply have to source their carpets from certified importers (currently numbering 60).

A producer or exporter who wants to obtain the label must request it from the national secretariat, if there is one (India or Nepal). The request may also be made by the secretariat to producers.

HOW MUCH DOES PARTICIPATION IN THE GOODWEAVE PROGRAMME COST?

Exporters pay 0.25% of the export value of each carpet. Importers pay licence fees amounting to 1.75% of the market value. These licence fees cover the costs of monitoring, inspection and above all the education programmes set up by GoodWeave.

AFTER INDIA AND NEPAL

Mainly active in India and Nepal, GoodWeave is evaluating the possibility of expanding into other exporting countries, which is a greater priority than expansion into importing countries.

If an inspector finds a child under 14 engaged in work, he will offer him the chance to go to school, and the producer will lose its GoodWeave label.

Type of assessment: Second party (GoodWeave inspectors). Third party control project, in particular in India where certain inspections are carried out by an independent organisation.

Methods: analysis of the documentary system, site visits, interviews with stakeholders.

Sector activities concerned: production of carpets, import/export.

Requirements: The generic standard for carpet manufacturers is drawn up and managed by the RugMark organisation. It is available on the website

Room for manoeuvre: Non-conformity with the standard will result in withdrawal of the label user licence.

Improvement procedure: no.
MAX HAVELAAR (FLO) : THE PIONEERING FAIR TRADE LABEL

IN BRIEF
Based at: Bonn, Germany.
Origin/need: Fair trade has its origins in the social inequalities created by post-war international trade. Creation of the "Max Havelaar" label made supermarket consumers more aware.
Sector: mainly agriculture, textiles.
In Belgium: bananas, cane sugar, cocoa, coffee, dried fruits, fruits, fruit juice, flowers, nuts, herbs and spices, honey, olive oil, quinoa, rice, cotton, balls for recreational sports, tea, wine.
What is guaranteed: Prices that cover the costs of sustainable production, a development premium, production pre-financing, sustainable commercial relations, decent working conditions.
Stakeholders: NGOs, experts, businesses, trade unions, producers.
Beneficiaries: cooperatives, factories, enterprises/brand holders.

LAUNCHED IN 1988 IN THE NETHERLANDS TO FREE THE PRODUCERS OF THE COUNTRIES OF THE SOUTH FROM THEIR DEPENDENCE ON MARKET PRICES AND INTERMEDIARIES, MAX HAVELAAR WAS THE FIRST GLOBAL FAIR TRADE LABEL. TODAY, MORE THAN 7 MILLION PRODUCERS BENEFIT FROM IT IN SIXTY COUNTRIES.

Max Havelaar was the eponymous hero of a bestselling book in the 19th century, dealing with the exploitation of coffee plantation workers by Dutch colonists in Java (Indonesia). This name was chosen in 1988 by the Dutch worker priest Francisco Van der Hoff, who was working in Mexico, when he decided, in collaboration with Nico Roozen of the Dutch NGO Solidaridad, to set up an organisation which would label goods that meet a series of economic, social and environmental criteria.

Initially focusing exclusively on coffee, the Max Havelaar label today covers foodstuffs (sugar, chocolate, honey, rice, etc.) and increasingly non-foodstuffs (cut flowers, footballs, alcohol, cotton, etc.). Among the guarantees given to the consumer, Max Havelaar ensures that the contractual relations between producers and exporters or importers are formalised: The latter must pay a guaranteed minimum price, a development premium and a payment advance and enter into a long-term contract. Max Havelaar also ensures observance of working conditions (no forced labour, no child labour, freedom of association and collective negotiation, etc.). Finally, it ensures observance of ecological criteria, including a ban on GMOs. With 23 national fair trade labelling organisations, the umbrella organisation FLO International (Fairtrade Labelling Organisations) defines international fair trade standards. Since 2003, certification is entrusted to FLO-Cert, a company owned by FLO International and certified under the ISO 65 international standard.

DID YOU KNOW?
In Belgium, the target of 1,000 products labelled Max Havelaar was reached in 2009. One of the reasons for this success was the sale of MH products in supermarkets. Certain brand holders, like Candico (for its cane sugar), decided to convert the whole of their production to fair trade.
For more information:
www.fairtrade.net
www.flo-cert.net
HOW DO I GET FLO CERTIFICATION?
- Contact the FLO-Cert certification organisation and complete an application form.
- Schedule a field audit with an FLO-Cert certification manager.
- Verification of compliance with the required criteria. Indication of certain key points before being able to obtain certification. Once the required criteria are met, issue of a certificate authorising commencement of activities under the conditions required by fair trade.
- During the application and certification process, a producer relations and support service is available.
- The buyer must also be in possession of a FLO licence to be able, in turn, to sell under the fair trade conditions. If a minimum price has been specified, this must be applied, as must payment of the fair trade premium. Negotiations on an increase are always possible.

The FLO standards explain the premium application procedure.

HOW MUCH DOES FLO CERTIFICATION COST?
Small producers grouped into cooperatives and submitting their application for FLO certification pay 500 euros as activation costs. FLO-Cert will carry out the audits and initial certification at a daily rate of 400 euros. For an organisation of less than 50 workers, the audit will take about 3.5 days (9.5 days for an organisation of more than 1000 workers). Allow 200 euros for each additional product. If the organisation has processing equipment (cleaning, packaging, etc.), a charge of 200 to 600 euros is made for each machine. A follow-up audit may be organised by FLO-Cert to verify any failings in the initial or preceding audit (400 euros/day). Annual audits are charged at 350 euros.
The audits are carried out at least once a year, in three-year cycles.

PREFINANCING: UP TO 60% ON SIGNATURE OF THE CONTRACT
One of the pillars of fair trade is income security. In addition to the minimum price imposed to ensure that falling prices do not have disastrous consequences, a system of prefinancing has been set up. At the request of the producer, the purchaser will pay for up to 60% of production on signature of the contract.
IN 2009, 7 MILLION TONNES OF SEAFOOD PRODUCTS WERE MSC CERTIFIED, MAKING THE MARINE STEWARDSHIP COUNCIL A KEY PLAYER IN SUSTAINABLE FISHING AND THE FUTURE OF MARINE ECOSYSTEMS.

“Eat more fish!” How many times have we heard this exhortation uttered by nutritionists concerned by over-consumption of meat? The problem is that the seabeds are becoming depleted, due in part to the growing pressure of catches, but also to fishing techniques which are often devastating for all the occupants of marine ecosystems.

The “Marine Stewardship Council” was set up in 1998 by Unilever and the World Wide Fund for Nature (WWF) to find an answer to these planet-wide problems. Its method: To label sea food products that are caught using responsible ecological practices compatible with renewal of stocks, these being verified by third party organisations. After becoming independent of its founding members, MSC, with the aid of scientists, quickly developed a code of conduct based on two principles: sustainable fishing and traceability. Independent certifying bodies are responsible for verifying the compliance of fisheries and processing industries with this code, which is based on the FAO Code of Conduct for Responsible Fishing (UN), the Guidelines for Ecological Labelling of Fish (FAO), the Code of Good Practices for Setting Social and Environmental Standards (ISEAL) and provisions of the World Trade Organisation (WTO). After twelve years of existence, one 60th of all fisheries are MSC certified and its labelled products, carrying the little blue logo easily recognised by consumers, can be found in 65 countries. In 2009, the MSC initiated a new methodology for the evaluation of fisheries, using 31 indicators. This appears likely to reduce the average duration of each evaluation and, perhaps, their cost.

IN BRIEF
Based at: London.
Origin/need: growing concern on the part of businesses and NGOs concerning the state of fish populations.
Sector: fishing.
In Belgium: about 70 fish varieties or products derived from fish.
What is guaranteed: preservation of fish populations, reduced impact on marine ecosystems, a system of sustainable fisheries management.
Stakeholders: NGOs, businesses, experts, consumers, public authorities.
Beneficiaries: Independent producers, cooperatives, businesses/brand holders.

DID YOU KNOW?
MSC estimates the volume of seafood products labelled according to its principles (or in course of labelling) at 12% of worldwide catches intended for human consumption. Among the species of fish most recently targeted by this organisation (37 in total) are cod, coley, the northern prawn, haddock.
For more information: www.msc.org

In collaboration with partners within the fishing industry, MSC is implementing a programme to promote sustainable fishing practices.
HOW DO I GET MSC CERTIFIED?

Interested fisheries should first of all contact a certification organisation accredited by MSC. The process takes about 18 months.

- Pre-audit: A confidential report is prepared by the certifier, deciding whether the fishery is suitable for certification, possibly accompanied by advice.
- Preparation: The fishery enters the preparatory phase and involves all its stakeholders.
- Audit: A 7-step process verifies the conformity of the fishery with the MSC requirements. Notification to the stakeholders, creation of an evaluation table, collection of information + meetings with the stakeholders + scoring, review by customers and peers, final report + decision, publication of the certification report.
- Post-audit: agreement on a schedule of annual inspections, involvement of the rest of the production chain.

HOW MUCH DOES MSC CERTIFICATION COST?

There are two kinds of costs of MSC certification: the costs of certification and the costs of the MSC licence for those who wish to sell their products under the MSC label (restaurateurs, wholesalers, manufacturers, etc.).

Audit costs: these are set at the end of negotiations on a case-by-case basis between the organisation being certified and the certification organisation. They mainly cover the pre-audit, the audit and annual audits. Subsidies are available to help the fisheries bear these costs, which can vary from 15,000 to 120,000 USD depending on the complexity of the process, the information available, the number of sites and the level of involvement of the stakeholders. The licence costs depend on the sales of MSC certified products:
- under 200,000 USD: 250 USD (+ 0.5% of sales for organisations which sell to the end consumer).
- 200,000 to 500,000 USD: 1,000 USD (+ 0.5% of sales).
- over 500,000 USD: 2,000 USD (+ 0.55% of sales).

GLACIAR PESQUERA AND THE MSC

Since 2006, the Glaciar Pesquera fishery, which specialises in harvesting scallops in the Argentine economic exclusion zone (ZEE), has been labelled by the MSC (Marine Stewardship Council). “Our whole production is labelled”, explains Eduardo Gonzalez Lemmi, joint owner of the business with Clearwater Seafoods (Canada).

For this entrepreneur, the MSC label is a way of putting a stop to the attacks of “irresponsible green activists”, who proclaim that fishing on the seabed is necessarily a disaster for the environment.
NATURLAND: THE TRAILBLAZER

IN BRIEF
Based at: Gräfelfing, Germany.
Origin/need: Naturland is an organic farming association whose objective is to prevent the adverse effects of certain conventional agricultural practices.
Sector: agriculture, forest management, fishing, textiles, cosmetics, other.
What is guaranteed: ecological and sustainable production: traceability, quality assurance, independent third party certification of products, well being of the workers.
Stakeholders: consumers, experts, scientists, farmers/growers.
Beneficiaries: independent producers, cooperatives, processors, distributors, factories, businesses/brand holders.

DID YOU KNOW?
Naturland offers an advisory service to its members. A network of German and international advisers provide clear advice to farmers in handling problems or growing their activities.
For more information: www.naturland.de

Today, some 50,000 farmers belonging to the Naturland organisation cultivate 275,000 hectares of land throughout the world. Their numbers grew significantly in 2008.
Naturland is an international label, which is characterised by the observance of high standards. It certifies to the consumer that products bearing its logo have been produced using organic farming methods, and have not been subject to genetic manipulation.
Naturland is active in the domains of organic forest management, textiles and cosmetics, and in the fisheries sector.
Its certification criteria take into account the social commitment of the businesses concerned, with particular attention paid to the health and safety of workers. Emphasis is also placed on preventing the use of children in illegal labour and instead giving them education. A fair partnership project allows manufacturers to receive a certificate when they enter a fair commercial relationship with the farmers. Naturland believes that organic farming can help to fight poverty, when combined with other conditions such as fair distribution of land, political support for agricultural research, and the implementation of modern infrastructures and technologies. In other words, organic farming contributes to protecting the environment and biodiversity.

NATURLAND IS AN ORGANISATION THAT IS PROTECTING ORGANIC FARMING THROUGHOUT THE WORLD. BY SUPPORTING THIS TYPE OF AGRICULTURE, IT IS TRYING TO MAINTAIN THE EXISTENCE OF SMALL PRODUCERS, WHO USE SUSTAINABLE METHODS, WHICH PRESERVE LOCAL ECOSYSTEMS.
**HOW DO I GET NATURLAND CERTIFIED?**

1. Exchange of information: Naturland provides detailed technical and formal information concerning certification. The interested organisation/farm then applies.

2. Pre-evaluation visit: to get an initial impression of the situation, and then with all the stakeholders to discuss and implement an action plan to achieve certification.

3. Inspection: Naturland uses an independent certification organisation to carry out the inspection of the organisation/farm.

4. Contracts: Naturland and the organisation/farm enter into a producer’s contract. The legal basis for use of the Naturland label is covered by a separate contract.

5. Certification: The certification committee decides on the admission and certification of new farms/organisations in consultation with existing members of Naturland.

**HOW MUCH DOES NATURLAND CERTIFICATION COST?**

- Costs of pre-evaluation: 500 euros/day
- Subscription: 500 euros/year
- Licence: 1% of turnover
- Costs of inspection to be paid immediately to the certification organisation (expenses around 500 euros/day). Normally, an inspection is required annually, plus one day to write the report. The annual costs of inspection are therefore about 1,000 – 1,500 euros in total.

**AN ALTERNATIVE FOR SMALL TRADITIONAL FISHERIES**

While MSC certification remains the yardstick for sustainable fishing (see page 34), the Naturland “sustainable fisheries” standard offers an alternative for small traditional fisheries. It also offers compliance with a number of social criteria associated with the ILO Conventions. Finally, it requires compliance with organic principles throughout the production chain, downstream of the fishery.

Several projects have been submitted recently; however, Naturland currently has only one certified fishery (cooperative fishing for Nile perch on Lake Victoria).

**Type of assessment:** third party.

**Methods:** analysis of the documentary system, pre-announced and random site visits, interviews with the internal and external stakeholders.

**Sector activities concerned:**

The whole production chain is covered by the inspection (laboratory/hatchery, origin of raw materials, food production, farms, processing, storage, export).

**Requirements:** Naturland has developed standards for agriculture, aquaculture, fishing, textiles, cosmetics, etc. which are available on the website.

