Monitoring System for Fair Trade Retailers

- workshop -

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Wellcome

- AGICES
  - Retailers standards
  - Monitoring system
- WFTO requirements
- Some issues
- Q&A

*Sign the participants list, if you want this presentation*
AGiCES manages Italian Register for Fair Trade Organization.

It represents Italian FTOs movement, advocacy and campaigns.

It provides services to its members.
Our members are

- not for profit: associations or cooperatives
- mainly Fair Trade
- info and educational activities about Fair Trade

- All members are in the AGICES Register
Members. Fair Trade Org.

Importers and worldshop

People involved
2011
€ 88,152,537

Total turnover:
€ 88,152,537

Sales of products :
€ 82,714,810

Sales of FT products:
€ 78,723,462

Costs:
€ 1,569,345:
Info-Educational and campaign

2010
€ 81,735,549

2009
€ 79,128,806

2008
€ 86,411,668

2007
€ 80,740,172
Italian FTOs work with 186 producers organizations

17 importers members of AGICES ➔ €15.796.834
Our structure

is simple

We have 4 elective bodies:

- **the Board of directors**
  leeds by the president of the asociacion
  (7 members)

- **the Register Committee**
  (7 members)

- **the Arbitration Board**
  (3 members)

- **the Auditor Committee**
  (3 members)

All the internal bodies (in blue) are elected by the AGM
(each member has one vote)

**Staff (in green):** 5 people (2 stable workers) and 14 qualified auditors for the monitoring system + internships...
AGICES
Retailers Standards
Our standards

All the requirements for AGICES members are included in our Register Regulations (Regolamento di Gestione del Registro) that:

- is a jointly-drafted document approved by the General Assembly of Members and

- includes benchmarks and verifiable indicators, based on Fair Trade Criteria as written in the 'AGICES' Italian Chart of Criteria for Fair Trade (Carta Italiana dei Criteri del Commercio Equo e Solidale).
Our standards

There are 24 'must' requirements and 22 'can' requirements, embedded into 9 categories:

1. Democratic and non-profit nature of the organization
2. Promotion of Fair Trade in trading activities
3. Promotion of Fair Trade in awareness-raising and educational activities
4. Transparency
5. Work conditions
6. Fair relations with producers
7. Networking
8. Environmental protection
9. Processing activities

To be included in the Register, organizations must comply with all ‘must’ standards and obtain a 60% score for ‘can’ standards.
simply FTOs...

We make no distinction between Atos, World Shops, retailers, importers, etc. and all members are only referred to as Fair Trade Organizations.
<table>
<thead>
<tr>
<th>WFTO FT principles</th>
<th>Fundamental Criteria (ref. Fair Trade retailers standards)</th>
<th>Italian standards (for all the Organizations, including FT retailers)</th>
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</thead>
<tbody>
<tr>
<td>1. Creating opportunities for Economically Disadvantaged Producers</td>
<td></td>
<td>6. Fair relations with producers</td>
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</table>
2. Percentage of Fair Trade sales | 2. Promotion of Fair Trade in trading activities  
9. Processing activities |
| 4. Payment of a fair price |  | 2. Promotion of Fair Trade in trading activities |
| 5. Ensuring no Child Labour and Forced Labour |  | 5. Working conditions |
| 6. Commitment to Non Discrimination, Gender Equity and Freedom of Association |  | 5. Working conditions  
6. Fair relations with producers |
| 7. Ensuring good working conditions |  | 5. Working conditions |
6. Fair relations with producers |
| 9. Promotion of Fair Trade | 3. Education and advocacy | 3. Promotion of Fair Trade in awareness raising and educational activities  
7. Networking |
| 10. Environment |  | 8. Environment protection |
AGICES
Monitoring system
How it works

The AGICES’ monitoring system is managed by the Register Committee and it counts three different steps:

- self assessment
- ‘internal’ monitoring
- external monitoring
1 – Self assessment

Every year ALL members fill in a self assessment form with all data regarding their trading, lobbying, educational, economic, etc ...activities.

Should members fail to fill in the form or comply with the standards, they would be crossed off the Register.
2 - Internal monitoring (1)

2.1 The Register Committee checks that the data provided by members in SA form are consistent with their financial statements, activity reports, etc.

2.2 ordinary audits done by qualified auditors
We audit at least 33% of all members every year (our audit procedures were inspired by SA8000 audit procedures)

2.3 extra audits can be performed if required
2 - Internal monitoring (2)

2.4 Since November 2009, all members subscribed the Social Accountability Watch (SAW) - A web portal already used as a tool for SA8000 standards.

