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| **Consultation document for Fairtrade Stakeholders:**Review of the Fairtrade Standard for Small Producer Organizations Second round of consultation |
| Consultation Period | 3 May 2018 – 3 July 2018 |
| Project Manager | Gelkha Buitrago, Head of Standards |

**PART 1 Introduction**

**1. General Introduction**

Fairtrade Standards support the sustainable development of small-scale producers and workers in the Global South. Producers and traders must meet applicable Fairtrade Standards for their products to be certified as Fairtrade. Within Fairtrade International, Standard & Pricing (S&P) is responsible for developing Fairtrade Standards. The procedure followed, as outlined in the [Standard Operating Procedure for the Development of Fairtrade Standards](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/SOP_Development_Fairtrade_Standards.pdf) is designed in compliance with all requirements of the [ISEAL Code of Good Practice for Setting Social and Environmental Standards](https://www.isealalliance.org/sites/default/files/resource/2017-11/ISEAL_Standard_Setting_Code_v6_Dec_2014.pdf). This involves wide consultation with stakeholders to ensure that new and revised standards reflect Fairtrade International’s strategic objectives, are based on producers’ and traders’ realities and meet consumers’ expectations.

The first round of consultation of the review of the Fairtrade Standard for Small Producer Organizations (SPO) took place in 2017. You now are kindly invited to participate in the second round of consultation of this review. For this purpose, we kindly ask you to provide your input on the topics suggested in this document and encourage you to give explanations, analysis and examples underlying your statements. All information we receive from respondents will be treated with care and kept confidential.

**Please submit your comments to** **standards-pricing@fairtrade.net** **by 3 July 2018.** If you have any questions regarding the draft standard or the consultation process, please contact standards-pricing@fairtrade.net

Following the consultation round S&P will prepare a paper compiling the comments made, which will be emailed to all participants and also be available on our Fairtrade International website. Next steps of the project are presented in section four.

**2. Background**

Hundreds of issues had been brought to the project team’s attention by several stakeholders within the Fairtrade system since the last review in 2011. In addition, an active collection of input took place between April and September 2016. As a result 12 topics summarizing most of the input received were selected for the first round of public consultation.

This first round of consultation followed a different approach to engaging with stakeholders compared to previous standards consultations. Instead of already putting forward concrete technical proposals, the consultation shared with stakeholders the description of a topic statement plus questions for discussion on a diverse but interrelated set of topics. The intention of this exercise was to engage in a more participatory approach focusing on understanding different views on a topic and an open discussion about the potential ways to address them.

The consultation round took place between early July and lasted until mid- October 2017. Over 1,025 stakeholders participated in workshops and 315 via the online survey.

A synopsis of this consultation can be found [here](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/2018-27-03-SynopsisPaper-SPO-Review-1stRound.pdf). The annexes summarizing the results of the workshops are available [here](https://www.fairtrade.net/standards/standards-work-in-progress.html).

Building on the outcomes of the first round of consultation, this second round includes a more technical proposal for discussion with stakeholders.

**3. Objectives of the review**

* Review and analyse outstanding issues included on the monitoring log on the SPO standard since last revision
* Collect additional topics, issues and concerns on the SPO standard from relevant stakeholder groups
* Seek solutions from stakeholders to resolve standard related issues
* Consult on solutions with relevant stakeholder groups
* Ensure consistency in standards by aligning changes in all related product standards
* Improve standard language for better clarity and simplicity
* Develop final proposals for the SPO standard for approval by the Standards Committee

**4. Project and Process Information**

The project was resumed in Q2 2017 and the [project assignment](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/10-04-2018-ProjectAssignment-SPO_Review.pdf) is available on the Fairtrade International website.

The current [Standard for Small Producer Organizations](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/SPO_EN.pdf) is also available on the Fairtrade International website.

