

## **Standards Committee Minutes Meeting 111: March 20 and 21, 2024 Teleconference**

SC members: Martin de la Harpe (Chair), Ben Huyghe, Stijn Decoene, Richard Odurose Kwarteng, Gustavo Lopez, Marike de Peña, Emilie Sarrazin.

Observers: Fairtrade International and FLOCERT staff members have permanent observer status.

Other Observers: We do not display the full names of observers and contributing observers to comply with 'The General Data Protection Regulation (GDPR)<sup>1</sup>'. If you need additional information about the observers or contributing observers of this meeting, please contact [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)

**Disclaimer:**

The Fairtrade International Standards Committee (SC) aims to reach consensus, but decisions may not always reflect the opinions of all people.

The section to introduce the topic (background information) has been written by the Standards & Pricing and may not have been discussed by the SC in full. Sections listing action points are an outcome of discussions of the SC but are not part of the decisions made.

**Abbreviations**

CEO	Chief Executive Officer
CLAC	The Latin American and Caribbean Network of Fairtrade Small Producers and Workers
CoE	Centre of Excellence
COSP	Cost of Sustainable Production
DRC	The Democratic Republic of the Congo
EC	Exceptions Committee
FET	Fairtrade Executive Team
FTO	Fairtrade Organizations
FI	Fairtrade International
FMP	Fairtrade Minimum Price
FOB	Free on Board
FP	Fairtrade Premium
FPC	Fairtrade Premium Committee
FSI	Fairtrade Sourcing Ingredient
FT	Fairtrade
FBW	Fairtrade Base Wage

<sup>1</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). <https://eur-lex.europa.eu/eli/reg/2016/679/oj>



GA	General Assembly
GPM	Global Product Manager
GPPP	Global Products, Programs & Policy
HL	Hired Labour
HML	Hazardous Materials List
HOC	Head of Oversight and Compliance
HREDD	Human Rights and Environmental Due Diligence
IDH	The Sustainable Trade Initiative
LAC	Latin America and the Caribbean
LI	Living Income
LIRP	Living Income Reference Price
LW	Living Wage
NAPP	Network of Asia & Pacific Producers
NEM	New Economic Mechanism
OC	Oversight Committee
O2B	Offer to Business
PC	People's Committee
PB	Producer Body
PEB	Producer Executive Body
PM	Project Manager
PN	Producer Networks
PT	Project Team
SA	Senior Advisor
S&P	Standards and Pricing Unit
SC	Standards Committee
SM	Salary Matrix
SOP	Standards Operating Procedure
SPO	Small-scale Producer Organizations
ToR	Terms of Reference
WRAC	Workers Rights Advisory Committee

### **Item 1 – Opening**

The Chair officially opened the meeting.

**Agenda:** The agenda was approved, and ground rules were read.

**Declaration of conflict of interests:** There was no conflict of interest identified.

**Action items:** Two action items on information about Contract Production Standard Review and Cocoa Price Model Review were included as information items in the agenda for this meeting.

## **Item 2 – News session**

### **News from FI and the Fairtrade System**

The Executive Director briefed the SC about the following topics:

- FI Board discussion on a pilot; the Board reviewed the pilot and recommendation from the OC along with an update on banana market forecasts, banana workplan and closure plans
- HREDD SPO Review 2025; the ED gave an update about the standard review
- Upcoming GA and Board elections; the ED communicated that the General Assembly will take place in June and that there will be changes in the Board as many members are coming to the end of their terms. A brief overview on the status of all Board members was given. An SC member suggested to have an information session about the SC work during the GA and for the Board. The ED ratified the goal of strengthening the connection between the SC and the Board and mentioned the steps that have been taken to improve the connection.
- Project Simple; this a Board led project about the Board structure and its governance. The rationale of the project, timelines and the project members were introduced

An SC member asked for an update on the certification in conflict areas; (Action Point)