**Room for manoeuvre:**
In the case of non-conformities, special conditions are defined and must be fulfilled within a set time. Certification can be granted where there are minor non-conformities, but not in the case of major ones.

**Improvement procedure:**
Yes, in order to fulfil the requirements. Training courses and seminars are regularly organised.
**IN BRIEF**

**Creation:** 1999.  
**Based at:** Geneva.  
**Origin/need:** PEFC made its first appearance during a period of denunciation of deforestation practices in the Amazon rainforest. Forests and wood have a fundamental role in the fight against climate change. It is necessary therefore to guarantee the sustainable origin of wood to consumers.  
**Sector:** forest management.  
**In Belgium:** timber (raw to finished) and wood by-products (paper, cardboard).  
**What is guaranteed:** forest management which is economically viable, respectful of the environment (regeneration, protection of biodiversity, water and soils) and socially beneficial (local employment, respect for indigenous populations and the rights of workers).  
**Stakeholders:** NGOs, consumers, trade unions, public authorities, businesses, experts.  
**Beneficiaries:** Independent producers, cooperatives, factories, businesses/brand holders.

**DID YOU KNOW?**

The Christmas tree that the Walloon Region of Belgium offered to Pope Benedict XVI in December 2009 came from a PEFC certified forest.  
For more information: [www.pefc.org](http://www.pefc.org)

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**CREATED IN EUROPE AT THE END OF THE 1990S, PEFC PROMOTES ITSELF TODAY AS THE LARGEST CERTIFICATION SYSTEM FOR GOOD FOREST MANAGEMENT IN THE WORLD IN TERMS OF SURFACE AREA.**

PEFC, Program for the Endorsement of Forest Certification Schemes, previously the Paneuropean Forest Council, is an independent not-for-profit NGO, founded in 1999.  
It was initially launched in 12 European countries (including Belgium) which were anxious to set up a certification system taking into account the special features of small forests, characteristic of European ecosystems. PEFC’s objective is the promotion of management which respects the environment, but which is also socially beneficial and economically viable.  
Its certification is based on recognition by PEFC International of each national certification system (as forests differ from one country to another). These 305 criteria are based on decisions taken at major international conferences on the environment, such as in Helsinki in 1993.  
With 225 million hectares of woodland certified throughout the world, PEFC has today gone significantly beyond the frontiers of the European Union, and is particularly well established in North and Central America (see p. 44). Based on voluntary membership, PEFC certification does not give guarantees on the quality of the wood purchased, but rather on the sustainable forestry methods, which have produced it.  
Alongside certification of the forest itself, PEFC provides certification of the “Control Chain”, issued to businesses active in the processing chain. If only one of these businesses does not have a certificate (or it has been withdrawn at the end of an annual inspection carried out by an independent organisation) the final product cannot bear the PEFC logo. In Belgium, 281,000 hectares of forests (exclusively in the Walloon region) were PEFC certified in 2009.
GUARANTEE SYSTEMS IN DETAIL

PEFC, DEVELOPMENT IN THE COUNTRIES OF THE SOUTH
Following recognition of the forest certification systems of Gabon (PAFC) and Malaysia (MTCS), PEFC is today taking its first steps on the African and Asian continents. Until now, PEFC has had a presence mainly in Europe and North America, but wood products coming from certified forests in Gabon and Malaysia will now be able to bear the PEFC label, the guarantee of sustainable forest management. “But the main challenges involve the sustainable management of tropical forests in the southern hemisphere, as these possess the assets needed to address the greatest challenges facing society, including climate change, deforestation, damage to forests and the maintenance of biodiversity throughout the world”, explains Ben Gunneberg, Secretary General of PEFC. The primary forests of Africa and Asia can now be certified using the PEFC system. “More than two-thirds of the surface area of Gabon is woodland and the country has a rainforest of great biodiversity. International recognition of the Gabonese scheme is a first in the Congo basin and is a step in the right direction”, says Gunneberg.

In Malaysia, 59.4 % of the country is forested (natural forests and plantations). This is 19.52 million hectares, of which 4.84 million hectares (Permanent Reserved Forests) are certified under the MTCS system.

PEFC was initially mainly present in Europe and North America. The label is now taking its first steps on the African and Asian continents.

Type of assessment: third party.
Methods: analysis of the documentary system, random site visits, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export, processing, distribution, public awareness.
Requirements: PEFC has different requirements for tropical and other types of forest. Available on the website.
Room for manoeuvre: A deadline is set for responding to the non-conformity. If the necessary actions are not carried out within the time allowed, the participant will be excluded.
Improvement procedure: Forest management is a long process and rotation (in broad-leaved trees) sometimes takes longer than a human generation. Changes must be made with care and this is why the system of continuous improvement is important.

PEFC is a programme for mutual recognition of national certification systems. So for each country, the procedures and costs are different.
- Gabonese Forest Certification Scheme (GFCS)
- Brazilian Program of Forest Certification (BPFC): www.inmetro.gov.br
- CERTFORCHILE Forest Certification Scheme: www.certfor.org

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RAINFOREST ALLIANCE: FOR INTELLIGENT FARMING

Born out of an environmentalist concern, Rainforest Alliance has progressively extended its social and economic requirements, working as much with small producers as with the giants of the farm produce sector.

Rainforest Alliance is an international NGO that was created at the end of the 1980s in response to the growing awareness in Latin America that the very rapid increase in banana growing, especially in Costa Rica, was contributing to deforestation. Moreover, due to the agricultural practices employed (use of fertilisers and phytosanitary products), this growth was harming the health of plantation workers, degrading soils and damaging biodiversity.

Since 1992, Rainforest Alliance has labelled various tropical products (coffee, tea, bananas, cocoa) with a historical emphasis on so-called “shade-grown” coffee, which is grown under a forest cover and less destructive than large monocultures. The label is granted to the produce of cooperatives or independent producers who meet criteria concerning working conditions, preservation of soils and the ecosystem, protection of species, and management of water and waste materials, etc. Rainforest Alliance does not rely on the principle of a guaranteed price to producers over the long term, nor on organic farming, but rather on integrated agricultural practices (minimising environmental impact).

The NGO collaborates as much with the large plantations as with traditional growers, essentially in Central and South America, but also in the Philippines, Kenya, Ethiopia, etc. In addition, the organisation provides the secretariat for the Sustainable Agriculture Network (SAN), a worldwide sustainable agriculture network which attaches great importance to the management of farming and which is the source of the criteria and indicators to be met to obtain Rainforest Alliance certification. Finally, Rainforest Alliance makes use of local independent auditors trained in audit procedures in accordance with ISO 65, and it is a member of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).

DID YOU KNOW?

Rainforest Alliance estimates it certifies 15% of the world production of bananas, 5% of tea and 2% of coffee. The NGO is forming partnerships with the giants in certain food processing sectors (Chiquita, Lipton, Nestlé), while progressively making itself accessible to small producers. Since 2003, Rainforest Alliance has also used its logo for certain sustainable tourism initiatives.

For more information: www.rainforest-alliance.org
HOW DO I GET RAINFOREST ALLIANCE CERTIFIED?

At the request of a farm manager, a multidisciplinary team of experts from Rainforest Alliance may carry out a pre-evaluation, in order to identify the strengths and weaknesses of the farm operation and the steps to be followed to achieve compliance with the standard. When the manager considers his operation ready to undergo an inspection, a team of specialists from Rainforest Alliance will assess its conformity with the criteria. The team will produce a report that will be evaluated by a committee of independent, external volunteer experts. Relying on this form of peer group evaluation and the recommendations of the inspection teams, Rainforest Alliance will issue its certification decision. In the case of failure, improvements may be made before resubmitting the application. Once conformity with the standard has been certified, the label can be used.

HOW MUCH DOES RAINFOREST ALLIANCE CERTIFICATION COST?

The producers pay the initial costs of certification plus annual expenses. Often foundations, exporters and buyers contribute to these charges. The costs are based on three factors:
- Size and location of the farm: A daily rate is specified to cover the costs of transport and logistics.
- Certified farms pay annual costs of 7.5 USD/ha for large and medium-sized operations and 5 USD for groups (cooperatives, associations of producers).
- Degree of conformity with the SAN standards: Relatively large investment may have to be made before obtaining Rainforest Alliance certification.

LOCAL ROOTS

Farming must contribute to the protection and conservation of the natural resources of local communities, participate in local economic development and share the costs of community infrastructures and resources. A compensation mechanism must be set up at local and national level.
UTZ, “GOOD” IN MAYAN LANGUAGE

IN BRIEF
Based at: Amsterdam.
Origin/need: A coffee producer from Guatemala and a Dutch coffee firm set up Utz Certified. Despite the integration of good social and environmental practices, their growing operation could not participate in fair trade, as it was too big.
Sector: agriculture (tea, coffee, cocoa).
In Belgium: coffee.
What is guaranteed: observance of the basic conventions of the ILO, education of children, soil management, responsible use of pesticides, water treatment, protection of primary forests and species under threat.
Stakeholders: NGOs, public authorities, experts, businesses, research institutes, producers.
Beneficiaries: independent producers, cooperatives, businesses/brand holders.

WELL ESTABLISHED IN THE SWISS AND DUTCH MARKETS, COFFEE LABELLED ‘UTZ CERTIFIED’ IS ALSO SOLD IN BELGIUM. ITS ORIGINATORS SEE THEMSELVES AS COMPLEMENTARY TO THE TRADITIONAL SYSTEMS OF FAIR TRADE CERTIFICATION.

Created in 1997, the Utz Certified certification programme was born out of the common desire of a Guatemalan coffee producer and a Dutch coffee roasting firm, Ahold Coffee Company, to provide better mutual knowledge between the operators in the commercial chain of the “little green beans”. The former owned a plantation that was considered too big to fall within the fair trade criteria. The latter estimated that only 5% of consumers, in the countries of the North, are actually ready to play an active role by making purchases of organic and/or fair trade products.

These two founders developed a set of requirements to which any coffee producer may subscribe: reasonable use of pesticides, controlled use of water and energy, protection of the rights of workers, safety in the workplace, access to healthcare for workers and their families, protection of biodiversity, etc. A particular emphasis is placed on traceability.

After certification by an independent organisation (IMO, Ecocert, etc.), coffee may bear the Utz Certified label. The requirements are based on, inter alia, the Conventions of the International Labour Organisation (ILO) and EurepGap (protocol for good agricultural practices in fruit and vegetables). Utz Certified sees its mission not so much as direct aid to the development of small communities but more as help to improve the professionalisation and competitiveness of producers, who are invited at the same time to increase their social and environmental responsibility. Utz Certified guarantees the payment of a (small) premium. This represents the added value of the product and therefore depends on production techniques, traceability, taste, etc.

Utz Certified has been a member of the Roundtable for Sustainable Palm Oil (RSPO, see p. 58) since 2008. The aim is to transpose the Utz Certified traceability system to palm oil certified by RSPO.

DID YOU KNOW?
In 2009, Utz Certified estimated it certified 10% of coffee sold in Belgium and 5% of world coffee production. For some years, Utz Certified has also been working on certification of cocoa, tea and palm oil.
For more information: www.utzcertified.org
HOW DO I GET CERTIFIED?

Afin de participer au programme Utz Certified, une organisation de producteur doit :
To participate in the Utz Certified programme, a producer organisation must:
- Register online on the Utz Certified website (or by fax, e-mail or letter).
- Carry out a self-assessment using the Utz Certified checklist.
- When the organisation is ready for certification, it contacts an independent certification organisation accredited by Utz Certified (see website).
- If the result of the audit is positive, the organisation will receive from Utz Certified:
  - Access to the commercial functions in the traceability system, and to the member portal (details of certified coffee traders and roasting firms, information on the premiums available).
  - Newsletter, updates and an individual web page.
  - An annual inspection is carried out subsequently.

HOW MUCH DOES CERTIFICATION COST?

The costs for the producers depend on the certification organisation that performs the audits, the size of the farm operation and the management system. Several types of organisation participate in the Utz Certified programme, so the costs of audits can vary between 500 and 4,500 USD. The costs of implementation (becoming compliant) depend on the same above-mentioned factors. Utz Certified is doing its utmost to diversify the certification organisations for each region. Competition will result in more competitive prices.

The first buyers of certified products pay the administrative costs of 0.012 USD/lb (in the case of coffee).

UTZ DOES NOT INTERFERE IN PRICING POLICY

The premium reflects the added value of certification, and the social and environmental investment made at production level. Utz Certified has established a pricing policy. This involves a process of consultation and negotiation between producers and buyers in order to agree on the amount of the premium, without interference from Utz Certified.

Type of assessment: third party.
Methods: analysis of the documentary system, pre-announced and random site visits, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export, processing, distribution, public awareness.
Requirements: Utz Certified has three sets of requirements: for coffee, tea and cocoa. There are also requirements for the production chain. They are available on the website.
Room for manoeuvre: The requirements include mandatory and additional control points.
Improvement procedure: Each year, additional control points are converted into mandatory ones. This allows organisations to comply progressively with the certification requirements and implement continuous improvement of their activity.
GUARANTEE SYSTEMS IN DETAIL

> COMMITMENTS BY ENTERPRISES
- The 4C Association: an approach for the coffee chain
- Business Social Compliance Initiative: improving social performance
- Ethical BioTrade: environmentally friendly sourcing
- The code of conduct of the Ethical Trading Initiative
- Fair Labor Association focuses on the work of sub-contractors
- Fair Wear Foundation: for a “clean” textiles industry
- Round table on the sustainable production of palm oil: limiting the impact on ecosystems
- SA8000: respecting human rights in the workplace
- STEP: comfortable... and fair carpets
- World Fair Trade Organisation: the custodian of fair trade values
THE 4C ASSOCIATION: AN APPROACH FOR THE COFFEE CHAIN

IN BRIEF
Creation: 2006
Based at: Geneva, with secretariat at Bonn, Germany.
Origin/need: In 2003, the German coffee industry and the German development cooperation initiated a multiparty process in order to define a code of conduct. This was aimed at setting up sustainable practices, both within the conventional coffee sector and through the institutional framework.
Sector: Coffee.
What is guaranteed: The exclusion of 10 unacceptable practices: child labour, forced labour, human trafficking, prohibition on trade unions, absence of drinking water, deforestation, use of certain pesticides, immoral dealings.
28 environmental, social and economic principles for continuous improvement.
Stakeholders: enterprises, NGOs, public authorities, trade unions, experts, coffee organisations in Africa, South America and Asia.
Beneficiaries: independent producers, cooperatives (members: coffee producers, coffee brand holders, general public).