The progress to date and next steps are described below:

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| **Activity** | **Timeline** |
| Scoping | May - June 2017 |
| Research | April – June 2017 |
| Consultation 1st round | July – Nov 2017 |
| Drafting proposal 2nd round | Dec 2017 – Feb 2018 |
| Consultation 2nd round | May 3 – July 3, 2018 |
| Drafting final proposal | Q3 2018 |
| SC decision | Q4 2018 |
| Publication | Q1 2019 |

**5. Confidentiality**

All information we receive from respondents will be treated with care and kept confidential. Results of this consultation will only be communicated in aggregated form. All feedback will be analyzed and used to draw up the final proposal. However, when analyzing the data we need to know which responses are from producers, traders, licensees, etc. so we kindly ask you provide us with information about your organization.

**6. Acronyms and definitions**

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| FI | Fairtrade International |
| GA | General Assembly |
| IMS | Internal Control System |
| ILO  | International Labour Organization |
| ICS | Internal Management System |
| NGO | Non-Governmental Organization |
| NFO  | National Fairtrade Organization |
| PN | Producer network |
| SPO  | Small Producer Organization |

**The target groups of this consultation are:**

* SPO producers already certified or interested in becoming certified under the Fairtrade Standard for Small Producer Organizations.
* Licensees and traders certified / interested in becoming certified under the Fairtrade Trader Standard
* Producer networks, national Fairtrade organizations, Fairtrade International, FLOCERT, NGOs, researchers, etc.

For each topic a description of the topic is presented followed by the aim of the proposal. Then the proposed changes are presented with reference to the relevant requirements in the standard. Deletions to requirements are presented in strikethrough and additions are presented in red. For each proposed change the rationale and the implications are outlined. Stakeholders are invited to provide their views on the different proposals as well as to provide additional input. Where possible, the order of topics and proposals is structured to follow the current structure of the SPO Standard. At the end of the document, there is the possibility to provide input/comments on other sections of the standard or other topics that are not considered in any of the proposals. The full standard presenting all existing, revised and new requirements is also available [here](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2018-05-02-SPOStandard-Overview.pdf) for stakeholders who would like to have an overview of all the requirements.

If you are an SPO we encourage you to involve your members in this consultation. Over the period of consultation the producer networks (PNs) may be carrying out workshops to have collective discussions on the topics of this questionnaire, for more information please contact your respective PN.

The amount of time you spend in answering the questionnaire depends on how detailed your answers are. Your input is very important therefore please take your time. The online version saves itself automatically so you do not need to answer all in one go and can return to the questionnaire at a later point.

**Please take as much space as you need to respond to the questions.**

**PART 2 Draft Standard Consultations**

This consultation is divided into the following sections:

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[1. SPO definition 6](#_Toc511819201)

[2. Management of production practices 11](#_Toc511819202)

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[a. Climate change adaptation 15](#_Toc511819204)

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[13. General comments/ feedback 48](#_Toc511819216)

# Information about your organization

Please complete the information below:

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| **Q0.1** **Please provide us with information about your organization so that we can analyse the data precisely and contact you for clarifications if needed. The results of the survey will only be presented in an aggregated form and all respondents’ information will be kept confidential.**Name of your organization *Click here to enter text*Your name *Click here to enter text*Your email *Click here to enter text*Country *Click here to enter text*FLO ID *Click here to enter text***Q0.2** **Are your responses based on your own personal opinion or is it a collective opinion representing your organization?**[ ] Individual opinion[ ] Collective opinion representing my organization/company**Q0.3** **What is your gender? (Note: this is for data analysis purposes only)**[ ] Female[ ] Male |
| **Q0.4 What is your main responsibility in the supply chain?** [ ] Producer[ ] Exporter[ ] Importer[ ] Processor[ ] Retailer[ ] Licensee[ ] Other (e.g. PN, NFO, FLOCERT, FI) *Click here to enter text***Q0.5 What is your main product?** **Please select one product.****If you produce/trade multiple products please select the last option and provide more information in the comment box.**[ ] Banana[ ] Cane sugar[ ] Cereals[ ] Cocoa[ ] Coffee[ ] Fibre crops (including cotton)[ ] Fresh fruit (other than banana)[ ] Fruit juices[ ] Gold[ ] Herbs and Herbal teas & Spices[ ] Nuts[ ] Oilseeds and oleaginous fruits[ ]  Prepared and Preserved Fruit and Vegetables[ ] Tea[ ] Vegetables[ ] Other or multiple products (please specify below)*Click here to enter text* |

