

ISEAL ALLIANCE

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Dear Consumers International and members, COPOLCO members and ISO Secretariat:

At its 2006 meeting, ISO's COPOLCO committee approved a motion inviting: "*Consumers International (CI) to develop a proposal for new technical work in fair trade, including certification, for consideration*" by COPOLCO at the up-coming meetings in Salvador, Brazil, May 23rd-25th. The ISEAL Alliance and its members submit the following letter to CI, the COPOLCO Secretariat and national members as a contribution to this work.

The International Social and Environmental Accreditation and Labelling (ISEAL) Alliance¹ is an association of leading voluntary international standard-setting and conformity assessment organisations that focus on social and environmental issues. The ISEAL Alliance and its members believe that social and environmental standard-setting is fundamentally different to other forms of standard-setting processes. This is because these types of standards generally have far-reaching public policy implications (e.g. for the environment, health, education or labour laws); and affect the public interest as well as a broad and dispersed range of stakeholders. Effective stakeholder engagement is a key element of the legitimacy of ethical standard-setting processes.

Ethical standards – whether for fair trade or other social and environmental issues – are born out of the recognition that mainstream practices have negative externalities which need to be addressed. In the case of fair trade, for example, the objective is to ensure that trade should support poverty alleviation. In this process, standards are just one tool among many. Similarly, the success of other initiatives operated by ISEAL Alliance members comes from the active support of their broad constituency base, and from combining standard-setting with capacity building, education and awareness raising, as well as improving and expanding the conformity assessment infrastructure unique to social and environmental standards. Thus, social and environmental standards are by their very nature substantially different from the technical standards ISO traditionally works on.

ISEAL recognises the important role that ISO plays in international standardisation processes across a broad range of sectors, and the high degree of recognition it has garnered from governments globally. ISEAL and its members use a number of ISO technical standards and guides in the field of conformity assessment and recognise these as international reference points for credibility in accreditation and certification. However, ISEAL is concerned that the governance structure, membership priorities, business model and operational procedures of ISO have not been designed to best meet the needs of ethical standard setting.

¹ For more information please visit: www.isealliance.org

- 1.1 Implementing Effective Participatory Processes:** ISO has recognised that social and environmental standard setting is different to other forms of standard-setting, and this is reflected in the changes put in place for the ISO 26000 standard on Social Responsibility². However, based on ISEAL's and its members' first hand experience³, implementing this new approach has faced ISO with many challenges. ISO continues to move forward on this standard without having met some of the basic process prerequisites required of it by the Strategic Advisory Group. The process has been very resource-intensive, limiting participation particularly for NGOs that are not well resourced. Some of the main problems relate to the lack of ISO funding to support the participation of these resource-limited stakeholders, the frequent and lengthy international travel to take part in meetings, as well as the voting procedures which, at the time of elevating draft versions of the standard revert to national votes rather than expert or sectoral representation votes. More importantly, it has proven difficult to resolve fundamental disagreements within the working group about the core objectives and content of the standard. Given the current limitations of the ISO 26000 process it is premature to imagine extending it to new processes until it has proven to effectively engage and empower disadvantaged stakeholders, and deliver a value-added product.
- 1.2 Engaging Disadvantaged Stakeholders:** Small-scale producers and workers (particularly in the agricultural sector) are among the weakest sectors in developing countries, because of their limited financial and time resources, and the difficulties they often face in uniting due to their dispersal across countries and continents, and the very diverse nature of their social and production conditions. For these very reasons, fair trade and ISEAL member organisations have operated specifically to facilitate their engagement and leverage their empowerment in decision-making. These producers are key stakeholders in any standard developed relating to fair or ethical trade, as they would be the first to bear the impacts of any such initiative. ISEAL is concerned that ISO's operational set-up is such that it has limited means and consequent lack of experience in effectively accessing the expertise of these stakeholders who cannot dedicate their own resources to engaging in (often lengthy) processes, or who lie beyond the reach of ISO's national standards bodies membership.
- 1.3 Social and Environmental Standards Should Be Free for All:** A traditional core principle of all fair, ethical and sustainability standards is that they are made freely available to all stakeholders. All ISEAL members make their standards freely available in electronic format, with the exception of any charges related to reasonable administrative costs. This core principle aims at ensuring accessibility of these standards to all producers. At present, this is at odds with the business model employed by ISO and its members, which is based on final standards being sold to potential users thus blocking access to the most directly affected stakeholders.
- 1.4 ISO and Consolidation of Global Fair / Ethical Trade Standards:** ISO has indicated that any fair trade norm it might work on would follow the model of ISO 26000 of developing a framework of principles and guidance for fair trade. Governments and other organisations interested in offering a certifiable fair trade standard and label could then use the ISO norm as a basis to develop either guidelines or actual standards for this purpose. It is fair to assume that this could lead to some variations in the certified standards that different organisations might develop, as these would reflect the issues and priorities of stakeholders in their jurisdictions. This could result in:
- An increase in the range of standards producers are confronted with, should they wish to sell their products to a variety of industries (e.g. different supply chain actors imposing different requirements) from different countries;
 - Frustration by industry (processing and retail) who operate across countries and would see their costs increased to comply with different specific standards in each retail country;
 - Little, if any, improvement for consumers who would *de facto* be buying products certified to different standards with different labels in different countries;

