

Banana MSF: Industry Workshop

Amsterdam, 9-10 October 2008

Report by Dr. Iain Farquhar, Independent Research

Participants requested a short report of about 4-5 pages. In a report of this length, it is not possible to provide summaries of the presentations. However, a copy of Luc de Lapeyre's presentation is circulated with the report, as requested in the final plenary.

Participants: Pascal Liu (FAO), Sevki Isin (WIBDECO) and Ian Bretman (FLO) (Thursday only); Luc de Lapeyre (CIRAD) (Friday only).

For both days: George Jaksch (Chiquita), Sylvain Cuperlier (Dole), Eric Crisman (Bonita), Kevin Bragg (Bonita), Mathias N'goan (ANOPACI/OCAB, Cote d'Ivoire), Paul Smits (NEH/Philippino Banana Growers and Exporters Association), Oyvind Brisaa (Bamagruppen, Norway), Nioka Abbott (WINFA St Vincent), Renwick Rose (WINFA St Vincent), Doris Garcia (COLSIBA Nicaragua), Gilberth Bermudez (COLSIBA Costa Rica), Sue Longley (IUF), Simon Adjei-Mensah (GAWU Ghana), Danielle de Man (IFAP), Marije Rhebergen (ICCO), Alistair Smith (Euroban), Liz Parker (Euroban).

Apologies were received from: Seamus Keenan, Fyffes; Donald Murray, Fresh Del Monte; Golden Exotics Ltd/Compagnie Fruitière; Tesco Stores plc; Yukiko Arai, ILO; Leonela Santana-Boado, UNCTAD; Asda/WalMart; Rewe; Coop Norden;; Augura (Colombia); Urocal (Ecuador); Farmcoop/MBFEA (Philippines); US/LEAP; Fondation Charles Léopold Meyer pour le Progrès de l'Homme; Fondation des Droits de l'Homme au Travail.

Facilitators: Sofia Bustamante, Tav



Context: The context for the workshop was set by two initial presentations by Pascal and Sue, some brief words from the facilitator, Sofia, and introductions from all the participants.

The key point to note was that the workshop was part of a process which had been set in motion by the two International Banana Conferences held in Brussels in 1998 and 2005. IBC2 had ended with a decision to, *inter alia*, establish a “permanent multi-stakeholder forum”. Since this second conference there had been an informal “seminar” involving representatives of civil society and governments in October 2007 at UNCTAD in Geneva. This was followed by two informal “pre-preparatory meetings” involving some representatives of the original organisers of the two conferences along with representatives of FAO, UNCTAD and the ILO. At these latter meetings it was agreed that a formal Preparatory Committee needed to be established and that it would be absolutely essential to involve representatives of industry interests in that Committee, in order to lay the ground for a first meeting of the MSF towards the end of 2009.

The idea of the Industry Workshop was to provide an opportunity for a selection of interested representatives of the industry to engage in dialogue with the parties already active so far, in order to exchange views with them and to try to establish a shared understanding of how the process should proceed and how it should be organised. It was hoped that some industry members of the Workshop would step forward at the end of the two days, take co-ownership of the process and offer to participate in the Preparatory Committee. Given that this did in fact occur and given also that all the discussions were lively and carried out in the most positive of atmospheres, it would be no exaggeration to say that the workshop was unquestionably a highly successful event, attributable in part to the good spirits and openness of all the participants, but also in part to the skills of the two facilitators and the methods they employed.

The facilitators invited participants to introduce themselves by giving their names and answering the question; “This event will be a success if....” Answers emphasised openness and frankness in all discussions but also, particularly from industry participants the need to establish clear objectives, and to address industry-wide concerns like climate change and resource management. In the final analysis the event would be a success if it led to “increased interest and participation in the MSF”.

First Phase of the Workshop:

There were three main phases to the workshop. The first phase was the “World Café” in which participants responded to the question: “What is important to me about the MSF?” After a period, 3 of the 4 participants at each table moved to another, while the fourth remained behind and summarised for new arrivals the opinions expressed so far, before hearing what the new arrivals had to say. The question for this second round was “What is important to us about the MSF?” After a further period, there was another shift (again with one person, normally not the same person, remaining behind) and the process was repeated. In the third round, the question became “What are our priorities?” In this session, participants were encouraged to choose 2 of the key points to share with the plenary which followed. At this plenary, the points were clustered and participants were

invited to vote on the issues they considered to be most important. The results of this process, which ended up generating questions rather than statements, were as follows:

Process Issues (in order of votes):

- 1 What is the composition of the forum? (12 votes)
- 2 What should our structure be, to be an effective organisation? (10)
- 3 What do we do about those not here – retailers/consumers/other producers? (6)
- 4 What happens next? (6)
- 5 Is there an adequate consensus on a forum? (5)
- 6 What's the balance between dialogue and action? (4)
- 7 How does the MSF prioritise relevant issues? (1)

Content Issues:

- 8 How do we get more value in the supply chain? (12)
- 9 How do we organise the market (11)
- 10 What do we do about social/labour issues? (10)
- 11 What do we do about long-term sustainability (environmental)? (2)

The workshop broke for lunch. After lunch, Sue made a brief presentation on the ILO. She briefly covered the 1998 Declaration on Fundamental Principles, the 8 Core Labour Standards, the new 2008 Declaration on Social Justice and Fair Globalisation, the Decent Work Agenda and the 4 pillars of the ILO (social dialogue; employment/sustainable enterprises; social protection; rights at work). After her presentation there was a brief break.

