



# **The South African Experience of Label Implementation**

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**Fair Trade in Tourism South Africa (FTTSA)**



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# About FTTSA

- Non Profit
- World's first Fair Trade labeling initiative in tourism
- Started in 2001 by IUCN-World Conservation Union
- Now independent
- 10 staff and growing
- Primarily donor funded
- Promoting sustainability in tourism through:
  - Awareness raising
  - Skills development
  - Certification
  - Marketing



# Certification

- Independent, 3<sup>rd</sup>-party “stamp of approval”
- - Labels, certificates, marks, Trademarks
- Usually voluntary
- Based on measurable criteria or standards
- Benefits for the private sector
- Policy instrument
- Well established in agricultural sector (organic, Fair Trade)
- Also, in forestry, marine products, energy, tourism



# Potential Benefits of Certification

- Individual schemes report high levels of member satisfaction:
  - Credibility
  - Links products to markets
  - Market advantage –unique selling point
  - Improved operations through feedback
  - Added value to guest experience
- Positive local impact
- Positive destination image
- Supportive of policy
- Best practices



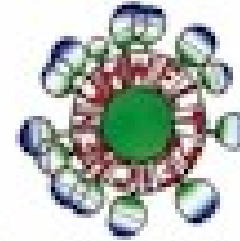
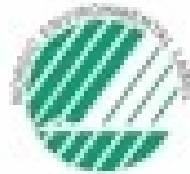
# Global State of Play

- 100+ tourism certificates around the world
  - Global schemes (Blue Flag, Green Globe)
  - National schemes (Eco-rating Kenya)
  - Sub-national (e.g. state or city level)
- Focused mainly on environmental standards
  - eco-labels
- FTTSA = global leader in social/labour standards. World's first tourism "Fair Trade" label

# Sustainable Tourism Certification



DENGGRØNNENØGLE



THE HALLMARK OF ENVIRONMENTALLY SENSITIVE HOTELS



# Global State of Play

- Too many labels
- Too few products are certified (<1% beds in Europe)
- Costs of compliance can be high
- Schemes not financially sustainable
- No common definitions and standards
- Relatively few schemes in Africa (<10 known to FTTSA in operational or planning stage)
- Big tour operators developing own standards – bypassing local certificates



# Response - Regionalisation

- Globally, trend towards regional-level certification programmes:
  - Avoid duplication of work
  - Reduce confusion in the market
  - Strength in numbers
  - While still remaining locally relevant
- But regionalisation has been difficult to achieve:
  - No common standards
  - Lack of trust
  - Attachment to existing logos



# Regionalisation in SADC?

- Within SADC, FTTSA is leading a process to develop an integrated approach to sustainable tourism certification
- Network launched in May 2008 – Sustainable Tourism Southern Africa
- FTTSA also working with MITUR to develop Fair Trade in Tourism Mozambique. Similar process could be launched in Madagascar
- Possible outcome: a network of Fair Trade in Tourism organisations in SADC using a common logo, with centralised marketing but decentralised assessment to account for local contexts



# State of Play South Africa

- 1996 White Paper envisaged establishment of Responsible Tourism standards and certification
- Up until a few years ago, only two home-grown schemes:
  - FTTSA and Heritage Eco Rating Programme.
- In the last year, 3 more schemes:
  - Greenstay SA, Green Leaf, Green Wilderness Foundation.
- Lack of common standards and likely future proliferation of certification has led DEAT to initiate a process to accredit service providers, based on national standards and accreditation criteria



# How does FTTSA compare to some of its peers?

- FTTSA is fairly unique – pass/fail and primary focus on social/labour/economic standards. This is because FTTSA is modelled on Fair Trade and not eco-tourism.
- Most schemes experience slow, steady growth incl. FTTSA.
- FTTSA costs are competitive – not seen as a barrier to entry by most clients.
- 2<sup>nd</sup> party verification most commonly used – although 3<sup>rd</sup> party said to be “better”. FTTSA Panel provides rigour and independence.
- FTTSA relatively strong with branding, marketing and providing info on the Internet (transparent).
- FTTSA needs to develop a strategy to wean itself off of donor funding- donors will not fund certification indefinitely. Need to study schemes who have managed this transition successfully.



# FTTSA Certification Mark

- FTTSA stands for:
  - Fair wages & working conditions
  - Fair operations including purchasing, recruitment
  - Fair distribution of benefits
  - Ethical business practice
  - Respect for human rights, culture & environment
- Based on quantifiable criteria and on-site assessment
- FTTSA compatible with other labels e.g. star grading



# Benefits of FTTSA certification (based on client research)

## Developmental

1. Assessment process itself is developmental (i.e. “getting your house in order”)
2. FTTSA is a sounding board, advocate, facilitator
3. HR development: staff training & improved staff morale ⇒ staff retention
4. Being part of a network of like-minded businesses: mutual support, product packaging, joint marketing
5. Benchmarking to achieve best practice. FTTSA provides guidelines, documentation, feedback.
6. Credibility within the market

## Marketing

1. Use of FTTSA brand to target consumers demanding fair trade and sustainability (USP, market access)
2. Showcasing on FTTSA website (revamped 2008), in adverts, at trade shows (e.g. WTM, TTW, ITB)
3. Media work by FTTSA (126 appearances in year ending Feb 2008 – up from 90 in previous)
4. Growing network of international tour operators (over 50 international and inbound as of Feb 2008)
5. Market advantage, especially with markets supporting Fair Trade (e.g. UK, Germany, Switzerland, Netherlands, Austria, France, Canada, USA, Scandinavia)



# FTTSA successes

- Market orientation
- Locally relevant standards and procedures that are aligned to global Fair Trade principles
- Strong policy alignment
- Practical framework for continuous improvement at firm level
- Partnerships
- Robust system & technical expertise = credibility
- Emphasis on local needs and expectations
- Cost not a barrier for small-scale producers
- Multiple benefits of certification gives a balanced portfolio



**Thank you!**



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