THE 4C PROJECT IS A CODE OF CONDUCT DEVELOPED FOR THE COFFEE SECTOR. IT IS BASED ON THE OBSERVANCE OF 28 PRINCIPLES AND THE EXCLUSION OF 10 UNACCEPTABLE PRACTICES SUCH AS CHILD LABOUR. MEMBERS OF THIS MULTIPARTY INITIATIVE INCLUDE ALDI, KRAFT AND NESTLÉ.

The 4C project (Common Code for the Coffee Community), was initiated in 2003 by the German Coffee Association (DKV) and the German development cooperation, and brings together representatives of the coffee industry, producers, trade unions, NGOs, certification organisations and international institutions. Before its official establishment in 2006, this group finalised a code of conduct directly inspired by the UN Millennium Goals. It is designed to provide operators in the coffee marketing chain with sustainable livelihoods, with a social, environmental and economic dimension. This code is based on the following precepts:
- Coffee production can only be sustainable if it provides decent living and working conditions for the farmers, their families and their employees. This concept encompasses respect for human rights and working standards as well as a decent quality of life.
- Protection of the environment, for example primary forests, and the conservation of natural resources such as water, soil, biodiversity and energy are essential components of the sustainable production of coffee and its processing after harvest.
- Economic viability is the basis of social and environmental sustainability. It must be accompanied by fair incomes for all the operators in the coffee chain, free access to markets and sustainable livelihoods.

This system considers that encouraging sustainability in the green coffee sector is a productive, competitive and efficient way of improving the economic conditions of the individuals working in coffee growing, post-harvest processing and the marketing of coffee.

DID YOU KNOW?
The members of 4C potentially represent 50% of world coffee production.
For more information: www.4c-coffeeassociation.org
A TOOLBOX FOR PRODUCERS

The 4C Association offers a self-help approach to help producers improve their performance. Information, tools and training are available to producers to assist their social and environmental improvement initiatives. These global support services are based on a policy of local cooperation.

HOW CAN I GET THE 4C LICENCE?

1. Become a member of the 4C Association.
2. Obtain the information and documents (code of conduct, self-assessment pack, Business Partner Mapping etc.).
3. Become fully conversant with the self-assessment and apply for verification.
4. Organise the verification: opening meeting, preparatory audit, analysis of the documentary system, interviews, site visit, closing meeting.
5. Await evaluation: confirmation of the self-assessment (no exclusion and average “amber light” score over the 28 principles) or non-conformity.
6. Obtain the 4C coffee marketing licence from another member of 4C, or else agree on an improvement plan to obtain the required average score (see “Improvement procedure”, to the right).

HOW MUCH DOES PARTICIPATION IN 4C COST?

The 4C Association has developed a verification system that enables coffee production units to monitor and improve their compliance with the 4C code and to organise their independent audits carried out by third parties. The upstream producers do not have to bear these costs; they are covered by the annual costs of participation of the members. The costs depend on the position of the organisations in the production chain and on their size: The costs for the producers are the lowest while the costs for the industrial operators are the highest (e.g. for production of 500,000 x 60 kg bags of coffee, a producer will pay 9,000 euros, while the end buyer will pay 30,000 euros).

Type of assessment: internal inspections and third party.

Methods: analysis of the documentary system, pre-announced and random site visits, interviews with internal and external stakeholders.

Sector activities concerned: production, import/export, processing, distribution, public awareness, other.

Requirements: The code of conduct for the production, processing and marketing of coffee is available on the home page of www.4c-coffeeassociation.org or from the 4C secretariat.

Room for manoeuvre: A system of red, amber and green lights is in place for each of the 28 principles. Average of amber is required. No tolerance for unacceptable practices.

Improvement procedure: The whole 4C system is based on the principle of continuous improvement. Any sustainable principle that is not observed (red) must be balanced by one that is (green). The objective is to change from red to green (possibly via amber) for all 28 principles.
BUSINESS SOCIAL COMPLIANCE INITIATIVE: IMPROVING SOCIAL PERFORMANCE

SET UP BY A GROUP OF EUROPEAN TRADERS, MANUFACTURERS AND IMPORT COMPANIES, THE BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI) IS A QUALIFICATION AND AUDIT SYSTEM AIMED AT APPLYING SOCIAL STANDARDS TO SUB-CONTRACTORS.

In order to improve working conditions in the supplier chain, many businesses have created their own code of conduct. In 2002, with a view to harmonising and simplifying the system that was generating too many different audits in the production chain, a European traders association known as the Foreign Trade Association (FTA) set up a platform intended to create a code of conduct for trade retailers. In 2003, the discussions within working groups of businesses and trade associations culminated in the creation of the BSCI, based largely on the principles of SA8000 (see page 60) to the extent that this code focuses on observance of the standards of the ILO. It contains obligations such as compliance with national and international legislation, the right to freedom of association and collective bargaining, prohibition of discrimination, the obligation to pay, or exceed, the legal minimum wage – a difference from SA8000 which refers to a subsistence wage which is often higher in developing countries – as well as a ban on child labour and forced labour among others. The code also covers environmental issues, focusing on the management of waste, the handling and disposal of chemical products and other dangerous substances, and processing of emissions and effluents.

The audits are carried out by independent monitoring companies recognised by the BSCI, and are followed by a corrective action plan. Appointed experts or members of the BSCI help production factories identify the actions to be implemented. A second audit is carried out to measure progress made.

At the end of 2009, BSCI had 424 members including Esprit, Etam, Intersport, Lidl and The Cotton Group.

**DID YOU KNOW?**

A BSCI audit does not result in certification since it does not guarantee the full application of standards. The idea of the BSCI system is gradually to improve social performance, without requiring certification.

For more information: www.bsci-eu.org

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**IN BRIEF**

**Creation:** 2003.
**Based at:** Brussels.
**Origin/need:** Many businesses were advocating the establishment of a common platform and methodology for improving social performance in their production chain. Many of them already had a monitoring system but they were looking for synergies with other businesses.
**Sector:** agriculture, textiles, toys.
**In Belgium:** BSCI members selling their products in Belgium: Esprit, Aldi, Hema, Intersport, Lidl etc.
**What is guaranteed:** The member organisation participates in a process of developing social performance on the basis of the fundamental conventions of the ILO.
**Stakeholders:** NGOs, businesses, experts.
**Beneficiaries:** Independent producers, cooperatives, factories, businesses/brand holders, retailers.
HOW DO I BECOME A MEMBER OF BSCI?
Simply apply to BSCI to become a member, and thereby involve your production chain (suppliers). The only conditions: a minimum turnover of 500,000 euros and the location of suppliers in developing or emerging countries included in the BSCI list.

HOW MUCH DOES PARTICIPATION IN BSCI COST?
The costs of participation depend on turnover:
- Less than 20 million euros: 3,000 euros.
- Less than 500 million euros: 12,000 euros.
- Less than 5 billion euros: 24,000 euros.
- More than 5 billion euros: 30,000 euros.
This includes support and participation in the meetings of the Committee and its members, a newsletter and member area on the website.
The costs of inspection can vary from 600 to 800/900 euros per day per person. Three working days should be allowed for a factory of 500 workers. If the audit is completely positive, it will be valid for 3 years, otherwise there will be a review one year later. Travel costs are reimbursable on a case-by-case basis.
Normally the members bear the costs, but it can be the supplier factories, or a solution involving both.

BSCI: A STEP TOWARDS SA8000 CERTIFICATION
Simpler and less restrictive than SA8000, the BSCI code of conduct is regarded as a stage in obtaining SA8000 certification. Conversely, SA8000 is regarded as “best practice” in the BSCI process. There is also a gateway to SA8000. Three points are therefore very carefully checked: the sub-contractors, the system of collective bargaining and management practices.

Type of assessment: third party.
Methods: analysis of the documentary system, pre-announced site visits, interviews with workers and management.
Sector activities concerned: production.
Requirements: code of conduct available on the website.
Room for manoeuvre: The audits are scored 0 (non-compliant), 1 (improvements necessary) or 2 (compliant). One third of the suppliers must obtain a score of 1 or 2 within 3 years, 2/3 within 5.5 years. In the future, BSCI will change to 2/3 of suppliers obtaining a score of 1 or 2 within 3 years (in terms of volume).
Improvement procedure: Measurable and visible improvements must be observed on each audit.
ETHICAL BIOTRADE ENCOURAGES ENTERPRISES TO MOVE TOWARDS ‘RESPECTFUL’ SOURCING OF INGREDIENTS ORIGINATING IN INDIGENOUS BIODIVERSITY. THE AIM? TO ENCOURAGE THE FAIR SHARING OF BENEFITS WITH LOCAL PRODUCERS AND THE COMMUNITIES CONCERNED.

According to the Convention on Biological Diversity (CBD), a number of companies extracting the natural resources of certain regions are not aware of the need to provide compensation to the local communities, who are the custodians of traditional knowledge and biodiversity.

Based in Geneva, the Union for Ethical BioTrade is a young, not-for-profit organisation created in May 2007 with the support of UNCTAD (United Nations Conference on Trade and Development). Its mission: to promote ‘respectful’ sourcing (“Sourcing with Respect”). During their development, production and marketing phases, the member companies undertake to work in a sustainable way. This takes the form of respecting the traditional knowledge of the communities of the extraction regions, conservation of the local biodiversity and fair remuneration of all the operators involved in the production of these products. Observation of these rules avoids biopiracy - the use of local knowledge or biodiversity ingredients without compensation to the communities.

The association has three types of member: traders, affiliates and individuals. The first two can elect the management committee and approve the management of the organisation. For the moment, the majority of the members are active in the cosmetics and personal care industries.

DID YOU KNOW?

79% of consumers are prepared to boycott products marketed by businesses that show no concern for the environment and ethics! This is what emerges from a survey carried out as part of the International Year of Biodiversity 2010. The survey was based on three types of data: a study among 4,000 people in France, Germany, the United Kingdom and the United States, media coverage in these four countries, and analysis of the annual reports of the world’s 100 leading cosmetics companies (Bayer, L’Oréal, LVMH, Yves Rocher, Chanel, etc.).

For more information: www.ethicalBioTrade.org
HOW CAN I PARTICIPATE IN ETHICAL BIOTRADE?
When an aspiring member submits its application, it undertakes to comply with the principles of Ethical BioTrade. Once approved by the members’ committee, the candidate must undergo a third party audit, carried out by a recognised organisation, within 6 months. The audit allows verification of the candidate’s observance of the minimum criteria and confirmation of the absence of certain common practices with respect to the criteria and principles of Ethical BioTrade. After this stage, the candidate submits an action plan detailing the steps towards total compliance. Member status is granted when the audit report and the action plan have been approved.
There are currently (beginning of 2010) 23 members, including 12 in South America (in particular Colombia and Brazil), 6 in Europe, 3 in Africa and 2 in the United States.

HOW MUCH DOES PARTICIPATION IN ETHICAL BIOTRADE COST?
There are three types of cost:
1/ Membership costs (linked to turnover). For trading organisations:
   - Less than 1 million USD: 0.1% of turnover (minimum 50 USD).
   - 1 million – 100 million USD: 1,000 USD for the 1st million USD + 200 USD for each additional million USD.
   - More than 100 million USD: 22,000 USD for the 1st million USD + 200 USD for each additional 25 million USD (maximum 50,000 USD).
2/ Costs of third party inspections.
3/ Costs of implementing good practices.
The Union for Ethical BioTrade has a logo but there is no user rights attached to it. Technical expertise is offered free of charge or at a reduced price.

A COMPENSATION SYSTEM
This association ensures that local communities are respected and that they receive fair remuneration or compensation, to preserve biodiversity and the use of their traditional knowledge.
The prices cover the production costs and an adequate profit margin to support this compensation system.
THE ETHICAL TRADING INITIATIVE CODE OF CONDUCT

IN BRIEF
Based at: London.
Origin/need: In 1997, a group of businesses, trade unions and NGOs initiated discussions on the effectiveness of implementing codes of conduct. They identified the need for an organisation to establish consistent standards and guidelines for ethical trade.
Sector: All.
What is guaranteed: The member businesses adopted the code of conduct (drawn from the ILO conventions) in its entirety. They also signed the ETI implementation principles, which define the approach to be followed to put the code of conduct into practice.
Stakeholders: NGOs, businesses, trade unions.
Beneficiaries: factories, businesses/brand holders.

AMONG GUARANTEE SYSTEMS, ETI OCCUPIES A SPECIAL PLACE:
ESSENTIALLY “BRITISH”, BUT INFLUENCING PRODUCTION CHAINS
THROUGHOUT THE WORLD. ITS KEY OBJECTIVE: DECENT WORKING
CONDITIONS, NO MATTER WHAT THE TYPE OF ORGANISATION IS.

The Ethical Trading Initiative (ETI) system was set up in 1998 in the United Kingdom by businesses, NGOs and trade unions. Its main purpose was to ensure decent working conditions for workers in manufacturing industries. The creation of ETI has its origin in a single observation: In order to grow, ethical trade needs both the expertise of the business world and the capacity for mobilisation and innovation of NGOs and trade unions.

Set up as a not-for-profit organisation, ETI consists of more than 50 members from diverse industries such as food, shoes, clothing, furniture and even stone-work. No minimum size limit is imposed on businesses or associations wishing to become members. ETI encourages its members - mainly global retailers and their production chains- to ensure that they continuously improve working conditions and develop towards conformity with ETI’s code of conduct.

Drawing inspiration from the standards of the ILO, the ETI code contains 9 principles including a ban on forced labour and child labour, freedom of association and the right to collective bargaining, health and safety in the workplace, the payment of a living wage, the absence of discrimination of any kind, the absence of inhumane or degrading treatment.

All members of ETI must sign this code and agree to implement it throughout their production chain. ETI does not carry out audits itself, but its members are invited to submit annual reports, which are verified by the member trade unions and NGOs.

Finally, the activities of businesses belonging to ETI involve some 8.6 million workers throughout the world.

