

# First Preparatory Committee Meeting for the Multi-stakeholder Forum on Sustainable Banana Production and Trade

April 3<sup>rd</sup> 2009, FAO, Rome



*Report by Dr. Iain Farquhar, Policy Officer, Banana Link*

**Industry Participants:** George Jaksch (Chiquita), Sylvain Cuperlier (Dole), Roberto Vega (Dole), Eric Crisman (Pacific Fruit/Bonita), Jon Tugwell (Fyffes), Will Stephens (Tesco), Chris McAnn (Walmart), Stephanie Mathey (Carrefour).

**CSO Participants:** Iris Munguia (Colsiba), Gilbert Bermudez (Colsiba), Sue Longley (IUF-UITA-IUL), Renwick Rose (WINFA), Simon Adjei-Mensah (GAWU), Alistair Smith (Euroban), David Cuming (IISD).

**Governmental and Inter-Governmental Participants:** Mónica Martínez (Ecuador), Francisco Salgado (Ecuador), Medi MOUNGUI (Cameroon), Aboubakar Bakayoko (Côte d'Ivoire), Anne Gautier (France), Jean-Jacques Soula (France), Pascal Liu (FAO), Peter Hurst (ILO).

**Also Present:** Iain Farquhar (Rapporteur), Marta Cano and Sunilda Terre (Facilitators), Víctor López (MSF project secretariat, FAO)

**Present for Part of Session:** Henri Josserand (Deputy Director, Trade and Markets Division, FAO), Kaison Chang (IGG Secretary), Jamie Morrison (FAO Economist)

**Apologies:** Mario Arvelo (Republica Dominicana), Leonela Santana-Boada (UNCTAD/CNUCED)

## Introductory Session

The meeting began with four brief presentations. For the sake of brevity, only a few of the most salient points made in these presentations will be summarised here.

**Welcome by Henri Josserand (FAO):** Bananas play an important role in world trade and food security. The FAO's role is to support food security and to provide, on behalf of member states, a platform for discussion. Hopefully the Forum will become a tool for the whole industry, including all stakeholders. Only the participants themselves can ensure that all voices are heard. The FAO will support the Forum as far as it can but only the participants can make it work.

**Update on the IGG by Kaison Chang (FAO):** The Intergovernmental Group (IGG) on Bananas and Tropical Fruits plans to hold its next session in Rome from the 9<sup>th</sup> – 11<sup>th</sup> December, 2009. The report from the first Forum will be tabled and submitted to the IGG.

The following agenda items have been drawn up for the Sub-Group on Bananas and will be sent to the remaining member for the Bureau, the Vice-Chairperson of the Intergovernmental Group on Bananas and Tropical Fruits for concurrence:

- Analysis of current market situation and outlook
- The impacts of the current financial crisis on the banana market
- Demand response to income and price of bananas in China – an econometric analysis
- Economic and technical impacts of banana and plantain diseases - an update of their spread, their impact and response strategies (with Bioversity, formerly INIBAP)
- Income distribution in the banana value chain

**Brief History of the multi-stakeholder process by Alistair Smith:** In 1996 the idea of bringing key players together around the issue of “social and environmental costs” was proposed by Colsiba at meetings with Euroban, and small farmer groups from the Windward Islands and Ecuador. This led to the first International Banana Conference “Towards a Sustainable Banana Economy” in May 1998. The conference stimulated the development of or added momentum to a number of social and environmental initiatives. However structural oversupply and problems with the world economy (including trade disputes) provided a difficult context for such initiatives to flourish. This led the conference organisers to propose (in collaboration also with US-Leap) a second international conference which would include economic issues. The second IBC “Reversing the Race to the Bottom” was held in April 2005. One of the outcomes of this conference was a consensual decision to set up a permanent, “genuinely inclusive” multi-stakeholder Forum<sup>1</sup>. The original intention was to coordinate this with the IGG. However delays to the IGG process meant that the establishment of the Forum was also delayed. In the meantime a number of meetings were held to keep the idea alive and to develop thinking. The most important of these were a meeting for exporting and importing governments and CSOs in Geneva (October 2007, UNCTAD) and an “Industry Workshop” for industry participants and CSOs in Amsterdam (October 2008).