# SPO definition

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| The current requirements in the SPO Standard allow larger members or even plantations to be members of Fairtrade certified SPOs, as long as a majority of members still fall under the small producer definition. Therefore plantation-size farms can enter and benefit from Fairtrade, even in products that are only open to small producers (like sugar), increasing inequality among and within SPOs and leading to an uneven level playing field. However, large members can also play an important role as they enable SPOs to offer greater supply and quality of products. Also workers employed at SPOs appear to receive less economic and social benefits than workers in hired labour settings. Both elements present reputational risks for Fairtrade.**The proposal aims at:*** Emphasizing that the scope of the standard is for small-scale and family farming by increasing the percentage of small-scale members that fall under Fairtrade’s definition of a small-scale producers’ organization and by reiterating that an individual small-scale farmer is one that does not rely on permanent hired workers.
* Excluding large farms within small producer organizations but allowing for medium sized farms.
* Adapting the definition of small-scale producers to existing realities while leaving space for product-specific rules as needed.

**The proposed changes are:*** 1. **Increase the number of members that need to be small-scale farmers for an organization to be a small-scale producer organization from 50% to 75%**

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| **Year 0** | **Core** | **1.2.1 *(First part)*** You are a small-scale producer organization. ~~and at least~~ Fairtrade defines a small-scale producer organization as an organization where at least ~~half~~ ~~of~~ 75% of its ~~your~~ members are ~~must be~~ small-scale producers. |

**Rationale:** During the consultation diverse stakeholders, and in particular producers, expressed their wish to see an increase in the percentage of members that should be small-scale producers for an organization to be classified as a small-scale producer organization. The percentage proposed was suggested by several stakeholders. **Implications:** Depending on the profile of each SPO, this change could affect their membership as it requires a larger number of small-scale farmers. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree. In case this does not work in your specific context/product/country, please explain why?***Click here to enter text** 1. **Introduce the following maximum (cultivated) land size of a farmer in a small-scale producer organization: up to a maximum of 3 times the average land size of all the members**

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| **Year 0** | **Core** | **1.2.1 *(Second part)*** The maximum size of the cultivated land where a member grows a Fairtrade crop is no more than 3 times the average land size of all the members of the organization. |

**Rationale:** The need to exclude large farms from the SPOs was supported during the consultation. The proposal is not to introduce pre-defined values (e.g., number of hectares) because realities differ greatly from product to product and across /within regions and it would require a high amount of resources for definition and maintenance. Therefore, the upper limit of a large farm would be defined in relation to other members in the same organization and allows for product/country-specific realities, reducing the need to develop country/product-specific indicators. **Implications:** If there are members that are bigger than 3 times the average of all the other members, their membership would be affected. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree. In case this does not work in your specific context/product/country, please explain why?***Click here to enter text***Do you have any alternative suggestions on how to define the maximum land size allowed?** [ ] Yes[ ] No **Please explain your rationale below***Click here to enter text** 1. **Rephrase guidance in requirement 1.2.1 to clarify what Fairtrade understands as a small-scale farmer and under what cases there may be variations**