### **News from the OC**

- An extraordinary meeting took place in February to decide on a pilot on spending of the Fairtrade Premium, the pilot was presented to the Board for endorsement.
- There were updates on various topics such as ISEAL evaluation and Trading with Integrity.
- The OC was informed about the Oversight & Compliance team structure and the workplan for 2024.
- The OC was updated on the license agreement between FI and the Licensing Bodies, the update was mainly on the use of the label.
- The OC discussed and gave guidance on the learnings from the HML Red List exception.
- The Pilot Facilitator gave an update on the status of the ongoing pilots.
- Three pilots were brought to the OC for decision:
  - Shea nuts NEM pilot: the OC approved a pilot to test a new economic mechanism (NEM) price for shea nuts.
  - The OC gave guidance and approved a Fairtrade + pilot; the Board approved the possibility to run a pilot with a different logo. The OC was requested to decide on the details of the pilot and on how the pilot should be run; the OC asked for another session for this item to discuss more details.
  - Young Plant pilot; the OC was asked for guidance and a decision related to this pilot; there are already some learnings form the ongoing pilot and the pilot needs revaluation; the Pilot PM might propose a new pilot and therefore requested an early appraiser to be able to plan.
- Ben Huyghe was elected as Vice Chair of the OC.

### **News from SC**

- Gustavo Lopez first term in the SC ends on 23 March. He has been recommended for a second term to the PC.

- Emilie Sarrazin second term ends on 9 June, she will be recommended for a third term to the PC.
- Martin de la Harpe third term ends on 30 June. Call for candidates for the Traders seat is open until 5 April.
- NAPP recommended its new representative to the PC, the Board will decide on the appointment in the next weeks.

#### **News from S&P**

- Alina Amador reassumed her role as Head of Standards
- Nora Gutwein has been appointed as Head of Oversight and Compliance in the Legal Affairs Unit. She still remains leading the Oversight Committee.

#### **Item 3 – Director’s Decisions**

One decision was taken since the last update in the 110 SC.

The requirement 3.1.4 in the Fresh Fruit Standard has been reworded to clarify data reporting for banana plantations.

#### **Item 4 - SOP Recognition**

The head of Oversight and Compliance (HOC) presented the background of the SOP recognition of other voluntary sustainability schemes that was developed in 2015. The methodology was found acceptable but was never formally approved by the SC or OC. The development of a recognition methodology at the time was a response to the mandate from the board to collaborate with other schemes to provide opportunities to producers. Collaboration with other schemes is once again becoming a central topic and the presenter proposed to the SC to reflect and to approve the Fairtrade Recognition SOP.

In order to be able to cooperate with different schemes including those that are not based on certification, the SOP describes two different ways to recognize: 1) acceptance of certificates, where Fairtrade accepts the certificate of others as evidence to grant a Fairtrade certificate, fully or partly, and 2) declaration of equivalency, where the outputs of the recognized scheme are used as indicators of compliance in audits to reduce audit time.

The SOP also describes how some decisions will be facilitated if the other scheme is an ISEAL member and ISEAL Code compliant or if it uses a national or international accreditation body for its oversight, which already provides robust evidence that certain practices are followed in the same or equivalent way as Fairtrade, and therefore additional assessments is unnecessary.

The procedure also defined the decision-making process. The S&P Director makes a recommendation on the scheme; the OC makes recommendations on assurance and oversight and the SC makes a recommendation on the equivalency of the standard. The SC therefore makes an overall decision on recognition.

The presenter gave examples of projects where the Recognition SOP has been used despite the fact the SOP was never fully approved. This is therefore a good opportunity to formally approve it to ensure that the projects are conducted in a more structured way.

### **Discussion**

An SC member agreed that it is necessary to officially approve the SOP because there is an overlap between certification schemes and will help producers to reduce audit costs. It was mentioned that this is especially necessary for bananas and that this is also a big opportunity where Fairtrade can lead. It was suggested to map schemes that can be recognised to reduce the burden on the producers.