DID YOU KNOW ?
Is ETI too soft? In 2008, ETI launched a campaign encouraging British consumers to become “ethical nitpickers”, by asking precise and “difficult” questions to sales staff in fashion shops that were under attack for having too often neglected their ethical commitments concerning the working conditions of their suppliers.
For more information: www.ethicaltrade.org
HOW CAN I PARTICIPATE IN ETI?

ETI recommends approaching the secretariat of the ETI to make initial contact and to discover what the process involves. The secretariat will assess the ability of the business to commit itself and allocate the human and financial resources necessary to promote more ethical trade. If this is positive, an application pack will be offered.

The applications are evaluated four times a year by the Council of ETI. It is advisable to send an initial draft before the deadlines in order to make adjustments if necessary.

HOW MUCH DOES PARTICIPATION IN ETI COST?

Businesses wishing to join ETI pay a fee, which is proportional to their turnover (in pounds):
- Less than 20 million £: £2,000
- 20 - 100 million £: £2,000 - £6,000
- 100 - 1000 million £: £6,000 - £12,500
- 1000 - 3500 million £: £12,500 - £30,000
- More than 3500 million £: £30,000

Trade unions do not pay, but large NGOs contribute up to £ 5,000 (£50 for small NGOs which can also be financed by a participation fund).

AN ORGANISATION OF MEMBERS

ETI is not a certification or accreditation organisation but an organisation of members. Their suppliers (manufacturing enterprises or other operations) who employ the workers for whom the code of conduct is ultimately intended do not become members of ETI, and are not certified. However, certain suppliers have themselves audited independently on the basis of the code of conduct (thereby receiving a certificate evidencing their observance of the code). ETI itself does not impose this procedure.

Type of assessment: internal inspection (annual report).
Sector activities concerned: production, import/export, processing.
Requirements: The ETI code of conduct is available on the website.
Room for manoeuvre: Open, flexible system. If a business shows persistent signs of failing to meet its obligations, it will be subject to the disciplinary procedure. The ultimate sanction is expulsion from ETI.
Improvement procedure: The basis of the whole ETI system is continuous improvement. The members must sign the ETI code of conduct and implement it progressively throughout their production chain. The annual reporting framework allows the progress of the member enterprises to be monitored.
Evolving from a task force created by former US President Bill Clinton, the Fair Labor Association (FLA) was set up in 1999 on the initiative of a coalition of 200 disparate operators: textile and footwear manufacturers, trade unions, human rights NGOs, consumer organisations and universities. FLA normally works with the big brand holders in these two manufacturing sectors (Adidas, Nike, Puma, H&M, etc.), among whom it tries to promote respect for the rights of workers.

Special emphasis is placed on the working conditions of sub-contractors in countries as varied as Thailand, Pakistan, Bolivia and China. The FLA code of conduct was drawn up by a coalition of manufacturers, which initially only drew scepticism from NGOs which found them insufficiently demanding. It essentially aims at translating the standards of the International Labour Organisation (ILO) into contracts of employment: prohibition of forced labour and child labour, guarantees of health and safety, freedom of association and collective bargaining, a living wage, non-discrimination, etc. In addition to paying a registration fee, any business wishing to join the FLA must provide evidence of its willingness to undergo a social accountability programme and independent audits. To carry out these audits, FLA calls on 20 or so certification organisations established on all five continents. Every business adopting the FLA system must, above all, apply it to its suppliers and sub-contractors.
HOW CAN I PARTICIPATE IN THE FAIR LABOR ASSOCIATION?
Before becoming a member of the FLA, the business must submit a letter of undertaking and a monitoring plan defining the social systems to be set up. The decision on membership is made by the management committee, which meets three times a year. The businesses undertake to establish a clear code of conduct and ensure that it is implemented among their suppliers by setting up a monitoring system. These commitments are monitored by means of external assessments carried out by independent organisations accredited by the FLA (5% of the suppliers each year).

HOW MUCH DOES PARTICIPATION IN THE FAIR LABOR ASSOCIATION COST?
The costs of participation are exclusively borne by enterprises affiliated to the FLA and are of three types:
1. Annual costs of 0.00184% of turnover (with a minimum of 5,000 USD) payable to the FLA.
2. Monitoring costs of 4,000 USD for each supplier (the number of suppliers represents 5% of the total numbers involved in the process). This money is used to finance the costs of external inspection.
3. Administrative costs of 2,110 USD for each visit by an external inspector, payable to the FLA.

Type of assessment: third party.
Methods: analysis of the documentary system, pre-announced and random site visits, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export, processing, public awareness.
Requirements: FLA has a code of conduct, a document, which defines the obligations of the member businesses, and sector comparisons, all available on the Internet.
Room for manoeuvre: The FLA aims at the social improvement of suppliers, but this does not stop member businesses from complying with the requirements within their own organisation.

RANDOM EXTERNAL INSPECTIONS TO GIVE THE PROCESS CREDIBILITY
FLA starts from the assumption that the working conditions defined in the code of conduct are almost certainly not implemented by suppliers. Rather than using one-off audits to obtain immediate compliance with a code of conduct, FLA invites the suppliers to implement its programme. This is designed to implement a plan of continuous improvement and monitoring, by identifying basic key points. There is no guarantee therefore that social management systems are in existence at the time of affiliation. The process of developing competences is implemented in a participative manner, in close collaboration with the business. Unannounced external inspections give credibility to the process. Finally, a reporting system is intended to provide complete transparency.
FAIR WEAR FOUNDATION: FOR A “CLEAN” TEXTILE INDUSTRY

IN BRIEF

Creation: 1999.
Based at: Amsterdam.
Origin/need: After several years of campaigns against poor working conditions in the garment industry, the FWF code of conduct was drawn up, based on work already carried out by the Clean Clothes Campaign and the ICFTU (international umbrella organisation for trade unions).
Sector: textiles (clothing).
In Belgium: 3 Belgian members producing T-shirts and promotional clothing.
What is guaranteed: The members aim to respect 8 key points, such as freely chosen employment, the right to industrial action and association, minimum wage, regulated hours of work, health and safety of employees, no employment (hiring) discrimination, observance of contractual legal standards, no child labour.
Stakeholders: businesses, NGOs, trade unions, experts.
Beneficiaries: Independent producers, factories, businesses/brand holders.

THE MISSION OF THE FAIR WEAR FOUNDATION IS TO IMPROVE WORKING CONDITIONS WITHIN THE TEXTILE INDUSTRY. IT COLLABORATES WITH ITS MEMBER ENTERPRISES AND ENSURES THEY IMPROVE THEIR EFFORTS TO PROVIDE BETTER WORKING CONDITIONS.

The textile industry is one of the sectors in which non-compliance with employment regulations, in particular concerning child labour and the flouting of certain human rights, is widespread. The Fair Wear Foundation intends to combat this problem by offering a programme to businesses which can prove their willingness to observe its employment code, which itself incorporates the principles of the international labour standards promulgated by the ILO and the Declaration of Human Rights. Key points are the absence of employment (hiring) discrimination, compliance with contractual legal standards and prohibition of child labour.

Due to the special features of each organisation (complexity of the production chains, location and size of the business, initial situation), FWF is deliberately opting for a programme to improve working conditions. Each member enterprise is required progressively to integrate all its suppliers into the process.

DID YOU KNOW?
The fact that a business is participating in the Fair Wear programme does not mean that its products are “100% fair”, simply that it is making sufficient effort and achieving sufficient progress in implementing the FWF employment code.
For more information: http://fairwear.org

Each member enterprise is required progressively to integrate all its suppliers into the process.
Fair Wear is not only a monitoring organisation. It helps its members to incorporate the FWF employment code into their practices.

**HOW CAN I PARTICIPATE IN FAIR WEAR?**
The member business carries out an audit each year under the supervision of FWF. The following year, a report on the effectiveness of these measures is produced.

FWF verifies that the member business has carried out the working plan necessary for implementation of the code of conduct, by training audit teams and carrying out external inspections. The resulting reports are published on the websites of the business. FWF checks these reports and also publishes its own report on the activities of the business.

**HOW MUCH DOES PARTICIPATION IN FAIR WEAR COST?**
The costs of participation are calculated on the basis of the annual turnover of the member organisation.

- 0 - 5 million euros: 3,000 euros
- 25 - 30 million euros: 5,500 euros
- 70 - 80 million euros: 10,500 euros
- 250 - 300 million euros: 32,500 euros
- 750 - 1,000 million euros: 78,000 euros

These include the costs of FWF verification and a range of other services. FWF is not just an inspection organisation. It also plays a consultancy role, by assisting businesses to integrate the employment code into their practices while informing them on local legislation, regulations and an employment culture that respects human rights.

**A DETAILED WORKING PLAN**

- A register of suppliers: The business must notify its suppliers and employees about the programme it is undertaking.
- Performance of the audit and the possible implementation of corrective actions.
- The documents relating to internal organisation and the training provided by the business.
- 1st year of membership, 40% of the supplier base must be verified, the business becomes a member of the Foundation and remains so providing the inspections carried out by FWF are positive (60% of the chain inspected during the 2nd year, then the whole chain).

Type of assessment: internal inspections for the members and their suppliers. Second party inspections carried out by FWF on these suppliers.

Methods: analysis of the documentary system, pre-announced site visits, interviews with internal and external stakeholders and analysis of their complaints, regional studies.

Sector activities concerned: the clothing and garments industry, public awareness.

Requirements: The Fair Wear employment code is based on recognised international standards and was drawn up following multiparty negotiations.

Room for manoeuvre: It is not expected that all the criteria associated with the management system will be met immediately. A non-conformity with the employment code will not result in expulsion of the organisation unless it refuses to carry out the necessary improvements despite the submission of corrective action plans.

Improvement procedure: All Fair Wear processes are based on a policy of improvement. The member businesses must show sufficient effort in bringing their working conditions up to the level of the FWF code.
In 2002, discussions started between the leading players in the sector to reduce the adverse effect of this cultivation on ecosystems, culminating in 2004 in the creation of the RSPO (Roundtable on Sustainable Palm Oil), which brought together palm tree planters, producers and distributors of palm oil, retailers, banks, investors, nature protection organisations like the WWF, and development organisations. Its aim was to promote sustainable methods of palm oil production. The RSPO led to the creation of a certification process, whose criteria were developed jointly with the WWF. The criteria are both environmental and social. They are intended for example to protect biodiversity, in particular through the minimum use of chemical products, and to ensure respect for human rights, including respect for the territorial rights of local populations and of freedom of association. The audit and certification are carried out by independent organisations approved by the RSPO.

Both RSPO and the certification organisations accredited by it have a strict policy of transparency. All the documents are publicly consultable (certification requirements, minutes of meetings, certification reports, etc.).
HOW DO I GET RSPO CERTIFIED?
Organisations wishing to become members of the RSPO are invited to obtain the Code of Conduct (principles and criteria), sign it and submit their application to the Secretariat.

The inspection procedure is divided into two sections:
- Planning of the audit, logistics, analysis of the documentary system, legal conformity, analysis of the reactions of the stakeholders.
- Site audit, visit to the plantation (operation), the processing unit and local communities.

To make a link between the plantations and the downstream operators in the production chain, a traceability system has been set up. It is the system developed by Utz Certified (see page 42), which monitors the traceability of the RSPO certified palm oil.

HOW MUCH DOES RSPO CERTIFICATION COST?
The inspections cost from 0.5 to 2 USD/hectare.
The annual membership fees are 2,000 euros for ordinary members and 500 euros for small operators (250 euros for affiliated members, 100 euros for associate members).

DEVELOPMENTS IN AFRICA AND SOUTH AMERICA
Although RSPO certified palm oil currently only comes from Asia (Malaysia, Indonesia and Papua New Guinea), there are developments in Africa and South America. National initiatives in Colombia, Ghana, the Solomon Isles, Thailand and Brazil should soon result in RSPO certified palm oil.

The first certifications of plantations took place in 2008 in Malaysia, the second biggest producer of palm oil in the world after Indonesia.

Type of assessment: third party.
Methods: analysis of the documentary system, pre-announced site visits, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export.
Requirements: There is a set of requirements for palm oil plantations and for the downstream economic operators (available on the website).
Room for manoeuvre: Each criterion consists of a series of indicators.
Improvement procedure: Operators are required to develop action plans to initiate a programme of continuous improvement within their activities.
The aim of the SA8000 standard is the improvement of working conditions within enterprises and in particular within the supply chain. It is one of the most demanding certification systems.

The SA8000 standard was created in 1997 on the initiative of Social Accountability International (SAI), a not-for-profit association. This code offers certification based on compliance with the ten basic ILO conventions on child labour, forced labour, freedom of association, health and safety, right to collective bargaining, absence of discrimination, disciplinary measures, working hours, remuneration and relations with suppliers.

Its first original feature is that it was developed in consultation with NGOs, trade unions and businesses. The second is that it is one of the most demanding certification systems concerning working conditions in the developing countries. The standards to be met are considered particularly high regarding remuneration – it is the living wage, which is taken into consideration and not the minimum salary of the country – and freedom of association.

Today manufacturing production (clothing, toys, shoes) and retail sites form the majority of the sites certified. The SA8000 standard is applicable to businesses of different sizes, in different sectors and different countries. It is the production sites that are audited and certified. The verification is external and independent. As at 30 June 2009, 2010 production sites were SA8000 certified, representing 64 countries and 66 businesses. The number of employees affected by certification is 1,119,145. With 875 production sites certified, Italy leads the way, followed by India (396), China (231), Brazil (97) and Pakistan (87).

DID YOU KNOW?

It is puzzling to see that China, a country where freedom of association is not permitted, is in third place in the number of certifications. For countries affected by the absence of freedom of association, SA8000 encourages communication between employees and management as well as development.

For more information: www.sa-intl.org
HOW DO I GET SA8000 CERTIFIED?
A business wishing to obtain SA8000 certification should submit its application to an independent certifying organisation accredited by SAAS (Social Accountability Accreditation Services). A list of these can be found at www.saasaccreditation.org.

The certifying organisation visits the applicant organisation to assess the approach to be taken to achieve conformity with the standard. Once the improvements necessary to obtain the SA8000 certificate have been made, the certification process can begin. The certification is valid for 3 years, during which a number of monitoring audits will be carried out to ensure continuous improvement on the part of the organisation. The certification procedure can last from a few months to several years.