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| **Year 0** | **Core** | **1.2.1 *(Third part)*****Guidance:**Your members ~~If your members produce less labour intensive products (cocoa, coffee, herbs and herbal teas and spices, honey, nuts, oilseeds, cereals, seed cotton), they~~ are small-scale producers if they comply with the following criteria:• The farm is operated /managed by members and their families. • Farm work is mostly done by members and their families. • They do not hire workers all year round.Family and small-scale farming is a means of organizing agricultural production which is managed and operated by a family and predominantly reliant on family labour, both women’s and men’s. In particular circumstances when the farmer is not able to carry out work on the farm (due to age, incapacity) and the work of the family members is not sufficient, hiring permanent labour is allowed.Special rules may exist for different products. Please see the product- specific standards.~~If your members produce highly labour intensive products (cane sugar, prepared and preserved fruit & vegetables, fresh fruit, fresh vegetables, tea), they are small producers if they comply with either the above or the below criteria:~~ ~~• They hire less than a maximum number of permanent workers, as defined and published by Fairtrade International.~~~~• The size of the land they cultivate is equal to or below the average of the region, as defined and published by Fairtrade International.~~~~• They spend most of their working time doing agricultural work on their farm.~~ ~~• Most of their income comes from their farm.~~~~For specific country and product indicators please see the “Definition of small producer for small producer organizations” published by Fairtrade International.~~ |

**Rationale:** * To make sure the benefits to Fairtrade really reach small-scale producers the definition of a small-scale farmer is proposed to focus on farmers that operate/manage their farm, where the work is mostly done by members and their families and there is not dependence on permanent hired work.
* Deviations to the definition are highlighted recognizing that due to the current realities small-scale producers face (climate change, declining prices for agriculture products, single-headed households, ageing populations, amongst others) most of their income may not come from their farm and/or farmers may not spent most of their working time doing agricultural work. However, it would be clarified that family and small-scale farming is a means of organizing agricultural production which is managed and operated by a family and predominantly reliant on family labour. Similarly, recognizing that most of the time may not be spent on the farm and they may need permanent hired labour, for example in the case of single-headed households and elderly farmers.
* Reference to product specific standards in case the definition does not capture the reality of a particular product (to be assessed based on need rather than proactively). In these cases, the existing indicators that define small producers in bananas (Colombia, Dominican Republic and Ecuador), wine grapes (Brazil, Chile, Argentina), avocadoes and citrus fruit (Brazil) would be recognized and further indicator could be developed to be able to respond to product specific needs as needed.
* Replacing the term small producers with small-scale producers/farmers or small-holder farmers/producers was suggested by English-speaking stakeholders to better reflect that “small” refers to the farming work.

**Implications:** There would beno distinction between labour-intensive and non-labour-intensive products. Unless there are particular circumstances, hiring of permanent labour is only allowed where indicators currently exist (indicators currently exist for bananas in Dominican Republic, Colombia and Ecuador, wine grapes in Brazil, Chile and Argentina and citrus and avocadoes in Brazil).**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree.** *Click here to enter text***If you think that for your product/country an indicator that defines a small scale famer would need to be defined, please explain why.***Click here to enter text** 1. **Increase from 50% to 75% the number of volume sold that needs to come from small- scale farmers**

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| **Year 0** | **Core** | **1.2.2** At least ~~half~~ 75% of the volume of a Fairtrade product that you sell as Fairtrade per year must be produced by small-scale producers. |

**Rationale:** Requirements 1.2.1 and 1.2.2 are linked and strengthen the focus of the standard on small-scale farmers.**Implications**: To be able to sell as Fairtrade, volumes sold by small-scale producers would also increase from 50% to 75%. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text***Do you think this change is necessary given the changes proposed in requirement 1.2.1?** [ ] Yes[ ] No**Please explain your rationale below***Click here to enter text** 1. **The proposed transition period for the changes in requirements 1.2.1 and 1.2.2 is 2 years**

**Do you agree with the proposed transition period?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

#  Management of production practices

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| The lack of effective management tools affects the efficiency and effectiveness of SPOs, which in turn limits the benefits for producers and reduces the impact of Fairtrade. An Internal Management System (IMS) enables SPOs not only to manage compliance of their members but also to deliver effective services to their members.**The proposal aims at:*** Changing the focus of the section from only compliance to management/monitoring of compliance. Highlighting that sustainable practice also includes management practices and that a management system not only enables better compliance of members but also is a tool to support the mission of the organization to deliver economic and social benefits to the farmers.
* Providing additional guidance for risks assessments and promotion of simple, good and robust data collection.
* A stepwise approach towards a management system, recognizing and building on existing practices.