Another SC member mentioned that the proposal was very challenging because it is not only technical but also political. It was indicated that this would be useful from a producer perspective but challenging from a market point of view. The SC member also raised a question as to whether Fairtrade can recognise any certification scheme and whether Fairtrade could also be recognised by others. The presenter mentioned that the recognition regulates how Fairtrade recognises others and not how others recognise Fairtrade. The SOP provides a guidance with whom Fairtrade associates with. It is therefore important to have guidance and procedures.

An SC member inquired about the implications for FLOCERT. The presenter clarified that if FI acknowledges the scheme, it implies that FLOCERT will no longer need to check on the recognized requirements. With acceptance of the certificate, redundant checks become unnecessary. Therefore, it is crucial to ensure that SOP is officially approved and published, establishing a formalized due process.

### **Decisions**

#### **Decision 1**

The Standard Committee is asked to approve the Recognition SOP.

The SC voted in favour of the proposal (6 in favour and 1 abstention)

#### **Decision 2**

The Standard Committee is asked to approve the delegation of the final non-substantive changes of the Recognition SOP to the Director S&P.

The SC voted in favour of the proposal (6 in favour and 1 abstention)

#### **Next steps**

- Publish the procedure on FI website

### **Item 5 - Contract Production Standard Review**

The status and timeline of the project was presented; the consultation is planned for June 2024, with the decision for the SC expected in September. The consultation period will be open for 60 days.

During the discussions, the proposal of having two distinct sections for workers—one for CP and one for PEB was presented, including a thorough examination of its pros and cons.

## **Discussion**

The first discussion point revolved around whether the standard should include requirements for workers employed by the PB and its additional entities. The argument was put forth that including such requirements for the PB is necessary, given their integral role within the system. Moreover, with the implementation of the CSDDD Directive in Europe, it becomes necessary to oversee their inclusion, especially considering the PB's association with the Fairtrade system. Consequently, the SC recommended incorporating the HREDD requirements for the Promoting Body (PB) as well.

The second discussion point focused on measures within the standard to ensure that newly established producer organizations transition into SPOs and determining the timing for this transition. It was noted that more insights are required to understand the reasons behind PEBs' (Producer Executive Body) and registered producers not transitioning into SPOs. The SC expressed the need for additional information to make a decision.

A member of the project team explained that the main challenge hindering PEBs from transitioning into SPOs lies in the scarcity of resources to shoulder the financial and organizational responsibilities needed in SPO operations. Consequently, it is more convenient for PEBs and registered producers to remain within the CP framework.

An SC member emphasized that establishing a timeframe for the transition is crucial as it mitigates dependency, fostering the development of stronger organizations capable of operating independently from the PB. The PB can continue to offer support to the emerging SPOs, it's essential to ensure that a dependency dynamic doesn't form between the PB and the PEB and registered producers. The timeframe itself isn't as critical; whether it spans 6 or 9 years is open for consultation. However, setting a definitive timeframe is crucial to prevent the PB from having dependency on the PEB.

It was mentioned that a transition plan is needed, starting from year 1 and embedded as a requirement within the standard. Governance structures should evolve throughout this transition, along with a shift in responsibilities, particularly regarding financial obligations. A 9-year period is deemed adequate to facilitate the complete transition from CP to SPO.

While strengthening the governance of the PEB is essential, the focus must also extend to empowering future SPOs to deliver services. Supporting the PEB in this effort is crucial for them to be independent.

Another SC member suggested that CPs shouldn't remain still for 9 years without initiating the transition process. Regular checks should be conducted, with each audit bringing the organization closer to transitioning.

Concerns were raised regarding who would respond to the consultation, whether it will be the PB or the PEB. Ensuring that the PEB can provide answers freely and independently from PB influence is very important. The project team indicated that they would have 2 consultation days, to consult the PEB limiting the influence of the PB in PEB answers.