**Outcomes of the 2008 Industry Workshop by Sylvain Cuperlier:** The first phase of the workshop identified a number of issues, considered to be of importance by the participants, as follows:

***Process Issues:***

- 1 What should the composition of the Forum be?
- 2 What should our structure be, to be an effective organisation?
- 3 What do we do about those not here – retailers/consumers/other producers?
- 4 What happens next?
- 5 Is there an adequate consensus on a Forum?
- 6 What’s the balance between dialogue and action?
- 7 How does the MSF prioritise relevant issues?

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<sup>1</sup> Later on, it was suggested that the Forum should meet at least every two years and that additionally a number of working groups (possibly from 4 to 6) should meet regularly (e.g. twice a year) to ensure follow up of issues which the Forum hoped to address.

**Content Issues:**

- 8 How do we get more value in the supply chain?
- 9 How do we organise the market?
- 10 What do we do about social/labour issues?
- 11 What do we do about long-term sustainability (environmental)?

In the second phase the participants broke into discussion groups to address specific issues. Out of this process it was agreed that the Forum needed to address at least three major themes:

- Decent wages need to be paid
- Labour rights need to be respected
- Environmental problems need to be tackled

There needed to be rapid progress made on short-term issues, as well as looking at long-term issues. There could be short term gains from exchanging information on best practices (such as CIRAD's work on pesticide reduction).

Two working groups were established, one to form the initial core of the Preparatory Committee (other participants would be invited) and a second to focus on funding and budgets.

**Brief report from the Budget and Financing Working Group by Pascal Liu:** A little less than \$200,000 has been raised from DFID, UK. This should be enough to cover the first year costs of establishing a small informal secretariat for the project and organizing the two Preparatory Committee Meetings and the first Forum. Approaches were also being made to BMZ/GTZ in Germany, IDH in the Netherlands and to USAID for funding to cover the second year's work. It has been suggested that inviting other retailers to the Forum would be advisable. Including companies such as LIDL, ALDI or AHOLD might motivate the German and Dutch Governments to support this initiative.

*This marked the end of the introductory session. The meeting now turned to consider substantive issues and to make preliminary decisions on action points.*

## **Main Session (morning) – Chaired by Sue Longley**

### **1. What should the Forum be called?**

Four names had been suggested by a Working Group which had been set up to propose them at the end of the Industry Workshop, as follows:

Global Banana Stakeholder Forum  
Banana Stakeholder Forum for Action  
Banana Stakeholders in Action  
Global Action for Banana Sustainability

In addition the name MUSA, based on the Latin term for banana and standing for Multi-Stakeholder Action) was proposed.

An attempt to vote for preferred names was abandoned on the grounds that this would be inconsistent with FAO procedures. Instead the choice of name was referred back to the Working Group which had already been agreed at the Industry Workshop (Kevin Bragg from Bonita, Liz Parker from Euroban and Renwick Rose).

## 2. Scope

The question of whether the Forum should be confined to traded bananas (or simply Cavendish, amounting to about 97% of traded dessert bananas) was raised.

It was suggested that since the FAO deals with all production, it would be inappropriate to confine the Forum to the traded fruit. However the Forum had evolved with a focus on traded bananas and expanding its scope might weaken the original intent. It was noted that until recently Peru had hardly exported but that it was now a significant player in the organic market. Other countries, like Brazil, India and China, could become exporters in future as well.

A compromise was expressed by the Chair: “We want to maintain the focus on traded bananas but ensure links and information exchanges with the scientific community and producers who are not currently major exporters”.

It was also agreed that the focus should not be on Cavendish alone, as there was a need for both greater genetic diversity in production and diversity of products for consumers.

## 3. Objectives and Outputs

Themes to be considered might include those mentioned by Sylvain (in his summary of the Industry Workshop) plus gender issues, carbon footprint, water consumption, best labour practice, pesticide reduction, trade, distribution of value along the chain and harmonization of environmental standards, bearing in mind that is not the Forum’s intention or mission to set up standards itself.