² SOMO Red Puentes *The ISO Working Group on Social Responsibility : Developing the future ISO 26000 Standard* report

³ ISEAL's experience is supported by the Dutch institute SOMO report, funded by the Dutch government and Oxfam-Novib, which assessed the functioning of the ISO 26000 to March 2007. They provide a positive assessment overall to this process compared to other ISO processes, but found nonetheless that: "the stakeholder groups of labour, consumers and NGOs are somewhat underrepresented in the process. Since the beginning of the process, it has proven to be difficult to engage labour organisations".

- Possibly less confidence by consumers if they deem the standards and labels they are using for purchasing decisions lack in legitimacy because of poor stakeholder support and engagement.

The negative impacts noted above on producers would be likely to occur even in the eventuality of the ISO norm not being used for certification purposes. Governments and industry may reference the ISO norm alongside any other certification standard already being used by the producers they are trading with, obliging them to comply with additional requirements.

Given the international nature of trade and of fair trade, such an outcome would do little to progress from the current situation, where interested governments have already recognised and use the existing legitimate international fair trade, social and environmental standards, such as those of ISEAL members.

The ISEAL Alliance and its members put forward this letter as a contribution to the discussion to be held at the up-coming May meeting of COPOLCO. The ISEAL Alliance and its members recognise the needs raised by consumers and others to better understand the purpose and value of their diverse standards and labelling initiatives. We are actively involved in reducing overlaps and clarifying differences among and standards and labelling initiatives and are keen to continue to engage with Consumers International, ISO COPOLCO members and other stakeholders with the objective of finding the best way of addressing these needs.

Sincerely,



Karin Kreider
Chairperson, ISEAL Board of Directors
Deputy Director, Rainforest Alliance



Dr. Sasha Courville
Executive Director, ISEAL Alliance

About the ISEAL Alliance

The International Social and Environmental Accreditation and Labelling (ISEAL) Alliance was established in 1999, as an association of leading voluntary international standard-setting and conformity assessment organisations that focus on social and environmental issues. ISEAL members represent standards and conformity assessment systems in sectors ranging from forestry and agriculture to fisheries, manufacturing and textiles.

Members of ISEAL strive for performance standards that are more easily understood and measured, and that are consistent across different certification programs. They operate programs that reward producers for strong social and environmental performance, and are backed by independent third party certification, enabling supply chain companies and end consumers to make more sustainable purchasing decisions.

Participating in the ISEAL Alliance offers member organisations a common platform through which to share their knowledge and to develop collaborative initiatives to strengthen their respective programs. ISEAL carries out research on good practices to support member cooperation on issues of common interest. ISEAL also produces policy analysis on regulatory issues of common concern, and advocates on behalf of its members in relevant market and trade discussions.

As an example of our work, ISEAL members have committed to complying with objective criteria for how standards are set in order to improve the quality of the standard-setting process. These criteria are described in the ISEAL Code of Good Practice for Setting Social and Environmental Standards. Associate members are provided with capacity-building support to meet the criteria and develop standards in compliance with the Code of Good Practice.

The ISEAL Alliance has three levels of membership. ISEAL full members are organisations that meet requirements for good practice in either their international standard-setting or international accreditation practices, and that have committed to the ISEAL Alliance Code of Ethics. Full members in April 2007 are:

- Fairtrade Labelling Organizations International (FLO),
- Forest Stewardship Council (FSC),
- International Federation of Organic Agriculture Movements (IFOAM),
- Marine Aquarium Council (MAC),
- Marine Stewardship Council (MSC),
- Rainforest Alliance
- Social Accountability International (SAI)

Associate members of the ISEAL Alliance are organisations in the process of meeting the above requirements, and that have committed to the ISEAL Alliance Code of Ethics. As of the beginning of May 2007 the Institute for Agricultural Trade Policy (IATP) is the only organisation in this category.

Finally, affiliate members of the ISEAL Alliance are organisations that subscribe to the ISEAL Code of Ethics, and are interested in participating in ISEAL primarily as an information sharing and awareness raising exercise. Affiliate members at this time are:

- Chemonics International,
- Global Ecolabelling Network,
- Pacific Institute,
- One World Standards.

For more information on the ISEAL Alliance, its members and its work, please visit our web-site at:

www.isealalliance.org