The third point brought for discussion was around the question to align the definition of a small producer in the CP standard completely with the definition in the SPO standard.

The SC recommended to align the CP standard with the SPO, so it's easier for PEB and registered producers to transition into an SPO.

The last point for discussion was on how to embed the HREDD requirements into the CP context and defining who the responsible to implement DD requirements should be, the PB or the PEB.

It was suggested that the process should begin with the PB and gradually transition to the PEB. This gradual shift will enable them to develop the capacity to eventually take over fully.

### **Item 6 - Textile Standard Limited Review**

The objective, rationale and timeline of the project was presented. The project is limited standard review with the objective to include the reference to the [Green Button](#) (GB), the government-run certification label for sustainable textiles in Germany, in the Fairtrade Textile Standard. The Green Button 2.0 standard includes environmental requirements for bleaching and dyeing, requirements for social and working conditions during cutting and sewing, and for the sustainable extraction of raw materials.

As proof of sustainable production, the Green Button accepts certification labels that meet the credibility criteria of the German federal government and have evaluated the required social and environmental requirements in the supply chain. For the commercialization of Fairtrade Textile products in Germany, it is essential that the Fairtrade Textile Production mark is recognized by the GB.

In the consultation phase, two requirements that refer to compliance with the Green Button 2.0 were proposed to be included in the Fairtrade Textile Standard.

#### **Discussion**

The SC members requested clarification regarding the current implementation status of the Fairtrade textile standard, particularly in the German market. They also inquired about the potential challenges for other markets if the Fairtrade standard references GB, especially in regions where compliance with GB is not obligatory. The GPM clarified that GB serves as a meta standard primarily catering to the requirements of German licensees who desire to adopt it. The consideration of other markets is not currently on the agenda.

There was a question regarding how the Textile standard would align with updates to the Green Button. It was clarified that the focus lies in referencing the Green Button rather than updating specific requirements within the Textile standard.

SC members voiced concerns regarding the approach to recognizing another standard, namely the Green Button. An example was drawn wherein producers aren't mandated to obtain organic certifications for their supply chains, yet there's no explicit reference to organic standards within the standard. It's presumed that producers and traders will adhere to organic standards if necessary. The concern also extends to requiring compliance with the Green Button for entities outside Germany but trading with German customers.

The head of Oversight and Compliance (HOC) clarified that the objective is to elevate the standard to attain government recognition. Two options were considered: referencing the Green Button or incorporating

additional requirements into the Fairtrade standard. It is important to consider that Brands prefer certifications inclusive of the 'Green Button'.

Furthermore, the HOC mentioned that this aligns with the approach outlined in the SOP for standard recognition, approved by the SC in the current meeting. In such a scenario, SC members suggested introducing a transition period or criteria until the new recognition process is applied in this case.

### **Decisions**

The SC was asked to take the following decisions:

#### **Decision 1:**

Do you agree to introduce the new Core/Year 0 requirement applicable to factories carrying out wet processing to have a valid certification by Green Button for wet processing? This requirement will apply as of July 2024.

**Decision 2:** Do you approve the new Core Year 0 requirement applicable to CMT factories to informing wet processing supplier that the final product is to be labelled under the Green Button in a written form? This requirement will apply as of July 2024.

The SC unanimously approved decision 1 and 2, under condition of retroactive recognition based on SOP on standard recognition.

**Decision 3:** Do you approve to delegate non-substantive changes and date of applicability (if any change) to the Head of Standards?

The SC unanimously approved decision 3

### **Next steps**

- Follow up with approved SOP recognition procedure.
- Finalizing the requirements with the project team
- Publishing the Standard
- Reviewing draft Compliance Criteria for new requirements

### **Item 7 – HREDD in the Hired Labour and Trader Standards**

The purpose of the session was to decide on one proposed amendment to HREDD requirements in the Hired Labour Standards approved last November, and applicability date for both Hired Labour and Trader Standards.