**The proposed changes are:*** 1. **Change the focus from compliance to management in the relevant parts of the production chapter of the standard**

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|  | **Intent and scope production chapter (chapter 3):** This chapter outlines the ethical and sustainable production practices, including management practices that are behind every Fairtrade certified product.  |

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|  | **Intent and scope management production practices (Section 3.1):** The requirements in this Standard recognize that small producers are part of organizations with formalized structures of management. The requirements acknowledge these internal structures and expect you to find the best means to guarantee your members’ continuous compliance and improved practices. For this reason, unless you are a 2nd or 3rd grade organization, this Standard does not require an ~~formal~~ internal ~~quality~~ management system (IMS). However, the requirements support you in enhancing ~~monitoring~~ your members’ compliance and performance with this chapter ~~(chapter 3 - Production).~~ |

**Rationale:** The idea is to move away from a compliance focus that is perceived as something required externally to organizations really seeing the value of monitoring their members as this would be reflected in improved social and environmental outcomes in the short run and improved livelihoods in the long run.**Implications:** Increased awareness that beyond compliance, an IMS can be a tool for producers to improve their performance, make informed decisions and better manage the risks they face. **Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Additional guidance in requirements 3.1.1(clarifying how to use the list of members to inform and explain the standard to members), 3.1.2 (addition of a farm assessment tool as best practice to identify risks of compliance of members against the standard) and 4.2.2 (connection of requirement with the IMS)**

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| **Year 0** | **Core** | **3.1.1** You must inform and explain to your members the environmental and labour requirements in the Production chapter. Guidance: You could use the list of members (see req. 4.2.2) ~~keep track a list of members that grow Fairtrade products~~, and identify the activities that have been implemented to raise awareness about the intention and the meaning of the requirements in this chapter.  |

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| **Year 1** | **Core** | **3.1.2** You must identify which requirements in the Production chapter you and your members may be at risk of not complying with.Guidance: Risks refer to the probability of members not being able to comply with the requirements. The information needed to determine risks would most probably come from knowledge within the community, from your and your members’ experiences or from discussions at the General Assembly. A best practice is to gather this information through farms assessments.The first step of a farm assessment is to collect additional household and farm data. Your organization can determine which additional farm data you would like to collect.Suggestions for additional data are:• Household information: number of household members, their date of birth, gender, and occupation;• Farm production area: number of farms, GPS coordinates, total farm size, total area cultivated, land tenure (owner or sharecropper), number of workers (permanent and seasonal), and location in relation to protected and high conservation value areas;• Farm observations: planting density, tree age, presence/risk of any debilitating disease, access to/use of planting material, shade management, soil condition/fertility, levels of pruning and weeding practiced, integrated pest management adopted (including safety measures), access to/effective use of fertilizer, sustainable use of organic waste, adoption of agroforestry;• Cost of production and income: Expenses for farm inputs (seedlings, pesticides, fertilizers, equipment), labour, and any other production related costs. Income from sales, Premium received, income from other farming activities. |

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| **Year 0** | **Core** | **4.2.2** **Guidance:** You can use this information to improve your management practices (see req. 3.1.1 and 3.1.2) and overview of your organization, and gain understanding of members' situation. |

**Rationale:** Connecting the different requirements in the standard so it is clearer how they relate to each other. Best practices are presented so producers can assess their own practice against ideal scenarios.**Implications:** No implications for compliance as the suggestions are guidance. Increased awareness of how the lists of members and farm assessments can be used and how they are connected with the IMS.**Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Extension of requirement 3.1.5 to 1st grade organizations with more than 100 members. Shift from ICS to IMS and from Dev/Y3 to Core/Year 0**