Second Phase of the Workshop:

The second phase began with a plenary in which participants were invited to propose issues (which could be those already identified or other issues) on which they would like to lead a discussion. Issues proposed could be re-negotiated by the other participants and proponents were able to lobby for participants to join them for their sessions. The remaining time for the afternoon was roughly divided into 3 sections meaning that issues could be allocated to any one of three time slots. Participants could participate in a single session for a whole slot or move on to the other discussion locations if they preferred. Eight discussion topics were agreed and participants were left by the facilitators to manage their own time and to terminate one discussion slot and move onto another whenever they felt like it. The proponents of each issue were asked to prepare to feed back to a subsequent plenary, which occurred on Friday morning.

The Friday morning session opened accordingly with feedback from these 8 discussion groups. For the sake of brevity, only a few of the most salient points can be reported here.

A. Composition of the MSF (Alistair)

There need to be three “chambers”: i.) For profit/industry ii.) CSOs iii.) Governmental and Intergovernmental. A break-down of the different actors within each chamber was presented. The voice of small producers might be lost among the big producers in i.) and should perhaps be included as part of ii.) At least 3 or 4 of the big fruit companies needed to be involved. Retail also needed to be involved. Currently several big retailers are

involved in the Global Social Compliance Programme (GSCP) and participating retailers could be approached through this. The fundamental rationale should be that anyone with an economic role or a good knowledge of the sector should be seen as a legitimate participant plus also governmental development cooperation funding agencies.

B. What does the MSF believe to be the long term in the banana business? (Kevin)

There is a need to prioritise and to narrow work down to achievable things. It will take time to build capacity, so maybe the MSF should concentrate on mid- to long-term issues. However, there is a need to solve short-term issues; otherwise there will be no long-term. Retailers needed to be persuaded that long-term sustainability is in their interests, rather than always focusing on short-term, low prices. The industry needs to have the capacity to invest for the long-term. Supermarkets should be sold a unified approach by all stakeholders, emphasising this point.

Short-term and mid-term issues could include: subsidy or price maintenance to work on sigatoka control; development of new varieties; agreements with governments for a moratorium on new plantings to stabilise the market; coordination of labour policies and environmental standards across the sector.

C. Looking after the environment (George)

There are two broad areas to work on: i. don't do harm; ii. activities related to conservation/protection at the borders of farms and beyond. Topics for early phases could include: a common (voluntary) environmental code; exchange of best practices; cooperative approaches to research, using pooled resources. Great benefits could be gained simply by reducing pesticide use.

D. Setting of standards (Nioka)

Global standards need to be flexible and to take into account local differences. For example small farms currently risk being decertified because they don't have facilities (like lunch rooms, fans, electricity, etc.) which are appropriate for large but not small operations.

E. How to measure progress towards sustainability (Sylvain)

This broke down into two parts:

A: where do we want to be in 5-10 years? Better wages and decreases in pesticide use are important priorities but there may be different priorities in different regions. It is important to agree priorities with local leaders, unions and municipalities.

B: How can progress be measured? Proliferation of standards is an issue. Perhaps these should be harmonised. Progress standards are preferable to check-lists.

F. Role of governments and intergovernmental organisations (Sue)

No appropriate pre-existing multi-stakeholder models exist. There is concern that governments could slow down progress (particularly until the WTO panel finishes its deliberations). Perhaps governments are not needed in the early stages but could be involved later. Intergovernmental organisations, on the other hand, have key importance, particularly as mentors (UNCTAD on trade issues; FAO on sustainability issues; and ILO on labour issues). One or more of these could have a secretarial function. As the MSF

moves from dialogue to action, governments might be interested in hosting pilot projects and be drawn into the process in such a positive context.

G. How the MSF could provide an opportunity to support basic standards (Gilberth)

It could do this by strengthening the ILO Conventions and assuring union rights and also in particular women's rights. Need to agree what "decent wages" are. (Current 12-16 hour days for as little as \$2/day are not decent). The theme of prices is fundamental. Consumers should finance decent salaries. Prices need to be transparent and when they are negotiated need to provide enough money for decent wages and environmental protection. The MSF can certainly try to affect basic issues without being utopian.