Firstly, The HREDD CoE Director gave a brief update about the EU Due Diligence legislation, which includes:

- EUDR – EU Deforestation Regulation
- CSRD –Corporate Sustainability Reporting Directive
- CSDDD – Corporate Sustainability Due Diligence Directive
- FLR – EU Forced Labour Regulation

She also provided an overview of the CSDDD and the key related requirements in the Fairtrade Standards and a summary of the EU Forced Labour Regulation.

Finally, an overview of the Fairtrade tools for prevention, mitigation and remediation were explained. It was highlighted that Standards and Audits are just some Fairtrade DD tools, other tools are, for example, advocacy work, advisory services, programmes, and co-investment, among others.

Further, the Standards team presented a complete overview of the requirements approved last November and proposed the amendments to the requirements:

- Dropping the Monitoring and Remediation System requirement in the HL Standard
- Applicability date of the Standards

### **Dropping Requirement on Monitoring and Remediation System**

It was explained that this recommendation is to ease the burden for POs since establishing a monitoring and remediation system requires more effort and resources - compared to having a policy in place. In addition, there is already a requirement in the HL standard on having a remediation procedure that guides remediation work for HLOs and this is considered sufficient. The Standards team recommends including the requirement in the monitoring log and to include it at a later stage.

### **Discussion**

An SC member did not support the recommendation indicating that, as it is a development criteria, it is an opportunity to learn and understand how effective their remediation systems are. Other members agreed to keep the requirement as it is seen as important to strengthen the DD process.

Another member mentioned that, in the consultation, this requirement was not supported by producers as Monitoring and Remediation requires a lot of resources and expertise; he highlighted that Traders are supposed to offer support to producers.

Based on the discussion; it was agreed to keep the requirement on Monitoring and Remediation in the HL Standard.

### **Applicability date of the Standards**

The Standards Team recommends starting the applicability date of the standards on January 1, 2025. This would affect the transition time for certified Traders and HLOs, meaning that the first batch of requirements would be effective in January 2026 and the second batch of requirements in January 2027. This would give the system time to build capacity and better support their members.

An SC member indicated that there is an increased need to formalize the duties the plantations have with their workers; and being the standards a mechanism to support workers, the faster the standards are applicable, the better. Moreover, she mentioned that HLOs have more resources and capital to apply the standards.

There was a suggestion from an SC member that the applicable date for Hired Labour standard starts earlier than for Trader standard. However, having 2 different timelines for the standards would be difficult as some requirements in the HL Standard need support from Traders.

The Standards team emphasized that the additional time would give enough time for the system to prepare, build capacity, including FLOCERT which needs to train their auditors on how to audit HREDD requirements.

Other members supported the proposal of the new applicability date as they considered that the requirements should be implemented very well.

### **Decisions**

**Decision 1:** Do you agree to keep the requirement on Monitoring and Remediation System in the Hired Labour Standard?

The SC unanimously approved decision 1

**Decision 2:** Do you approve the applicable date for revised Trader and Hired Labour standards to be 1 January 2025?

The SC unanimously approved decision 2

### **Next steps**

- Publication of the Trader and Hired Labour Standards in mid-April, 2024.

### **Item 8 – Cocoa Price Model Review**

The context for the price review was provided, delving into the prevailing macroeconomic dynamics within the international cocoa value chains and the hurdles they face. Notably, there is a pronounced price volatility characterized by substantially elevated international cocoa prices, primarily stemming from supply shortfalls. These deficits are a consequence of severe environmental disruptions, resulting in notable reductions in yields. Consequently, the reliability of payments from commercial partners and retailers to cocoa producers is compromised, introducing instability into the equation. Given the current state of the cocoa value chain, market risk is notably heightened. Of particular significance is the role of cocoa price regulation, which is enforced by the national governments of Ivory Coast and Ghana.