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| **Year ~~3~~ 0** | **~~Dev~~****Core** | **3.1.5** If you are a 1st grade organization with more than 100 members, or a 2nd or 3rd grade organization, you must implement an Internal Management ~~Control~~ System (IMS ~~ICS~~) ~~on the 2nd/3rd grade level~~ which enables you to monitor and assess ~~control~~ compliance with Fairtrade requirements on all levels of the organization. Guidance: General principles for a functioning IMS ~~ICS~~ are:•A documented description of the IMS ~~ICS~~ •A documented management structure, which includes plans and policies •One person responsible for the IMS ~~ICS~~ •An internal regulation to ensure compliance•Identified internal inspectors •Training of the person responsible and the internal inspectors •Annual inspections and reports, including key production indicators •Use of internal sanctions •Regularly updated Growers List •Use of risk assessment to address risks and threats to the integrity of the ICSThe certification body will define and publish the necessary elements that an IMS ~~ICS~~ will require. |

**Rationale:** Without formal structures, large organizations would find it challenging to monitor compliance and improve performance of members, but also to make informed decisions on planning, trainings, Premium use, etc. **Implications:** Organizations with more than 100 members, and 2nd and 3rd grade organizations would have an IMS in place as of year 0. It is likely, however, that organizations of these sizes already have a ICS/IMS.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# Environmental development

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| Climate change adaptationClimate change is one of the main challenges producers face. Although the standard promotes the use of sustainable agricultural practices, the question is how the standard can be used as an additional tool for producers to increase their resilience to climate change.**The proposal aims at:*** Enabling producers to be more resilient to environmental risks caused by climate change while recognizing the limits to human and financial capacities of small producer organizations.
* A step-wise approach moving gradually from developing knowledge through capacity building and the identification of risks towards suitable and feasible implementation.

**The proposed changes are:*** 1. **Introduce a new requirement on identification of climate change as a risk**

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| **Year 0** | **Core** | **NEW**  You identify the risks caused by climate change in your region or production area.**Guidance:** If you need support to identify the risks please engage in a dialogue with local authorities or local experts or contact the producer network in your region for assistance. Examples of risks are: increased periods of drought, higher growing season temperatures, new crop pests/diseases, untypical heavy rainfall patterns, longer dry seasons followed by heavier rains, longer /shorter cropping seasons, and dried out water sources. |

**Rationale:** Climate change affects the quality and volume of producers’ crop production and, faced with high market demands, also their livelihoods. The first round of consultation showed that overall stakeholders in general and producers in particular, agreed that there is a need to address climate change issues in the standard.**Implications:** Organizations would need to work with their members on identification of climate change risks for crop production in their region. If needed, they could request support from local organizations which have experience in working on climate change.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introduce a new requirement on trainings on climate change adaptation practices**

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| **Year 1** | **Core** | **NEW**  You provide training to your members on climate change adaptation practices that are applicable to your production area and crops.**Guidance:** Based on the identification of risks (see previous requirement) the training sessions should aim to identify practical solutions with examples of new or improved existing practices. Examples of practices that could be included in trainings are: adaptation of crop planting to seasonal changes in temperatures, installation of facilities for rain water collection, agricultural soil and water conservation methods, such as soil plant cover/mulch to reduce water evaporation. |

**Rationale:** Trainings on adaptation practices is a natural next step after identification of risks. The purpose is not to have general trainings on climate change but practical sessions geared towards adaptation. Trainings give producers the opportunity to learn more about how they could tackle climate change before making a decision on the best direction for them.**Implications:** Organizations would need to organize training sessions that focus on climate change adaptation practices suitable for their region which correspond to identified climate change risks (see 3.1.)**.** In some regions and for some producers it may be challenging to find the right content and trainer for these trainings.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introduce a new requirement on the implementation of climate change adaptation activities**

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| **Year 3** | **Dev** | **NEW**  You and your members engage in climate change adaptation activities. **Guidance:** The adaptation activities depend on the identified risks and existing practices in your region/product and are in line with the human and financial capacity of your organization and members. Examples of adaptation practices include: adjustments in crop planting dates to avoid periods with high temperature stress, installation of facilities for rain water collection and use, soil cover/mulch application, use of drought resistant crop varieties, crops diversification, and improved pruning practices. |