## 4. Forum Membership

Membership should involve 3 roughly equal major groups. At the Industry Workshop these had been referred to as “chambers”. However the term is potentially confusing as there is (as yet at least) no intention for these to be autonomously functioning bodies. It was noted that it was vital to guarantee a balanced representation from each of these 3 groups.

The **Industry Grouping** would comprise: National Producers (Latin American, African, Asian, EU), Multinationals, Importer/Ripeners, Retailers.

The **Governmental Grouping** would comprise: Relevant exporting and importing countries, as well as Intergovernmental Institutions.

The **CSO Grouping** would comprise: International NGOs, Plantation Workers’ Trade Unions, other Trade Unions along the chain, International Trade Unions, small farmers’ organisations, organisations of women small farmers, Consumer Organisations, Environmental NGOs, researchers/private consultants, possibly stakeholder organisations (like the ETI), FLO and its members and other private certification bodies,.

Some participants warned against extending the membership too far, arguing that only relevant players should become members of the Forum (in order to keep it manageable) while nevertheless all those interested in the sector should be kept informed of developments.

## **5. Governance**

A lot of time could be spent on governance. The discussion started with the slightly paradoxical observation that the Preparatory Committee does not want to present people with a *fait accompli* but that on the other hand it doesn't want governance to take up a lot of time at the Forum.

A research report by ISEAL Alliance on multi-stakeholders governance models is due to be finalised by June.

A paper was previously prepared (by Sue Longley, IUF and Liz Parker, Euroban) on governance structures which may provide a starting point for further consideration (with the MFA forum possibly illustrating the most appropriate model of those examined).

Any governance system would need to embody the following qualities:

- Capability
- Continuity
- Level of Service
- Representativity
- Credibility

It would be helpful to look at why certain already existing systems have gone wrong so that the Banana MSF could avoid making the same mistakes.

A working group should be established to report back to the next Preparatory Committee on governance. Ideally it should propose a set of options for governance structures from which a choice could be made.

[There need also to be “bye-laws” protecting participants from possible litigation under Competition or Anti-Trust Laws. Later however this issue was placed in a separate category, so it will be considered by the Working Group on Legal Status and Money, rather than by the Governance Working Group].

## **Main Session (afternoon), chaired by George Jaksch**

### **6. “Membership” of (or participation in) the 2<sup>nd</sup> Preparatory Committee Meeting**

It was agreed that the term “membership” was potentially confusing and might imply formal status of some kind. It was agreed that those involved in the Committee should be seen as “Participants” rather than as “Members”.

Participation in the preparatory process was seen as a commitment, which would be only until the end of the first Forum (currently tentatively scheduled for 7<sup>th</sup> – 8<sup>th</sup> December 2009), after which the situation would be reassessed with a view to establishing a more democratic and permanent

institutional structure. Issues, such as an eventual membership fee or representation by election, could be discussed when the 1<sup>st</sup> Forum takes place.

Participants contribute to the Preparatory Committee as representatives of their institutions and not as individuals in their own right. Continuity is to be preferred but if institutions believe that a change of personnel would be desirable for subsequent meetings, then the individuals sent by institutions could be changed.

It was agreed that Antonio Álvarez de Santi (Costa Rica) should be welcomed as a Participant in the second Preparatory Committee Meeting (and the Forum) both as a Costa Rican Independent Producer and (subject to its approval) as a representative of Corbana.

## 7. Programme of Work for 2009: ACTION POINTS

A programme of work leading up to the Forum itself was discussed. This built on the discussions in 1 – 6 above (as well as introducing some additional areas of work) and finalised decisions on Action Points.

There was a discussion of whether there should be regional and even South-South Preparatory Meetings before the Forum, following the model which had been employed for the IBCs. However, while it was acknowledged that in principle this might be a good idea, in practice it was agreed that: a) there was insufficient time for the Preparatory Committee to organise these and b) funds were insufficient. Nevertheless, participants would clearly be free to organise (with their own funds) whatever consultation meetings they liked among their constituencies and to feed any resultant ideas informally into the MSF process.