The PM explained the cocoa price review process which has advanced with data collection and preliminary data analysis. The data collection on cocoa cost of production included 51 SPOs and 162 individual cocoa farmers. The PM reported characteristics from the data collected indicating that, for example, most countries which produce conventional cocoa do not export themselves and therefore they cannot report exports cost. On the other hand, countries which produce organic cocoa, mainly from Latin America, do export themselves and therefore were able to report export costs.

For the cocoa global price review consultation which it is planned for Mid-April to May 2024, where price proposals will be consulted.

### **Discussion**

There were questions and comments regarding the consultation proposals that were addressed by the Pricing team.

### **Next steps**

- Continue with discussions on price proposals to be included in public consultation
- Proposals for consultation document will be shared with SC
- Launch of the global cocoa price model consultation planned by the end of April
- Final proposals for approval to be presented to the SC in September 2024

### **Item 9 – Cocoa Living Income Reference Price**

Parallel to the Cocoa price model and FMP review, there have been efforts to align it with the review of the Cocoa LIRP for Ghana and Cote d'Ivoire. Next steps on how to standardize the country LIRP setting for Cocoa have been explored. The LIRP consultation is currently ongoing.

The Senior Advisor for Sustainable Livelihoods presented the Fairtrade Living Income Reference Price model, core principles, calculation and timeline of the Cocoa LIRP review process 2023/24. The review encompasses new LIRP values, LIRP procedures (updating methodology and exchange rates) and LIRP implementation for Cocoa (timeframes for commitments and rules for claims).

#### **1. The LIRP values**

Based on the LIRP price model, the 4 core parameters were established through data collection and consultation: Sustainable target yield, cost of sustainable production for the established target yield, viable land area, living income benchmark and different LIRP scenarios depending on these variables. The Senior Advisor presented all results for the Cocoa LIRP review and decisions that were taken.

One SC member asked about the productivity and the difference for LIRP of using a target yield, not actual yield, which impacts the price and income for producers. The SC member expressed that adding a mechanism of farm investments and prioritizing farm investments to general income would be needed to make sure the target yield is reached as quickly as possible. It was answered that this will be part of the implementation plan discussed under 3, but generally farmers so far are free to choose what to do with their income and often do invest this into their farm to improve the yield. Whether we need to prescribe this or leave this up to every farmer will be part of the consultation.

#### **2. LIRP procedures**

The Senior Advisor presented the currently consulted update cycle for the review of the Cocoa LIRP.

#### **3. LIRP implementation**

The Senior Advisor explained that we do not have standardised rules for LIRP implementation yet. Rules of implementation need to be defined, covering areas of:

- Relation to the Fairtrade Premium
- Minimum duration and volume of sourcing commitment
- Requirements for SPOs receiving the LIRP
- Payment mechanisms
- LIRP distribution mechanisms
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An SC member asked if this consultation covered other regions than Africa or other products, which it does not. Another SC member commented that some points like the inclusion of FP and payout of LIRP are related and should be discussed together.

Further, an SC member mentioned the NFO discussion with retailers pressing for offers and that for Cocoa it is important that the big import manufacturers offer chocolate at LIRP because they offer the biggest supply in Europe. Many supply chains are reliant on this. And that working with big manufacturers would be easier with a standard add on.

A SC member commented that the consultation on procedures and implementation need to include other PNs. It was confirmed that there will be a broader consultation afterwards.

The SC thanked for the explanations and expressed that they hope at some point the FMP would be replaced through LIRPs.