HOW MUCH DOES SA8000 CERTIFICATION COST?
A business wishing to become SA8000 certified pays for the audits carried out by an independent certification organisation. The cost depends on:
- The number of days necessary to prepare and carry out the audit: size of the business, number of employees, number of buildings, geographical distance, inherent risks of the activity, and the scope defined. The presence of other management system certificates may reduce the duration of the audit.
- Costs billed by the certification organisation, which can vary according to the geographical region (adaptation to ability to pay). A man/day rate may vary from 250 euros in India and Pakistan/Bangladesh to more than 1,000 euros in Western Europe (average about 975 euros man/day). Who pays? The business being certified, as it is a voluntary undertaking on its part.
- Investment to be made to ensure conformity with the standard. SAI offers sliding scales of costs for annual participation in the SA8000 programme according to turnover:
  - 0-100 million USD: 12,000 USD
  - Less than 1 billion USD: 22,000 USD
  - Less than 10 billion USD: 60,000 USD
  - More than 10 billion USD: 77,000 USD

These costs cover: training (managers, suppliers, employees), the technical assistance to implement SA8000, access to a shared database of suppliers, the right to use the SAI and SA8000 logos in communications between the business and stakeholders. The logo may not be used for products.

Type of assessment: third party evaluations.
Methods: analysis of the documentary system, pre-announced and random site visits, interviews with internal and external stakeholders.
Sector activities concerned: production, import/export, processing, distribution, public awareness.
Requirements: The SA8000 standard can be downloaded from the Internet site.
Room for manoeuvre: All elements of the SA8000 standard must be complied with.
Improvement procedure: Continuous improvement is ensured by means of monitoring audits.
LABEL STEP is an international NGO that originated in Switzerland. It specialises in the labelling of enterprises marketing handmade carpets. It was initially created to improve working and living conditions and to prevent child labour abuses.

Label STEP was set up in Switzerland in 1995, in response to critical public debate on the conditions of child labour associated with the manual production of carpets. The instigators of this label were several NGOs, the carpet trade union, the Swiss Ministries for the Economy and for Cooperation.

The objective of Label STEP, which was established in the form of a foundation, is to ensure that the production and marketing of handmade carpets is carried out in a fair manner.

The guarantee covers the whole sector, from the raw material to wholesalers and retailers in the countries of the North. The two latter links in the chain must undertake to meet the social (ILO conventions) and environmental criteria in all their activities and sourcing circuits, which are subject to traceability guarantees.

The requirements include the payment of a fair price, a fair or “living” wage, based on the criteria of the Ethical Trade Initiative organisation (see p. 52) (amount reviewed regularly), the fight against abusive child labour (a criterion that is difficult to establish as, in certain countries – in particular India, Pakistan and Afghanistan - children work mainly at home in a very informal and disorganised manner), the minimal use – or elimination – of solvents and toxic colorants, decent working conditions (space, light, air quality, etc.), etc.

Each enterprise in the North pays an annual contribution. These funds are paid to the STEP Foundation, which entrusts development programmes (education, training, etc.) to NGOs, government agencies and trade unions. On 1 January 2007, this label became a separate unit of the Swiss Max Havelaar Foundation.
HOW CAN I PARTICIPATE IN THE LABEL STEP PROGRAMME?
The process begins in the countries of the North, with the membership of retailers and/or wholesalers/importers in Label STEP (transmission of confidential accounting and commercial data). They then receive the right to use the label. The undertaking is submitted to the producer followed by the development of a set of requirements specific to the producer, with its help and help of stakeholders and the business in the North. The team from Label STEP then works on the traceability of the products (identification of production zones and/or the producer by the local facilitation team). Local STEP representatives make inspection visits. These visits result in detailed reports, which are discussed with all the interested parties. The commercial partners in the North are inspected by independent organisations (list of suppliers, volumes of purchases and sales). The head office annually examines the dossiers of the retailers and/or wholesalers, including the reports of the local facilitation teams, and validates award or withdrawal of the label.

HOW MUCH DOES THIS PARTICIPATION COST?
A STEP licensee pays a lump-sum fee and an amount based on the number of square metres bought or sold by its company. The costs associated with the operation of the system and the local teams are paid out of the membership fees. Certain development programmes in the countries of the South are partly paid for by groups of retailers and/or wholesalers in the North and/or Swiss government and international funding.

EMPHASIS ON WAGES
In all the carpet-producing regions Label STEP verifies the wages necessary for carpet weavers to support themselves and their families. Calculation of this remuneration, known as the Living Wage, is based on the code of the Ethical Trading Initiative organisation (ETI). It takes into account expenditure on food, health, accommodation, clothing, education and savings. The Living Wage is recalculated regularly according to changes in current local market prices. In regions where the market wages paid do not yet match the Living Wage, they must be progressively increased.
WORLD FAIR TRADE ORGANIZATION: THE CUSTODIAN OF FAIR TRADE VALUES

IN BRIEF
Based at: Culemborg, the Netherlands.
Origin/need: Born out of the desire of fair trade organisations in the United States and Europe to unite behind the artisans and small producers of the countries of the South. The creation of this global network was a response to growing poverty and environmental destruction throughout the world, caused by the unjust commercial system.
Sector: agriculture, craft industries, textiles.
In Belgium: craft industries, foodstuffs and textiles (via the Oxfam-Magasins du Monde network, in particular).
What is guaranteed: 10 fair trade principles throughout the whole production chain (wages, prices, etc.), protection of the environment and biodiversity, product quality, development of local skills, access to the market, respect for and public awareness of human rights.
Stakeholders: businesses, consumers, experts, NGOs, members (including producers).
Beneficiaries: Independent producers, cooperatives, factories, businesses/brand holders, communities of producers.

THE WFTO IS AN INTERNATIONAL ORGANISATION OF 350 ASSOCIATIONS WORKING IN THE FAIR TRADE MOVEMENT. WITH A PRESENCE IN 70 COUNTRIES, THE WFTO HELPS SMALL MEMBER PRODUCERS OUT OF FINANCIAL INSECURITY.

The goal of the WFTO (formerly IFAT) is to help small producers improve their living standards by committing themselves 100% to fair trade. More than 110 million farmers, growers and artisans have adopted this model and generate revenues of some 2.2 billion dollars.

They are distributed over 70 countries, on the different continents (Africa, Asia, Europe, Latin America, North America and the Pacific). The WFTO has 5 regional offices (COFTA in Africa, WFTO Asia, WFTO LA in Latin America, WFTO Pacific and WFTO Europe), which support their members in obtaining access to markets, legal assistance and marketing tools. The global network represents the fair trade chain in its entirety, from production to sale. To be a member of the WFTO, the candidate enterprise must already have chosen to operate within the rules of fair trade and prove that sales of fair trade products constitutes at least 50% of its total turnover. Organisations that promote and support fair trade, academics, writers, journalists and other personalities who bring skills or support to the sector may also be members.

The WFTO does not just offer support and tools to its members, it also positions itself as an organisation that advocates fair trade growth throughout the world. In other words, it is a platform that brings together small producers and all the operators working for the promotion or development of fair trade.

DID YOU KNOW?
Sometimes, it can be difficult to calculate a minimum price, especially in the crafts sector. There is a “Fair Wage Guide” for calculating a fair price based on a fair remuneration of artisans.
For more information: www.wfto.com and www.fairtradecalculator.com
HOW CAN I BECOME A MEMBER OF WFTO?
Completion of a self-assessment report (SAR): The SAR is an internal audit tool which provides a detailed overall view of the practices employed by the organisation and of its involvement in fair trade. It is a report based on 10 principles. The members are required to provide documentation to support their self-assessment (invoices, annual reports, policies, strategy, action plan).
Review and feedback: The monitoring department of the WFTO reviews all the SARs. Its feedback helps the members (often small producers) to understand the expectations and actions necessary for membership. The feedback also provides quality and consistency throughout the monitoring process.
Approval: The SAR and the feedback are submitted to external associate readers who have monitoring expertise in the fair trade sector. They return the documentation and grade each member on the basis of the 10 principles (There is a minimum score).

HOW MUCH DOES PARTICIPATION IN WFTO COST?
> An annual subscription
- Fair trade organisations / member commercial operators.
  For turnover:
  - Less than 100,000 euros → annual subscription of 250 euros.
  - Between 100,000 euros and 1,000,000 euros → 0.25% of turnover
  - More than 1,000,000 euros → 2,500 euros + 200 euros for each additional million.
For members / organisations in countries of the South, the subscription has a ceiling of 1,500 euros. In the North, the ceiling is 7,500 euros.
- Fair trade networks: annual subscription of 250 euros.
- Fair trade support organisation: 750 euros or 1,250 euros according to turnover
- Associates: 100 euros for individuals, 35 euros for students and unemployed, 750 euros or 1,250 euros (according to turnover) for organisations with incomes.

> Monitoring fees (annually for all members except associates): from 25 euros to 1,000 euros according to turnover.

“TIGHTENING THE SCREWS” PLANNED FOR END OF 2010
WFTO is currently developing an integrated certification system known as the “Sustainable Fair Trade Management System (SFTMS)”, which should be released at the end of 2010. It is based on the good practices of ISEAL, of which WFTO has been a member since 2008. Among other things, it will deal with the environmental impact of production methods and will involve producers in an effective process of continuous improvement. The SFTMS will allow WFTO to reach operators who have no access to the traditional channels of fair trade while retaining its organisational approach.

Type of assessment: self-assessment relating to fair trade standards, mutual examination between commercial partners, external verification in the event of complaint.
Methods: analysis of the documentary system, random site visits, interviews with internal and external stakeholders.
Sector activities concerned: all stages of the production chain.
Requirements: Consist of 10 principles, accessible on the Internet site. The SFTMS (Sustainable Fair Trade Management System) is in course of preparation.
Room for manoeuvre: no tolerance concerning non-respect of the 10 principles.
Improvement procedure: Continuous improvement exists via review of the weak points of the standards achieved every two years.
A GLOBAL VIEW

> SUSTAINABLE TRADE THROUGHOUT THE WORLD

> WHICH CRITERIA FOR WHICH SYSTEMS?
A GLOBAL VIEW

SUSTAINABLE TRADE THROUGHOUT THE WORLD: ZONES OF INFLUENCE OF THE GUARANTEE SYSTEMS

FAMILY OF LABELS

<table>
<thead>
<tr>
<th>Label</th>
<th>Hectares certified</th>
<th>Certifications issued</th>
<th>Producers involved</th>
<th>Production certified</th>
<th>Farms certified</th>
<th>Certification issued</th>
</tr>
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<tbody>
<tr>
<td>Agriculture Bio</td>
<td>20%</td>
<td>46%</td>
<td>24%</td>
<td>7%</td>
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</tr>
<tr>
<td>Ecolabel</td>
<td></td>
<td>98%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFT (Ecocert)</td>
<td>35%</td>
<td>30%</td>
<td>30%</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair for Life (IMO)</td>
<td>50%</td>
<td>10%</td>
<td>30%</td>
<td>5%, 5%</td>
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<td></td>
</tr>
<tr>
<td>Fairwild</td>
<td>25%</td>
<td>25%</td>
<td></td>
<td>50%</td>
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<tr>
<td>FSC</td>
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<td>46%</td>
<td>34%</td>
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<td></td>
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<tr>
<td>Goodwoven (Rugmark)</td>
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<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max Havelaar (FLO)</td>
<td>31%</td>
<td>67%</td>
<td>12%</td>
<td></td>
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</tr>
<tr>
<td>MSC</td>
<td>5%</td>
<td>10%</td>
<td>45%</td>
<td>34%</td>
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</tr>
<tr>
<td>Naturland</td>
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<td>60%</td>
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<td>23%</td>
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<td>71%</td>
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<td>Rainforest Alliance</td>
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<td>41%</td>
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</tr>
<tr>
<td>Utz certified</td>
<td>13%</td>
<td>78%</td>
<td>9%</td>
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</tr>
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</table>
FAMILY OF COMMITMENTS BY ENTERPRISES

This graph shows the geographical cover of the guarantee systems mentioned in this brochure. For each system, a representative indicator has been chosen. This indicator is mentioned below the name of the system. For example, it may be the number of hectares certified (organic farming, FSC, PEFC), or the number of production sites certified (BSCI, Fair Labor, Fair Wear, STEP).

What can we learn? That certain practices are more widespread in countries of the North than in those of the South – as with the PEFC, FSC, MSC labels and even Ecolabel, all more than 80% present in the northern hemisphere – while others are mostly used in the South, which is the case of the family of business commitments, whose presence is very marked in Asia.

The data for ETI (Ethical Trading Initiative) are not available. Percentages of less than 3% are not shown.
## A Global View

### Environmental

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Organic Farming</th>
<th>Ecolabel</th>
<th>EFT (ECOCERT)</th>
<th>Fair for Life (IMO)</th>
<th>FAIR WILD</th>
<th>FSC</th>
<th>Bodycare/ RUBAMAR</th>
<th>MAX FANELAIR (FLO)</th>
<th>MSC</th>
<th>NARUTLAND</th>
<th>PEF</th>
<th>Rainforest Alliance</th>
<th>UTZ Certified</th>
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<td>Energy management</td>
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<td>●</td>
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<tr>
<td>Soil management</td>
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<tr>
<td>Management of waste materials</td>
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<td>●</td>
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</tr>
<tr>
<td>Biodiversity management</td>
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<td>●</td>
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<td>Transport management</td>
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### Social

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<tr>
<th>Criteria</th>
<th>Organic Farming</th>
<th>Ecolabel</th>
<th>EFT (ECOCERT)</th>
<th>Fair for Life (IMO)</th>
<th>FAIR WILD</th>
<th>FSC</th>
<th>Bodycare/ RUBAMAR</th>
<th>MAX FANELAIR (FLO)</th>
<th>MSC</th>
<th>NARUTLAND</th>
<th>PEF</th>
<th>Rainforest Alliance</th>
<th>UTZ Certified</th>
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<tbody>
<tr>
<td>Prohibition of forced labour</td>
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<td>●</td>
<td>○</td>
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<th>Bodycare/ RUBAMAR</th>
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* The remuneration guarantee varies according to the system. Some provide a “fair” wage, with a discretionary income (EFT, Fair for Life, Fair Wild, FSC, GoodWeave, Max Havelaar (FLO), BSCI, ETI, Fair Wear, RSPO, SA8000, STEP, WFTO). Referred to as a “living wage” by English speakers, it varies from one region to another and is calculated relative to the cost of living (basket of household goods). Other systems simply guarantee compliance with legal indices, without examining their correlation with the “fairness” of the amount paid. More precise information on this key point can be found in the respective sheets for the guarantee systems.
During the research carried out for this brochure, each of the guarantee systems studied was contacted in person. The following data results from these contacts. A bullet in a column means that the system pays attention to the subject in question: For example, concerning GMOs, the presence of a bullet means that measures have been implemented against the use of GMOs.