The following table summarizes the most urgent topics, which need to be discussed in electronic workshops before the 2<sup>nd</sup> Preparatory Committee Meeting:

<b>Theme/topic</b>	<b>Participants to carry out work</b>	<b>Comments/Clarification</b>
1.Scope/mission/timeframe/ /Forum agenda	Alistair Smith, George Jaksch, Sue Longley, Iain Farquhar, project secretariat	See 2 & 3 above.
2. Governance	Chris McAnn, Liz Parker (subject to her agreement),Colsiba, IISD	See 5 above.
3. Choice of name	Kevin Bragg, Liz Parker, Renwick Rose	See 1 above. Extension of working group established at Industry Workshop
4. Forum Logistics	project secretariat	The project secretariat will ask others to help if necessary
5. Invitations	project secretariat	The project secretariat will collect names and clarify formal procedures; see Section 8 below

6. Finance Information	project secretariat	Pascal to provide summaries from Budget and Finance Working Group (Alistair, Pascal, Roberto, Iain)
7. Communication Summary	Eric Crisman, Will Stephens, Colsiba, project secretariat	Short summary document to inform invitees etc.
8. Legal status/Money	Anne Gautier, Sylvain Cuperlier	Clarify legal status to receive funds; who owns accounts, etc.; bye-laws (see bracketed section at end of 5 above)

The Preparatory Committee agreed on the need to identify clear and concrete outputs for the Forum. To this end, participants will send their ideas to the working group on Scope (number 1 in the table above). This working group will collect the ideas, reflect upon them and send proposals to the participants.

The MSF project secretariat (Pascal Liu and Victor Lopez, FAO) will carry out the activities related to the topics above allocated to it. Additionally, if requested, the secretariat would provide extra support to facilitate the discussions and interactions to the rest of the working groups. Specifically, the secretariat will: answer queries, moderate electronic conferences, facilitate the exchange of information, and assist the Preparatory Committee as needed to ensure the successful organisation of the Second Preparatory Committee meeting.

Although the principal language used by the participants of the Preparatory Committee will be English, the most relevant documents issued will be translated into Spanish with the assistance of Víctor López.

## **8. Status of Forum in FAO**

At various points in the day's discussions, questions were raised as regards the status of the Forum and the role of FAO. Pascal clarified that the Forum has no formal existence yet since it will not be launched before its inaugural meeting at the end of 2009. The preparatory committee itself is an informal group of stakeholders from the banana industry, the retail sector and civil society organisations whose role is to prepare proposals on the Forum's objectives, scope, governance, structure and membership to be discussed at the Forum's inaugural meeting. The committee guides the preparations for this meeting. Some governments participate as observers on a voluntary basis and any other interested government may also join. The Trade and Markets Division of FAO facilitates discussions among the participants in this committee through a project funded by the United Kingdom's Department for International Development. The project supports the organization of the meetings of the committee and the Forum in 2009 and facilitates participation from developing countries.

The committee intends to hold the first meeting of the Forum just before the next session of the IGG on Bananas and Tropical Fruits to take advantage of the presence of the delegates and to seek the endorsement of the Forum by the IGG. It hopes that the IGG will give its endorsement and request FAO to formally support the Forum.

The status of the inaugural meeting of the Forum and the process of invitation will need to be clarified. Pascal explained that in the past, events like this had been treated as private sector conferences or side events, which were organized by the FAO mainly to give stakeholders which were not in the IGG itself and IGG delegates a chance to meet together. These meetings are typically open to everyone who wishes to participate. Pascal will seek guidance from FAO's legal office on the possible status for the meeting and the invitation procedures. He will clarify the situation at the earliest possible time and liaise with participants to ensure due coordination of efforts.

The Forum does not intend to replace the IGG, but rather to complement it by providing a place where the stakeholders that are not members of the IGG can meet. It will work in close collaboration with the IGG, seeking to hold its meetings "back-to-back" with the IGG sessions. All IGG members will be invited to join the Forum.

It will be necessary to have a minimum of support from governments and in order to ensure this it would be helpful if participants could approach governments with which they have good relations, in order to encourage them to support the process.

#### **9. Next meeting of the Preparatory Committee**

The MSF project secretariat will propose dates and a venue to the participants for the next meeting.

The budget of the project will need to be revised in the light of higher travel costs and this will be discussed by the Budget and Finance Working Group.