#### **Item 10 – Organic certification EU regulation**

An external expert presented the forthcoming EU organic regulation changes set to come into effect by year-end, which will impose stricter compliance requirements for third-country operators and groups outside Europe. It was pointed out that many globally certified organic producers may struggle to meet the new legal criteria, potentially impacting their organic certification. The key points explained during the presentation can be summarized as follows:

- European Union organic import system with changes from “equivalence” to “compliance” for the majority of the third countries
- A new rule for producers’ groups definition. Group of operators (GoO) with more requirements to be recognized as such (max. number of members, type of members, and detailed Internal Control Systems requirements, farm size).
- Stricter and word by word application of the EU organic production rules for small and large farms and more standardized procedures and controls.
- Most of the operators as well as experts do not yet understand all the new rules and implications.
- There is a risk that most of the organic organizations will not meet the new definition of “group of operators” and be recognized by the EU and allowed into the new system, therefore there is a substantial risk for de-certification for organic SPOs.
- Some organic small & medium farm supply chains are likely to drop or lose EU organic certification in 2025/26, due to the combination of price pressure, higher costs, stricter new rules, and legal adaptations required.

- There will be implications for organic SPOs with non-organic or too large members, or beyond 2,000 members.
- For organic Fairtrade SPOs the most viable solution is that the SPO establishes one or several new legal entities for the eligible organic members.
- Most unions of cooperatives do not meet the new GoO definition in their current legal set up and will have to be certified as a processor/trader “operator”.
- A processing/export company with associated/contracted farmers is not composed of farmers and hence cannot be certified as GoO.
- Implications on new farm size and organic turnover restrictions, that could impact banana producers.
- There will be more organic control and sampling and the compliance cost will be increased.

In the second part of the session, the Head of Standards presented a proposal as first steps to undertake the adaptations in the short term, for which FI will have to issue interpretations notes for Coffee and Cocoa Standards regarding the entry requirements, and in the SPO Standard indicating that the organizations that re-apply for Fairtrade certification are established organizations that require to set up a new SPO to comply with EU regulation for organic certification.

### **Discussion**

The discussion highlighted that the new rules would lead to increased costs and less business flexibility, with small organic groups being disproportionately affected. Interventions were proposed to mitigate the impact, including providing interpretation and guidance, and raising awareness among European traders and commercial teams. Several members of the SC expressed their concerns not only for SPOs but also for the rest of the supply chain. Also discussed potential solutions, such as having multiple smaller legal entities certified and clarifying expectations for the joint marketing system.

A member of the SC commented that it is important to understand that the objective is to avoid the multiplications of legal entities to get recertified under the new system, as this will have a multiple of unwanted effects for the system and for all other existing Voluntary Sustainable Schemes in production systems whether organic or not. This means that a solution should be found to avoid a wider impact on non-organic producers. The discussion ended with an acknowledgment of the need for clear communication with producer networks and the upcoming changes in EU organic legislation.

It was suggested that FI could provide interpretation guidance to FLOCERT for control of organic SPOs that will need to adapt their legal structure to meet EU Regulation and provide briefing & one webinar training to producer networks, as well as, in coordination with GPPP, reach out to NFOs to provide awareness about this potential disruption in supply chains.

### **Item 11 – Project Updates**

The SC received a document with the projects updates and had the opportunity to share questions during the session.

A members asked about the agenda for the next meeting; it was answered that topics for decisions will be mostly in September and December and that in June a decision on the Cocoa Standard will be brought to the SC.

There was a question about the status of the Banana Price Review 2024 and on the publication of the Project Assignment; it was answered that the project assignment will be published soon.

There were questions about when the on-site meeting will take place, it was clarified that the dates will be confirmed by the end of April.

### **Item 12 – AOB**

#### **AOB**

- An SC member asked about the reason of the delay in the closure of the banana registry; it was explained that the delay happened because of remaining legal questions that needed to be clarified.
- An SC member reminded the importance of hiring consultants, funded by NFOs, if necessary to support updating prices more regularly and in an agile manner according to market needs.
- The SC and S&P Unit thanked and gave a farewell message to Iresha Sanjeewanie as she concluded her second term representing NAPP in the SC for 6 years.
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#### **Next meeting date:**

- June 26, 27 and 28 (tbc) from 14:00 to 18:00 CEST – Teleconference
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**The meeting was formally closed**