One comment: Certain systems have a more environmental approach, and do not therefore have a major presence in the social domain. This is the case in particular with organic farming and Ecolabel. Conversely, systems such as BSCI, ETI, Fair Labor, Fair Wear, SA8000, STEP and GoodWeave clearly have a social approach.

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** Financial security sometimes takes the form of setting a guaranteed minimum price (essentially for raw materials), sometimes the payment of a premium over the market price (considered to reflect the superior quality of the product) and/or through contractual clauses relating to the duration of partnership (long-term), easy access to prefinancing, etc. These factors have a strong correlation with the criterion of “remuneration”: A correct price implies a “fair” remuneration. More precise information on these key points can be found in the respective sheets for the guarantee systems.
THE EVIDENCE

> WE HEAR FROM OPERATORS ON THE GROUND
ORGANIC, FAIR AND SUSTAINABLE, IN PERU

CEPICAFE, WHICH FORMS PART OF THE NORANDINO COOPERATIVE, WAS SET UP IN 1995. ORIGINALLY CONSISTING OF 400 COFFEE PRODUCERS, IT NOW NUMBERS 7000, IN 90 PRIMARY ORGANISATIONS, LOCATED IN THE REGIONS OF PIURA AND NOR-ORIENTE IN PERU.

Two million Peruvians depend on coffee production. 90% of the producing families own a plot of land of between 0.5 and 10 hectares. Today, Peru has become the world’s leading producer of organic fair trade coffee. Interview with Santiago Paz Lopez, joint manager of Cepicafe.

What is the background to coffee production in Peru?
We began our activities in a difficult environment. Piura is not a major production area in Peru. Before 1990, middlemen profited from the lack of organisation of the peasant farmers, paying them very low prices for coffee that was not of the best quality. Fair trade was therefore an opportunity for small growers, as it allowed them to improve their working conditions and to receive a guaranteed minimum price and prefinancing, and gave them access to international markets. In addition, importers operating in accordance with the rules of fair trade are generally more flexible than those in the conventional market. For small farmers facing this situation for the first time, it is easier, as their mistakes, especially in administration and procurement, are judged less severely. Today, the country exports 1,050 million quintals of coffee, with strong growth since 2004-2005.

Belgium is the third biggest European importer of Peruvian coffee after Germany and the UK.

Which certifications have you chosen and why?
From the start, we opted for organic certification, which in my view fully complements fair trade certification. We also have Rainforest certification, which was a requirement for the UK market. Since 1997, we have also been working with FLO certification.

In the beginning it wasn’t too complicated, but over the years it has become a bit more complex and the requirements are not always easy to satisfy given the situation on the ground. There are a lot of documents to fill in for small producers who are not used to dealing with so many administrative procedures. Often, their documents are not filled in properly. A second problem that does not take into account everyday realities is child labour. Here, it is normal for children to help their parents in the plantations; it forms part of their education and training, alongside school education. The parents are teaching their children their future
work. And when they say this in the documents they have to hand in during inspections, they receive a warning. But that's the reality in Peru ...
Fair trade also requires the organisation to have a trade union. But from our point of view, this is only useful in a conventional business - in an organisation of producers it doesn't make sense, as the owners and the trade union members would be the same people. So it isn't a priority...

**How much does certification cost?** FLO certification costs about 15,000 USD. It is paid by Cepicafe. Rainforest costs 8,000 USD. It is less demanding than organic and fair trade certification, but it has brought about fewer changes for us.

**What were the major changes you saw after certification?** Initially, we were producing "dried coffee", which is the traditional product of Peru. It is a strong coffee, containing a lot of caffeine. For the overseas market, we have started producing "washed coffee", which is milder and of better quality.

In more general terms, we have seen great economic, social and political changes. Small producers don't normally have an important place in the world. Pooling our resources has empowered us. We are now an economic group of a certain size recognised by the government as a key player in development, due largely to our exporting capacity. On the other hand, we get pressure from the market because we apply minimum prices. You could say that growth also has its problems ...
LES SECTEURS QUI BOUGENT

FLO (MAX HAVELAAR)
IN VIETNAM

DOMINIC SMITH IS AN AGRICULTURAL ECONOMIC ADVISER WITH MDI, A VIETNAMESE COMPANY SPECIALISING IN THE PRODUCTION, PROCESSING AND EXPORT OF TEA, COFFEE AND CASHEW NUTS TO SOUTH EAST ASIA AND EUROPE. AT THE END OF 2009, IN BRUSSELS, MDI RECEIVED FROM THE TRADE FOR DEVELOPMENT CENTRE (BTC) THE “BE FAIR AWARD”, FOR THE BEST SOUTH-SOUTH FAIR TRADE ORGANISATION. INTERVIEW.

Why did your company choose the fair trade route?
It's an option we have favoured ever since the creation of MDI in 2007. We are neither an NGO, nor a charitable organisation - we are a completely private Vietnamese company. From the start, we wanted to set up, with our target population – a thousand farming families belonging to various ethnic minority groups in Vietnam – a form of sustainable development.

It wasn’t just a case of turning up and saying: “You are poor, here is some money”: We wanted to give them technical assistance to strengthen their social fabric and their participation in commercial activities.

Why did you choose the FLO label?
There are several fair trade labels with a presence in Vietnam. But FLO appeared to be the most suitable label for our products, which are not fruit juice and craft products. We knew that our whole way of working fell within the concept of fair trade, but we needed to be labelled “ethical” in the eyes of the world. It’s a question of public awareness and recognition. We want anyone finding us on the Web to know that MDI has been Max Havelaar certified in a totally independent manner.

How did certification go?
In the first year, these growers - mostly women - passed the certification test with flying colours. They didn’t miss a single document, not one detail in the application file! But this process of education – on keeping accounts, on the traceability of goods, etc. - was particularly difficult. It is well known that the FLO headquarters are in Germany: They are run by precise, scrupulous people. For the credibility of the system, this is an excellent thing. But their certification standards were really designed for co-operatives in South America, employing thousands of people – who were poor, yes, but occupying coffee plantations of several hectares.

In Asia, it's different. It doesn't make sense to apply the same certification standards to small groups of women, speaking neither English or Spanish (not even Vietnamese!), working on plots of 1000 to 2000 square metres and, what is more, in a communist country. One example: FLO once asked us for an e-mail address. But these women don’t even have access to electricity! For very poor and marginalised populations, there should be a more specialised and progressive certification process.

What is the cost of certification for MDI?
FLO costs us 1400 euros a year. This is a huge cost, bearing in mind that the average annual income of each family is only 200 euros. But we have been lucky because, for small groups of producers with no money, FLO has a special fund that pays 75% of the costs for three years. This is absolutely invaluable to us! For the first year, MDI paid out of pocket. Then, during the next two years, each kilo of goods sold was subject to a very small deduction by MDI, which was a form of repayment by the women growers. It's still too early to say, but I think the sale price of our goods should increase after three years. As regards the additional cost associated with “fair trade” certification, this should be negligible for the end buyer.

www.mdivietnam.com
CERTIFICATIONS - FLO, UTZ CERTIFIED
THE “MOUNTAINS OF THE MOON” ESTATE IN THE DEMOCRATIC REPUBLIC OF THE CONGO

“DOMAINE MONTS DE LA LUNE” (DML) IS A PRIVATE LIMITED LIABILITY COMPANY ESTABLISHED IN NORTHERN KIVU IN THE EAST OF THE DEMOCRATIC REPUBLIC OF THE CONGO (DRC). IN 2005, IN CO-OPERATION WITH ITS PARENT COMPANY “GOURMET GARDENS” (UGANDA), DML BEGAN PRODUCING AND MARKETING VANILLA AND COCOA, SUPPLIED BY ITS OWN PLANTATIONS AND MORE THAN 1000 SMALL GROWERS WITH FAIR FOR LIFE (IMO) CERTIFICATION. INTERVIEW WITH CORINNE INGELS, MANAGER OF DML.

Why did you choose the Fair for Life label? Initially, we were interested in the FLO label. But with the background of violence in the country, it was impossible to carry out inspections. We therefore turned to Fair for Life (IMO), which already had the advantage of certifying our organic farm and setting up an aid programme for small organic growers. This label also accepts farmers supplying us under contract. In addition, it does not impose any fixed purchase price for producers. And finally, I would say that Fair for Life is more pragmatic and less dogmatic than FLO.

What has this label done for you? After only one year of recognition by Fair for Life, it is still a bit too soon to say. But we have noticed that our workers like having an official representative in the business and being closely associated with our strategic choices. Although there is still a certain amount of suspicion concerning the regularity of wages, they have the sense of belonging to a viable long-term project open to new possibilities (we are thinking of diversifying into pepper-growing and palm oil, perhaps even coffee). They are also very pleased to see their production bought at a better price. But the label in itself is of secondary importance in our view. The most important thing is that it draws the attention of the consumer to our extreme concern for quality. In fact, as our production is very remote from the infrastructures for exporting to Europe (the port of Mombasa, in Kenya, and Entebbe airport, in Uganda), we must strive to offset the additional costs of transportation with an impeccable reputation for quality. This is where the label comes in: being based on social, commercial and environmental criteria, it guarantees our added value.

How much does Fair for Life labelling cost? A lot! To direct costs (3000 euros a year), you have to add the less visible costs, linked for example to annual inspections of organic production, training the farmers, keeping records, etc. For a young organisation like ours, the financial burden is aggravated by the fact that vanilla is normally sold a year after harvesting. As this period is so long, it makes it impossible to part-pay growers before delivery, as fair trade normally requires. For us, it is vital to expand quickly and robustly to cushion the impact of these costs.

In the light of your experience in Uganda and DRC, how do you see fair trade? If you want to set up a sustainable trade sector, you must pay fair prices to producers. And there must be transparency of management. But I regret the narrow-minded attitude and monopolistic position adopted by FLO on the international fair trade scene. It was originally designed for Latin America and, as it stands, its model does not lend itself to other locations. Being much more flexible, Fair for Life/IMO would do well to get itself better known throughout the world.

→ www.mountains-of-the-moon.com
CERTIFICATIONS: BIO EUROPEEN, USDA ORGANIC, FAIR FOR LIFE
Why did Tolan Tiga Indonesia embark on the procedure to obtain RSPO certification? Tolan Tiga Indonesia belongs to the Belgian Sipef group. This group has been present in Indonesia for 90 years. We are therefore not looking for a short-term commitment like a good many other operators in this market. It is part of the group’s policy of sustainability to manage our plantations as prudent administrators, and therefore to incorporate environmental constraints which are far stricter than in the past. When our plantations were first developed, there were no surrounding villages and no problems with biodiversity. Today, the forests that surrounded them have disappeared. There are no longer any buffer zones or transit corridors for elephants and other mammals. So we began to act, and group plantations undergoing RSPO certification now cover 50,000 hectares.

How much does certification cost? RSPO certification is based on 8 fundamental principles, 60 criteria and 176 indicators ... So I’m not going to tell you it’s a simple process! It takes between a year and a half and two years to get to the audit stage. Its current cost varies between 5 and 10 USD per tonne. But this cost is recurrent. We are certified and audited every year ... At present we receive an RSPO premium of about 10 USD a tonne over the market price, which therefore covers the cost of certification. But this premium is not really an incentive as it doesn’t offset the adverse effects of certification.

And what are these adverse effects of certification? A reduction in the planted surface area. Recently, one of our competitors obtained a concession of 8000 hectares. Wishing to join the RSPO certification system, it had the plantation audited by environmental experts. The verdict was irrefutable: out of 8000 hectares, the company could only plant 4000 if they wanted them to be certified.

Can you imagine the loss in profits? At least 16,000 tonnes of palm oil a year which today would sell at around 730 USD a tonne... more than 11 million dollars turnover per year!

BIG INTERNATIONAL PLAYERS LIKE UNILEVER, KRAFT AND RECENTLY NESTLE HAVE GIVEN COMMITMENTS THAT, FROM 2015, THEY WILL ONLY BUY PALM OIL WHICH IS "SUSTAINABLE DEVELOPMENT" CERTIFIED
I also come across this problem, as we also want to reduce the planted surface area, and it is the most difficult thing to explain to the group management. If the big groups can possibly envisage a reduction in the planted surface area as part of a strong commitment to protect biodiversity, how do you think the small local planter, owning barely two hectares, will react? It would effectively mean halving an already low income ... But, small growers represent half the surface area cultivated in Indonesia. Without a major premium, this is the major stumbling block confronting RSPO.

Is this an impasse for RSPO and do you think it will be possible to get round it? It isn’t simple, but big international players like Unilever, Kraft and recently Nestlé have given commitments that, from 2015, they will only buy palm oil which is “sustainable development” certified. This excellent piece of news must however be qualified by the fact that Indonesian palm oil is mainly consumed as an edible oil in Indonesia itself, or else exported to India and China. These countries do not yet have the western sensibility to sustainable development and, above all, cannot easily contemplate paying the extra cost imposed by widespread RSPO certification.”

→ www.tolantiga.co.id
CERTIFICATION: RSPO

WHAT IS PALM OIL USED FOR?
In Europe, palm oil has become essential in the production of many foodstuffs: biscuits, ice cream, soups, crisps, bread spreads... Palm oil is also used in the production of many cosmetics and detergents.
What is the history of Thandi Wines? With the release of Nelson Mandela in 1990 and the collapse of the apartheid regime, the desire for democracy swept through South Africa. The government was concerned to correct former imbalances and to bring black people on board the South African economic vessel. Loans were made more readily available to assist this policy. Thanks to the decisive action of a white farmer, Dr Paul Cluver, and a para-governmental agency active in forestry, land – initially 14 hectares – was released to the black Thandi farming community, who were particularly disadvantaged, in the Elgin valley about 60 kilometres from the Cape. Emancipated from the race laws and prosperous from this new economic activity (grapes), this community used mortgage loans to gradually buy a share of the ownership from the agency and the Cluver family.