H. The viability of the forum: on what basis should participation occur for it to be viable and sustainable? (Mathias)

For the forum to be legitimate it must be accepted by the three major groups. It can then propose, listen and share. All 5 big companies need to be involved. Governments can't be left behind or "we won't realise our objectives". The WTO is a central area. The forum needs to be accepted as a framework for making proposals on various issues like justice, rights, etc. Finance is essential.

A break for coffee followed these reports.

The final session opened with a presentation from Luc (CIRAD), a copy of which is circulated to participants as a separate file along with this report. The presentation described a systems approach, involving multi-disciplinary work and embracing technical, economic and environmental components. Through monitoring pests and diseases, forecasting, biological control and use of specific cultivation techniques (such as fallow rotations, cover crops, early bagging and deflowering) pesticide use has been drastically reduced. CIRAD has developed a modelling approach which helps to manage complexity. Similar reductions could happen in the rest of the world, using such an approach. Other participants pointed out that it was important to involve and train workers and union representatives in order to maximise this potential.

Third Phase of the Workshop

The discussion began with a consolidation of the themes which the MSF should and should not address. It was agreed that it should not spend time considering governance in the short term. It was also noted that there was a need for caution in discussing price issues, to avoid the danger of transgressing competition rules. Nevertheless there was a need to discuss the distribution of value along the supply chain. Sue offered to access legal advice on how such issues could be framed without risking accusations of collusion.

Themes the MSF should address were listed as follows:

- Role of small farmers
- Role of retailers
- Developing sustainable production systems and exchanging good practices

- Market organisation and sustainable/fair trade
- Supply chain management issues
- Distribution along the value chain
- Common definition of “decent work” in the banana sector
- Cooperation on environmental issues, including pesticide reduction strategies
- Cooperation on implementation of workers rights and labour standards
- Cooperation on gender issues/ role of women
- The future of the industry

Paul pointed out that these issues were all included on page 3 of the discussion document, “A Multi-Stakeholder Forum in the making”, circulated before the workshop. Alistair pointed out that the last item listed in that document (on an IBA) was of a different order, as it constituted a remedy rather than an issue. Apart from this, all the participants were in broad agreement on the themes and it was decided that it was not worth re-inventing the wheel, when there was already a formulation which adequately covered the issues.

The discussion went on to decide practical action, as follows.

Action Points:

1) Preparatory Committee: The FAO will host a first preparatory meeting in March/April 2009. A second preparatory meeting will be held in July or September 2009 and the first Forum will be planned to coincide with a possible IGG organised by the FAO for November/December 2009.

Sylvain, George and Eric agreed to be members of the Preparatory Committee. Paul and Kevin offered to propose additional potential members .

From the retail side: Tesco will be approached, whilst Ahold and the Scandanavian cooperative were also proposed as possible participants.

2) Funding: Funding has been secured up to the first Preparatory Meeting. More funds will need to be obtained thereafter. The British, French and German governments have already been approached informally. The Netherlands Institute of Sustainable Trade, IDH, was suggested as another potential source of funding. It would be helpful to involve one or two industry participants in the Budget and Fundraising Working Group.

*Kevin offered to approach someone in Bonita or Freshfel
Sylvain offered to approach someone in Dole who had experience of raising funds (e.g. from GTZ/USAID) for environmental projects.*

3) Name for the Forum: The forum needs a name. “Banana Futures”? “Sustainable Banana Forum”?....etc. *Liz, Renwick and Gilberth said they would propose names.*

Overview:

- There was a clear agreement that the MSF should proceed and there was “buy in” from all the participants. There was also general agreement on the kinds of themes which needed to be tackled.
- In particular decent wages need to be paid, labour rights respected and environmental problems tackled. A number of different possible approaches to tackling these problems were discussed.
- There also appeared to be general agreement that while all the problems were potentially solvable, low prices were a block to progress. Consumers need to pay realistic prices; retailers need to be prepared to charge them realistic prices; and rewards along the chain have to be big enough to finance decent wages and environmental protection as well as reasonable profits.
- In terms of process and participation, as many of the big 5 fruit companies as possible should be involved (3 are already involved; Fyffes apparently wanted to attend but couldn't; only Del Monte's position remains unclear).
- It would be beneficial to make rapid progress on short-term issues in order to retain enthusiasm and commitment. However, the ultimate aim would be long-term sustainability. There was ambivalence about the involvement of governments. These were seen as potential obstacles to progress and yet potentially as essential participants.
- There was also ambivalence about some standards (but not the Core Labour Standards). On the one hand proliferation was seen as a problem, while conversely harmonisation was seen as desirable. On the other hand, standards need to be flexible enough to cover both big and small producers, different regional conditions, etc.
- There could be immediate short-term gains from simply exchanging information on best practice – for example, disseminating CIRAD's approach could yield short term benefits by encouraging reductions in pesticide use.