**Rationale:** After the identification of climate change risks and training on climate change adaptation practices, the last step proposed is carrying out adaptation activities. During the consultation the financial and human challenges that entail adapting to climate change were highlighted, therefore the kind of activities that producers would need to implement are not prescribed but are left to the organization to decide and are to be in line with the available resources. **Implications**: Adaptation activities would need to be implemented by the members. The human and financial limitations of the organization and the members define how far the organization and the members can go in terms of climate change adaptation. Lack of resources or access to knowledge may reduce the impact of the requirement.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text*Natural resources useTogether with climate change, water issues are the top environmental risk factors producers face. Although the standard promotes practices that address water-related challenges (scarcity and stress), most of them are development requirements with a 3 or 6 year timeline. Despite long timelines, the water requirements are challenging for producers to comply with and involve important financial investments**.** Also, the standard is silent on land and water use rights and land tenure.**The proposal aims at:*** Strengthening some of the requirements on natural resources in the standard, emphasizing the importance of considering not only the amount of resources used but also the quality of these resources.
* Following a step-by-step approach moving gradually from developing knowledge through capacity building towards suitable and feasible implementation.
* Recognizing the varying situations in different regions on land tenure/water use rights.

**The proposed changes are:*** 1. **Changing the requirements on identification of land at risk of soil erosion and listing of sources of water, from Development to Core**

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| **Year 3** | **~~Dev~~****Core** | **3.2.20** You **must identify** land at risk of soil erosion and land that is already eroded in fields where your members plant Fairtrade crops.**Guidance:** A best practice, as a follow-up to this activity, is to develop practical preventive measures that reduce soil erosion. |

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| **Year 3****New 2011** | **~~Dev~~****Core** | **3.2.24** You **must list** sources of water used for irrigating and processing Fairtrade crops. ***Guidance:*** Maps or schemes that show the location of the water sources are acceptable. |

**Rationale**: The first round consultation showed overall agreement among stakeholders that water issues are among the top challenges that producers face when it comes to use of natural resources. Although the standard promotes practices that address water-related challenges (scarcity and stress), now the proposal is that implementation of these activities within the given timelines is not optional. **Implications**:SPOs would need to organize activities to define the state of land for crop production, i.e. identifying whether the soil quality is a risk for crop production and listing of available water sources for irrigation and processing.**Do you agree with these changes?** [ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Addition of water quality assessment as a topic for trainings**

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| **Year 3****New 2011** | **Dev** | **3.2.26** You **must provide** **training** to the members of your organization on measures to use water efficiently. This training **must include:** * estimating how much water is needed to irrigate and/or process Fairtrade crops
* measuring (or estimating) how much water is extracted from the source
* assessment of water quality for irrigation or in processing
* measuring how much water is used for irrigation and/or processing
* providing maintenance to the water distribution system
* adopting as applicable, methods to recirculate, reuse and/or recycle water.
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**Rationale**: The efficiency of water use practices depends on many direct and indirect factors, such as water quality, dynamics of climate conditions, timing and amount of water availability. In such cases it is important for producers to not only seek options to stay resilient but also to improve their practices for a more sustainable way of using water. Previously, the topic of irrigation water quality was not properly addressed as the main focus was on water availability. However poor water quality affects crop growth, soil properties and the quality of harvested/ processed products as well as the health of the producers. Overall, strengthening the existing requirements on water use was supported by most stakeholders.**Implications**:Organizations would need to make sure that trainings include suggestions and practical guidance for assessment of irrigation/processing water quality. Practical suggestions would help to improve irrigation and farming techniques. For example, in the regions where soil and water salinity are an issue, producers could learn how to assess water quality to prevent crop/harvest losses or to assess water quality for reuse/recycling purposes.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introducing a new requirement on efficient water management practices**