Through this portal users are able to send out their comments regarding possible non-compliance to the standards.

- The comments/alerts (either anonymous or not) are directly addressed to the organization.

- These messages will be not visible on the public website but will be duly dealt with by AGICES. The Register Committee receives these comments and decides to investigate more if it is needed.

www.sawnet.info/equosolidale
The aim of SAW

"Guarantee systems (certified and non certified) are more credible and effective if, beyond being managed by skilled people, conceive the active participation of all interested parties in the system. Apart from that, they also resolve to be less expensive."

= LESS EXPENSES AND MORE GUARANTEES
Please note

The SAW is a good tool for us because

- It is not expensive
- It really supports the Register Committee in monitoring members’ activities (a sort of mutual review)
- It establishes a participatory approach that involves all local, national, international stakeholders (volunteers, workers, NGOs, associations, trade unions, public bodies, etc.)
Agices’ Auditors

Auditors must have:
- 5 or 10 years of work experience, depending on scholarship level;
- 3 years of membership in a Fair Trade Organization

must attend:
- A 3-day course
and pass:
- a final test on Agices standards and procedures and general certification matters

must take part in:
- 2 audits, with evaluation from a senior auditor

Requirements for lead auditors:
- 5 audits as auditor
- 2 audits with evaluation from a senior lead auditor
3 – External monitoring

Since 2009, The AGICES' monitoring system for Fair Trade Organizations is certified by ICEA (an independent certification).

The certificate was officially handed over to the AGICES' President, Ms. Gaga Pignatelli, during the 2009 AGM.

The renewal certificate officially handed over to the AGICES' President, Mr. Alessandro Franceschini, during the 2013 AGM.
Certification is an important step towards the transparency and the accountability of the Italian Fair Trade Organizations.

The certification is the result of AGICES' enduring work on guaranteeing compliance with Fair Trade standards for consumers and public agencies.

As a result, AGICES members will be able to define themselves as: 'Member Organization of the AGICES Register. Certified monitoring system'.

This definition can be used on all their official documentation, headed paper, websites, fliers, etc., but cannot be applied to products.
What we have done

800 MODULI DI AUTOVALUTAZIONE
- Maggio 2003
- Marzo 2006
- Settembre 2006
- Giugno 2008
- Giugno 2009
- Giugno 2010
- Giugno 2011
- Giugno 2012

137 AUDIT
- 2006: 1 pilot
- 2007: 6 audit
- 2008: 10 audit
- 2009: 25 audit
- 2010: 36 audit
- 2011: 30 audit
- 2012: 29 audit

OTTobre 2009

IL SISTEMA SAW ENTRA NEL SISTEMA DI MONITORAGGIO AGICES
2009/2013: 10 segnalazioni gestite

IL SISTEMA DI MONITORAGGIO AGICES E' CERTIFICATO DA IAEA!
- Edizioni del Corso Valutatori: 4
- Partecipanti: 74
- Valutatori qualificati e attivi: 14
About the costs

This monitoring system costs €70,000 per year.
- auditors fee, Auditors traveling costs; Register Committee traveling costs → 35%
- auditors course and annual meeting; → 3%
- Staff: 1 full time employee to manage all the system → 50%
- Certification costs: just 1 certificate! → 7%
- Office costs: → 5%

The costs of Monitoring system are included into annual memberships fee.
Members pay every year the same amount with regard to the economic dimensions but regardless they will be audit or not during the year.
This allow smaller organizations to deal with the costs (they don’t have to pay to be audited)
The legislation process

10 Italian Regions approved a dedicated law that recognise Fair Trade, FTOs and the AGICES Register:

- endorsing the local members of AGICES Register (i.e. public procurements, campaigning, Regional FTDay and Fairs, etc.)
- allocating economic resources to support their activities (about €1,5mil in 2010)

Toscana, Friuli Venezia Giulia, Abruzzo, Umbria, Liguria, Marche, Piemonte, Lazio, Emilia Romagna, Veneto
Strengths and Weaknesses

- Participatory approach
- Members improve their accountability
- Cheap and flexible system

- Lack of visibility
- We loosed some members
To get more info

- In our website: [www.agices.org](http://www.agices.org)
- You can find:
  - Italian Chart of Criteria for Fair Trade:
  - Register Regulations
  - Self assessment form
  - AGICES Annual report

Questions? Please, ask us! [registro@agices.org](mailto:registro@agices.org)

Thank you for your attention