What made you opt for fair trade? There came a time when we realised that this empowerment of the local black community wasn’t enough. In the highly competitive wine market, we had to find a specific commercial niche, which could increase the value of our production on an international scale. WIETA (the Wine Industry Ethical Trading Association) was too local, it wasn’t recognised internationally. We opted for Fairtrade, as it perfectly goes with the principles of black empowerment. Today, under the umbrella of FLO, it gives us access to the markets of many European countries and also to those of America and Asia. In Belgium and the Netherlands, two of our wines are sold by Carrefour, under the Max Havelaar (Fairtrade/FLO) label.

So you are operating with the “fair trade premium”... Exactly. This is paid to the 250 farming families making up the Thandi community. It took until 2007 (4 years after certification) before sales, which are all certified, became sufficiently significant to have an actual impact on the well being of our community. The fair trade premium enables people especially to pay school registration fees and school uniforms, to maintain two day care centres and to fund technical training programmes (use and reduction of pesticides) and literature or maths classes for our youth, and to ensure access to university for some. The premium is also used for sports facilities. In future, we hope it will help towards easier school travel because our community lives away from the main roads and children must walk far before getting to a bus or shared cab stop.

What do you think of the cost of Fairtrade certification? Very high, although I’m very satisfied with Fairtrade! The registration fees are 500 euros. Registration as an exporter, 300 euros. The annual licence, 1200 euros. Add to that the minimum price to be paid within 30 days after delivery of the grapes. Fortunately these costs have very little effect on the price paid by the consumer. As for the list of criteria to be met for certification, it is very long. We are in a good financial position thanks to the volumes sold (every year we harvest 1300 tonnes of grapes). But the costs are too high for the smallest growers.

→ www.thandi.com
SA8000: A HUMAN STORY

DENIM AUTHORITY, A TUNISIAN COMPANY SPECIALISING IN THE DEVELOPMENT, MANUFACTURE AND SALE OF FINISHED TEXTILE PRODUCTS, EMPLOYS 1400 PEOPLE ON ITS RAS JEBEL SITE NEAR CARTHAGE. BASHAR ESSHALI, THE COMPANY’S SA8000 REPRESENTATIVE, DESCRIBES THE PATH LEADING TO CERTIFICATION. THE TRADE UNION REPRESENTATIVE AMOR GRINDI TELLS US ABOUT THE CHANGES HE HAS SEEN IN THE COMPANY SINCE THEN.

Denim Authority is the first Tunisian company to obtain SA8000 certification. What were the reasons for choosing this form of certification? There were two main reasons. On the one hand, the vision of the management, which is always seeking to improve working conditions and, on the other, the demand from customers—brands such as Lee Cooper, Chasin, Scotch & Soda, Tommy Hilfiger, Campus—who normally have their suppliers audited and who were relieved to hear that we were going to be certified SA8000. To these, we should add a fundamental economic and human dimension. One example: working in safe and hygienic conditions has a considerable effect on the health of workers. In 2008—when we were not yet SA8000 certified—we had 75 accidents in the factory, whereas in 2009 we had only 17 (figures up to October).

The human impact is obvious and it results in better economic performance, since it represents more than 650 extra working days from our employees in one year. This clearly illustrates the benefits of certification. The management reports we have been using since certification allow us to manage production better while improving working conditions. Another example is even more telling. In the hot season, it becomes difficult to work in some workshops. We have therefore progressively installed ten or so cold water fountains which cool the atmosphere in the workshop and allow workers to quench their thirst when required. The effect on absenteeism was immediate. This kind of small improvement has brought the rate of absenteeism down from 16% to around 6%. But, in more general terms, the results are indirect. Although the textile clothing sector largely ignores legislation on wages and working hours, we remain fully competitive, even though our wages are higher, we pay social security contributions, and we observe the 48-hour week by limiting the use of overtime ...

Amor Grindi, you are the workers’ representative for the trade union, and also involved in SA8000 certification. What has changed most as a result of this certification? Many practical things, but the main difference is communication between workers and management. It is much easier now to communicate with the management to bring up workers’ grievances. Dialogue is simpler because it is organised. For example, we now have three suggestion boxes, and they are all full ... although you can’t do everything at once, we know that from now on answers will be given to our questions and demands.

What is the most difficult thing in getting SA8000 certification? Training (response of both interviewees, editor’s note). It takes time and effort to explain what certification can bring. For example, you have to show the benefits of wearing protective equipment to people who are unaware of the risks they are running. Wearing masks in the washing shop is a good example of this. The workers were breathing in cotton particles so fine that they couldn’t see them. So for them the mask was unnecessary. We had to show them that the opposite was in fact the case.

How much did certification cost? We already had an advantage as our factory is ISO 9001 and OHSAS certified. SA8000 certification itself cost 5000 euros. We were certified by the Italian company Rina. But the true cost is indirect and difficult to assess: time, modification to certain processes, purchase of equipment, investment in infrastructures (e.g. the fountains which cost around 500 euros each).

⇒ www.denimauthority.com
CERTIFICATION: SA8000
SET UP IN SRI LANKA IN 1993, BIO FOODS IS A COMPANY WHICH EXPORTS ORGANIC PRODUCTS, MAINLY TEA, SPICES, NATURAL HERBS AND COCONUTS. IT BUYS THESE PRODUCTS FROM SMALL PRODUCERS WHO NORMALLY CULTIVATE PLANTATIONS OF ABOUT A HECTARE AND WHO BELONG TO A SUBSIDIARY COOPERATIVE CALLED SOFA (SMALL ORGANIC FARMERS ASSOCIATION).

The co-operative helps new members to process and manage their crops so they can become certified as organic producers. It also guarantees them a fair income and participation in decision-making, and brings them into the fair trade system (certified by FLO). From 183 farmers in 1997, SOFA has now grown to almost 1900. Interview with Anil Yapa Bandara, Export & Business Promotion Manager at Bio Foods.

**Why did you choose organic certification?**

Partly our way of looking at things, partly a desire to produce crops without using pesticides, in order to preserve the planet for future generations. Also, there was a growing demand from our customers for organic products. The need for guarantees on the part of our overseas customers and the effect on marketing also came into the equation. We wanted to position ourselves as the most environmentally aware organic producer in South Asia. Apart from satisfying our customers, we also wanted to adopt a fair trade approach in order to satisfy our employees and the farmers who work for us. Because, for us, organic production also means being part of an equitable community-based approach. The objective was to work for a sustainable future, mindful of the social development of communities of small producers, who are growing products that are healthy for the planet.

**Was certification difficult to obtain?**

To obtain organic certification, producers have to embark on a process lasting three years. This is the period required to ensure that crops are free of pesticides. The field inspections are carried out annually on each plantation. We help them during this operation, and over the three years Bio Foods continues to buy their harvests and sells them through another subsidiary called Eco Foods. If we don’t provide this aid to farmers during the transition period, there is a strong risk they will go back to conventional farming. We give them
our know-how from our research and development centre, for example to develop new products, and we also transfer knowledge concerning biodynamic agriculture.

**What is the cost of certification?** The cost of obtaining certification is paid by Bio Foods and amounts to 70,000 USD a year. It is a high cost, but it covers almost 3000 producers.

➔ [www.biofoodslk.com](http://www.biofoodslk.com)

**CERTIFICATIONS:** BIO EUROPÉEN, BIO SUISSE, USDA ORGANIC, JAPANESE AGRICULTURE STANDARDS, CEYLON TEA QUALITY, FOREST GARDEN PRODUCTS, FLO

**EXTRACTS FROM A DISCUSSION WITH SMALL PRODUCERS AT THE SOFA OFFICE AT GAMPOLA, SRI LANKA.**

SOFA has been FLO certified since 1998 for tea and since 2006 for spices.

What does fair trade mean for you? Since we have been working within the fair trade system, we have obtained additional income from sales of our products. Previously, we earned about 1 USD a day. Now, we earn three times as much. This allows us to invest in new seeds to develop our crops. But it has also allowed social development within our communities: We help people in poverty, we have developed sports facilities, and built houses and a well to obtain fresh water. We have also developed environmental programmes, planting new trees and cleaning the plantations. Some producers have also started beekeeping. This system encourages biodiversity.

Have women also benefited from these changes? Yes, in fact a development programme has been designed for them. It is based on the manufacture of small boxes out of palm leaves, in which tea is packed. This brings them additional income, which allows us to contemplate a better future for our children. We are now working with the concept of setting up a prosperous and environmentally aware society. Training programmes have also been set up for everybody, with courses on computer studies and also on agriculture itself, with sessions explaining how to combat soil erosion, how to correctly maintain a plantation, prepare compost, etc. Producing without pesticides also has a positive effect on our health, as chemical products are very harsh on the eyes and skin! Finally an education programme has been launched to fund the purchase of school equipment for primary and secondary school children, and to help young people start university studies.

What has changed since you’ve had your own plantation? (Previously, it belonged to big landowners)

First and foremost, we can choose the teas or spices we want to grow. This is an important decision, as it takes more than three years for a tea bush to produce a harvest. Thanks to the cooperative system, we now have a say in the matter. Everyone is entitled to vote and can stand in the regional elections. Everyone can express their opinion, whereas before only the leaders could take decisions.
BIOEQUITABLE IN SÃO TOMÉ AND PRINCIPE

IN SÃO TOMÉ, CECAB (COOPERATIVE FOR THE EXPORT AND MARKETING OF ORGANIC COCOA), CERTIFIED BIOEQUITABLE, IS THE UMBRELLA ORGANISATION FOR 1525 GROWERS FROM 40 COMMUNITIES. SET UP IN 2004, IT HAS BEEN EXPORTING ORGANIC COCOA SINCE 2005, IN PARTNERSHIP WITH THE FRENCH COMPANY KAOKA.

We met Antonio Dias, representative of CECAB and manager of the organic cocoa sector in the PAPAFPA programme.

Why did you choose BioEquitable certification? The proposal came from our buyer, Kaoka, which knew the label well. It put us in contact with Ecocert in order to obtain it. The market for organic products is small but of high quality. In addition, it allows us to produce without too many costs, as pesticides are expensive. We also avoid market fluctuations and can sell our products at the best price, thanks to the fair trade dimension.

What is the position of the cocoa sector in São Tomé? Cocoa production has been falling for several years. It’s currently about 3000 tonnes, of which 450 tonnes is produced by CECAB. Several factors explain this: We don’t have a sufficient density of cocoa trees, many of which are too old, and seeding hasn’t worked very well. Finally, there are still too many growers who are not professional enough. In the past, they were farm workers on the big plantations, which were nationalised in 1975. In 1990, these businesses went bankrupt and the government, under pressure from the World Bank, had to implement a second agricultural reform that saw the appropriation of the land by the small growers, who became its owners.

What are your objectives now? You can see greater dynamism within the sector. But although the situation has improved, it’s not perfect yet, especially as regards the under-use of the plantations. CECAB now has about 3000 hectares producing 450 tonnes. It is not enough! I believe we could achieve production of 1500 tonnes. We have a loyal buyer, a good price and a good technical team, which together have allowed us to double our economic yield.

Today, our goal is to double production, which in effect will mean we have quadrupled the yields of producers if we can do it. To achieve our objectives, we have already identified the diseased and unproductive cocoa trees, new plants are beginning to spring up, and this process should begin to bear fruit soon.

Did you have any problems in obtaining certification? It took us three years to get it. For the growers, it’s a difficult process, as it involves a lot of organisation, and many administrative documents, reports and questionnaires to be filled in. It’s not that easy; they often need help, which fortunately they can obtain thanks to the PAPAFPA programme of support to growers set up by the government.

What is the cost of certification and the inspection process? Certification costs 10,000 - 12,000 USD and is paid by the buyer, in this case Kaoka. But a lot of work is carried out upstream by our local teams who carry out internal inspections on the ground. They regularly verify that the standards are being obser-

1 PAPAFPA (Programme d’appui Participatif à l’Agriculture familiale et à la Pêche Artisanale – Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme) is financed by the International Fund for Agricultural Development (IFAD), Agence française pour le Développement (AFD), and by the Government.
What changed most after certification? Attitudes changed a lot. Before, the growers sold their cocoa beans at any price. The beans were not of good quality. Today, we offer the best cocoa in São Tomé and it’s organic as well. The living standards of producers have improved, they have been able to extend their houses, buy household electrical goods, and give their children a better education. Before, they were living on 1.5 USD a day, now they make 3 to 4 USD a day. The cooperative provides them with the products authorised to improve their crops (copper, sulphate, calcium) and equipment. It buys medicine for those who are ill, and coffins for the deceased... it should also be pointed out that cocoa production is concentrated in six months of the year (March-April-May and September-October-November). And as the growers are unable to save, when they’re producing cocoa beans life is good, but in the slack period they are destitute! For this reason, we have designed a “piggy-bank” project. Instead of giving them 100% of their income during the production period, we give them 90% and keep back 10% for redistribution in the slack period.

→ www.kaoka.fr
CERTIFICATIONS : ESR, BIEN TÔT USDA ORGANIC

THE EVIDENCE
Rwacof doesn’t use the 4C system for the whole of its activity. Could you describe the project that complies with 4C? Rwacof is a coffee exporting company. This means that it buys coffee from local wholesalers – the middlemen. This represents 95% of its activity and this explains why not everything can be compatible with the 4C code of conduct. We can’t guarantee the practices of the middlemen in the sector due to a simple lack of information. On the other hand, for the factory at Karenge, which is a washing station, we work directly with the growers and are therefore fully conversant with the whole process. This factory works with more than 1000 small producers and buys the coffee cherries directly from them. These become green coffee after processing. The initial incentive came from Rwacof’s commercial partner, Sucafina, a Swiss coffee import/export company, which is itself a member of 4C.

What does compatibility with the 4C code of conduct mean, and how is this reflected in practice? To simplify, compliance with 4C involves the exclusion of 10 unacceptable practices (including a prohibition on child labour and human trafficking) and more than 20 other principles which must be observed. We therefore evaluated all the economic, environmental and social parameters in the production chain in order to render them compliant. The feedback from growers was extremely positive, as it was the first time this kind of management had been used in the coffee sector in Rwanda.

For the Karenge project, a large proportion of the current work involves training of growers in good management and coffee growing practices. This requires special organisation. Four agricultural advisers provide training to the growers at a rate of 8 groups a month for each adviser. Each group consists of about 30 growers. In all, the farmers receive 10 to 11 days training each year. They learn methods designed to improve their crops while protecting...
biodiversity, forest cover, etc., together with relatively simple things such as the use of trenching on hillsides to slow down soil erosion, the use of grasses to stabilise the soil and fix nitrogen, and the planting of shade trees. Most effort goes on training.

What is the impact of your action? We are going back to good agricultural practices. Initially, the average income of the growers is 300 USD a year. These are small planters who, on average, have no more than one hectare of land. On this hectare, they plant bananas, beans and coffee and other crops. The coffee represents on average only 0.17 hectare of planted land, allowing them to produce the equivalent of two to three 50 kg bags of green coffee. Using the good practices we are teaching them, the growers are increasing not only their yields, but also the quality of the coffee they are producing. According to my estimates, in just three or four years they have increased their average incomes from coffee by about 30%. This, incidentally, explains the success of our training, which brings together 80 to 90% of the growers with whom we work.

How much has it cost to comply with the standards of the 4C code of conduct? We estimate this cost at 30,000 USD a year, which is very high bearing in mind the operating margins of this type of production. But Rwacof regards this project as a pilot, a model for research and development before extending it to the whole of its activity. It is up to us to make this type of investment. Because, although this amount of money is affordable for a company like Rwacof, it certainly isn’t for the growers, even as members of a cooperative.

> www.rwacof.com and www.4c-coffeeassociation.org

CERTIFICATIONS: 4C, STARBUCKS C.A.F.E. PRACTICES
Why has an international group like yours adopted labelling? In the beginning, labelling was a marketing tool. Gradually, with the legislative changes made in Europe and North America to favour the legal exploitation of forests, it has become essential. It involves the preservation of ecosystems, on which we depend directly for our industrial and commercial activity.

By adopting certification in the forests we operate under concessions, we want to show our suppliers that despite difficulties, this approach is completely realistic. Today, 20 to 25% of sourcing of DLH is certified by independent inspections. At CIB, we want to double the surface area exploited by 2010.

Why did you choose the FSC? DLH also works with the PEFC. But, among the international labels, FSC is the only one widely recognised in tropical countries. In addition, it is the only one which is rigorous in the social domain, not restricting itself to just requiring forest development plans. For example, at Pokola (450,000 hectares) and Kabo (300,000 hectares, certified in 2006), two types of rights clash: those of forestry companies like ours, which have concessions legally granted by the Congolese government almost 40 years ago, and those of the indigenous populations (Pygmies), by virtue of ancestral property rights. How can they be reconciled? By developing special mapping and marking tools suitable for these uneducated and often illiterate populations.

We have also created a community radio service, run directly by the indigenous people. On this service, the forest, its future and its management are discussed.

What is the guarantee that “it works”? The principles and criteria of the FSC, which is supported by
IN THE BEGINNING, LABELLING WAS A MARKETING TOOL. GRADUALLY, WITH THE LEGISLATIVE CHANGES MADE IN EUROPE AND NORTH AMERICA TO FAVOUR THE LEGAL EXPLOITATION OF FORESTS, IT HAS BECOME ESSENTIAL.

Greenpeace and the WWF, are very demanding. This eco-certification standard is based on the concept of sustainable development, in other words forest management which is ecologically appropriate (reduction in the volume of traditional species exploited, reduction in surface area disturbed by heavy plant and machinery, exploitation of by-products, etc.), socially rational and economically viable. Alongside forestry management itself, the chain of traceability to the end consumer is also monitored. Without this compliance, no award of the FSC label. It is the role of SGS, a completely independent company, to verify all of this.

And what is the cost to Congolaise Industrielle des Bois? It’s a lot! The direct cost of FSC certification has been more than 10 million USD since 2004, which is 20% of our annual turnover. To this must be added indirect costs, which are also very high. At present, it isn’t a profitable operation. In fact, the price of hardwood on the international market is still largely influenced by illegal cutting, mostly in the tropical zone. This competition is therefore very tough for pioneers like us. Certification justifies the higher sale price. The governments of the countries of the North must at all costs provide their public markets with certified wood. Individual consumers too, through their purchases of wooden frames and garden furniture, must demand certified wood. The “snowball” effect will then take off.
A DECISION-MAKING TOOL

SO MANY LABELS AND GUARANTEE SYSTEMS... WHICH SHOULD I CHOOSE FOR MY PRODUCTS? BY INDIVIDUALLY DESCRIBING MORE THAN 20 GUARANTEE SYSTEMS, THIS BROCHURE CAN BE USED AS A DECISION-MAKING TOOL BY EACH PRODUCER.

Using several summary tables and peer evidence, the reader will be able to understand the extreme diversity of the systems. This abundance is explained by:

- The multitude of social and environmental challenges: deforestation, child labour, the living conditions of producers in the South, unfair wages, etc.
- The diversity of approaches to achieve more sustainable trade: the labels are designed to persuade consumers, commitments by enterprises allow pressure to be brought on their suppliers, etc.
- Geographical and sectorial reasons. Certain systems are very well-known in the areas and sectors in which they were first developed, but they must improve in other regions and/or sectors of activity.

It must also be realised that each system has developed in a specific context in response to clearly identified requirements. The fact that these contexts and these requirements are all different explains the multiplicity of systems.

These differences in approach also explain why there is no “hit parade” of guarantee systems. However, by consulting the summary table on pages 70 and 71, we can bet that more than one entrepreneur will have been tempted to add the scores for all three contexts (environmental, social and economic) to get a high score of “good and not so good”. But this sort of classification does not make a lot of sense, as some systems have more environmental approaches, and therefore have a low presence in the social domain. Conversely, other systems clearly have a more social approach.

In the current context, one of profusion of guarantee systems, or even of competition, it is quite sensible to allow each system to differentiate itself from the others: either by going further in the criteria to be met, or in developing specific emphases (linked to a sector, for example).

It is left to each reader to identify the guarantee systems of interest according to his own expectations and characteristics.

A guarantee system ensures its credibility by also working on:

- Its transparency: full information must be readily available to anybody interested in the system in question.
- Its ability to challenge: the world moves on and practices change. A guarantee system that becomes set in its ways and rests on its laurels has little chance of evolving in the right direction.

Is collaboration between different systems possible? This is obviously a difficult question to answer, but it is important to emphasise their complementary, rather than competitive natures. Each system has a different approach to sustainable trade, but each has the same objective of improving the standard of living of producers. The relatively low take-up of sustainable products on world markets only serves to emphasise the need for all these projects to collaborate.
Accreditation: certification by a third party of the competence, independence and impartiality of an organisation, which assesses the conformity of products or services.

Audit: a methodical examination of a situation relating to a product, process or organisation, carried out in cooperation with the interested parties, in order to verify the conformity of this pre-established situation or arrangement and the matching of the latter to the objective sought. The terms inspection, verification and control are also used within the framework of a certification process.

Brand: distinctive sign allowing a consumer to distinguish the product or service of one company from those offered by competing companies. The brand may take the form of a proprietary name, a word, an expression or a visual symbol. The brand constitutes an identifier for the consumer and possibly a “guarantee”.

Certificate: a document, which evidences certification.

Certification: culmination of the procedure during which a third party gives a written assurance that a product, process or service complies with specific criteria or a set of requirements.

Declaration of intention: undertaking made voluntarily by a company or an organisation to apply certain principles and standards of behaviour in performing its activities or operations.

Documentary system: all the documents (contracts, invoices, regulations, charters, archives, minutes of meetings, schedules, etc.) in the possession of an organisation and which are related to its activities.

Fair trade: The fair trade organisations adopted a common definition of fair trade in 2001: “Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in world trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of marginalised producers and workers, especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practices of conventional international trade.”

Guarantee system: system allowing guarantees to be offered. In the present context, it refers to social, economic and/or environmental guarantees when making a commercial exchange. There are several types: laws, conventions, treaties, charters, declarations, principles, regulations, standards, etc.

Internal inspection: an internal inspection takes place when only one party takes part in the inspection process. This is also known as self-assessment.

ISEAL: the International Social and Environmental Accreditation and Labelling Alliance (ISEAL) is an umbrella association for the biggest international organisations setting up labelling systems in the social and environmental domains. To be accepted as members, organisations must guarantee a transparent and participative process and comply with the ISEAL code of good practices.

Logo/label: a logo is a visual recognition of a group of products or services, within an organisation. The label also confirms an undertaking and indicates conformity with a set of requirements.

Monitoring: operation or inspection consisting of following the operation of a system, or of a real-time process.

Premium: an amount paid in addition to payment for a product or service. In a fair or sustainable trade context, it is often intended for investment in the commercial activities of producers and their communities or for their social and economic development.

Production chain: see ‘sector activities’

Requirements (set of): document, which contains principles, standards, criteria, actions and/or rules. Conformity with the requirements is achieved by matching them with practices. This conformity is established by a verification process.

Room for manoeuvre: expresses the degree of freedom left to an organisation when choosing a compliance tool. It takes into account the ease of responding to a set of requirements, the obligation to cover all or only certain of the requirements, and the effort needed to obtain a certification, where applicable.

Second party inspection: two parties take part in this process. Conformity is verified by the organisation, which drew up the set of requirements.


**Glossary**

**Sector activities:** series of actions carried out by economic operators to produce, process, sell and consume a product. We also speak of the “production chain”, which represents the sequence of processes and/or activities, and “value chain” when one wants to stress this sequence in which each process/activity adds value to the product or service.

**Stakeholder:** individual or group having an interest in the activities or decisions of an organisation.

**Sustainability:** the capacity of a development, a method of production or a system to meet present needs without preventing future generations from meeting their own needs.

**Sustainable development:** development, which meets the requirements of the present without compromising the capacity of future generations to meet their requirements.

**Sustainable trade:** Sustainable trade occurs when the international exchanges of goods and services generates social, economic and environmental benefits in conformity with the four fundamental principles of sustainable development:
1. It creates economic value;
2. It reduces poverty and inequality;
3. It regenerates environmental resources and
4. It is carried out within an open and accountable system of governance.

**Third party certification:** verification of conformity by a third party organisation (independent of the organisation being certified and the organisation which has developed the requirements). The Central Information Systems Security Division, France (DCSSI) defines it as follows: “Third party certification is the highest level of certification, which allows a customer, through the intervention of an independent, competent and monitored professional, known as a certifying organisation, to ensure the conformity of a product with a set of requirements or a technical specification. The third party certification gives the customer independent and impartial confirmation that a product meets a set of requirements or published technical specifications. These technical specifications may be drawn up within or outside a normative framework.”

**Main Abbreviations Used**

- **4C:** Common Code for the Coffee Community
- **AFNOR:** Association Française de Normalisation - French standardisation organisation
- **ARM:** Alliance for Responsible Mining
- **BSCI:** Business Social Compliance Initiative
- **DDI:** Diamond Development Initiative
- **EFT:** Ecocert fair trade in the spirit of solidarity and responsibility
- **ETI:** Ethical Trading Initiative
- **EU:** European Union
- **FAO:** Food and Agriculture Organisation (UN)
- **FLA:** Fair Labor Organisation
- **FLO:** Fairtrade Labelling Organisations International
- **FSC:** Forest Stewardship Council
- **FWF:** FairWear Foundation
- **GMOS:** Genetically Modified Organisms
- **IEPF:** Institut de l’Energie et de l’Environnement de la Francophonie - Institute for Energy and the Environment in the French-speaking World
- **ICTU:** International Confederation of Free Trade Unions
- **ILO:** International Labour Organisation
- **IMO:** Institute for Marketecology
- **ISEAL:** International Social and Environmental Accreditation and Labelling Alliance
- **ISO 14001:** General requirements relating to various aspects of environmental management
- **ISO 14024:** General requirements relating to environmental declarations, labelling and markings
- **ISO 14040:** Principles and framework applicable to life cycle assessment
- **ISO 65:** General requirements for bodies operating product certification
- **ISO:** International Standard Organisation
- **MSC:** Marine Stewardship Council
- **NGOs:** Non-Governmental Organisation
- **PEFC:** Programme for the Endorsement of Forest Certification schemes
- **PFCE:** Plate-Forme Française du Commerce Equitable – French Fair Trade Platform
- **RSPO:** Roundtable on Sustainable Palm Oil
- **SAI:** Social Accountability International
- **SAN:** Sustainable Agriculture Network
- **SAI:** Social Accountability International
- **SAN:** Sustainable Agriculture Network
- **SME:** Small and Medium Enterpise(s)
- **UNCTAD:** United Nations Conference on Trade & Development
- **UNEP:** United Nations Environment Programme
- **VSE:** Very Small Enterpise
- **WFTO:** World Fair Trade Organization
- **WHO:** World Health Organisation
- **WTO:** World Trade Organisation
- **WWF:** World Wildlife Fund

2. www.enpc.fr/fr/formations/ecole_virt/trav-eleves/QFS/audit_qualite.htm
4. www.ssi.gouv.fr/fr/confiance/evalcertif.htm
5. www.befair.be.
6. As stated by the International Institute for Environment and Development in 2000
9. www.massivechangeenaction.museevirtuel.ca/toolkit/glossary/
16. www.iso.org
The Trade for Development Centre is a programme run by BTC (the Belgian development agency) for the promotion of fair and sustainable trade with the developing countries.

THE THREE WORKING PRECEPTS OF THE CENTRE

> CENTRE OF EXPERTISE
It is the centre of expertise on Aid for Trade, fair trade and sustainable trade.
- It collects, analyses and edits information (opinion polls among consumers, market studies...)
- It coaches a working group of the “Business for Development” platform, which supports the private sector

> SUPPORT TO PRODUCERS
The Trade for Development Centre supports producers’ organisations. It supports marginalized producers, VSEs and SMEs as well as social economy projects that are embedded in fair trade or sustainable trade.
- Strengthening of organisational, technical and productive capacities
- Transmission of relevant information (on markets, existing certifications...).

> PUBLIC AWARENESS
The Centre sets up awareness-raising campaigns aimed at consumers (Fair Trade Week), economic actors and Belgian public authorities.

As part of its mission, the Trade for Development Centre publishes this brochure for Belgian economic operators. Two other brochures have been published at the same time, also on the subject of fair and sustainable trade, one intended for businesses, the other for the general public. These two brochures are available from the Centre (details on the back).