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| **Year 3** | **Dev** | **NEW** Your members manage water resources efficiently Guidance: The organization can consider the following activities to address efficiency of water use:* A regular estimation of the amount of water used for irrigation to avoid over- or under-irrigation, or for processing, to avoid water waste
* Improved irrigation scheduling, to supply water when crops need it
* Different irrigation methods (e.g. drip irrigation, intermittent irrigation, furrow irrigation)
* Measures to improve soil properties (soil cover to prevent water evaporation, or planting cover crops)
* Water sources (to ensure water is of good quality)
* Improved design of water channels to prevent water loss through percolation or evaporation and allow more efficient water management
* Use of water storage facilities for regions with seasonal water availability
* Implementation of a water-recycling system
* Any other measures applicable to the specific conditions of your region/ production area, topography, micro-climate, or crop
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**Rationale**: The efficiency of water use practices depends on many direct and indirect factors, such as water quality, dynamics of climate conditions, timing and amount of water availability. It is important for producers to not only seek options to stay resilient but also to improve their practices towards a more sustainable way of water use. **Implications**:As a follow up to training on efficient water use practices (see previous proposal), organizations would need to implement and demonstrate they are improving water management efficiency and water used for processing. As a result, efficient use of water may reduce water and pumping costs, costs for fertilizers, maintain a higher soil quality through reduced erosion by water run-off, increase crop yields through application of correct and timely water amount.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introducing a new reactive requirement on land and water use and land tenure. This requirement would not be proactively checked but would enable Fairtrade to act in case there are indications of conflict**

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| **Year 0** | **Core** | **NEW** There are no indications of conflict of your members' legal and legitimate right to land and water use and land tenure. **Guidance:** Disputes on land are resolved responsibly and transparently before certification can be granted. In cases where land claims and disputes are on-going, there is evidence that a legal resolution process is active. |

**Rationale:** So far, the standard is silent on this topic. The challenge with legal rights to natural resources in a small holder set-up is that there are different degrees of formality and a myriad of practices and one size does not fit all. **Implications:** The legal and legitimate right for land and water use and land tenure would only be checked reactively in case there are disputes. **Do you agree with this change:**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text*Approach to environmental requirementsFairtrade’s environmental approach to the environment puts producers at the centre and focuses on protecting the health of farmers and workers, then on improving production practices and use of natural resources and lastly on protecting the planet. In line with this approach and recognizing the financial and human constraints SPOs face, several environmental requirements focus on training and awareness as a tool for improved environmental practices. **The proposal aims at:*** Continuing Fairtrade’s environmental approach to environmental practices.
* Strengthening the protection of members and workers from hazards and risks of pesticide use and handling of hazardous materials (including labelling and storage)
* Addressing deforestation in the standard

**The proposed changes are:*** 1. **Change in the requirements below from development to core and applicability from Year 3 to Year 1 and a new requirement on the centralized purchase of pesticides and chemical materials**

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| **Year 3** | **~~Dev~~****Core** | **3.2.6** You **must raise awareness** amongst all members and workers of the hazards and risks related to pesticides and other hazardous chemicals, even if they are not directly handling these materials. |

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| **~~Year 3~~****Year 1** | **Core** | **3.2.10** Your members **must store** pesticides and other hazardous chemicals in a way that minimizes risks, especially so they cannot be reached by children. |

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| **Year 3** | **~~Dev~~****Core** | **3.2.11** Your members **must have** all pesticides and hazardous chemicals clearly labelled.***Guidance:*** Containers should be labelled indicating contents, warnings, and intended uses (preferably in the original container when possible). |

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| **Year 3** | **~~Dev~~****Core** | **3.2.14** You and the members of your organization **must triple rinse, puncture and store** empty containers properly. All equipment that has been in contact with hazardous materials **must be cleaned and stored** **properly**. ***Guidance:*** Store properly means to reduce risk of hazards by keeping away from people, animals and water sources. Equipment refers to other material that has been in contact with pesticides, such as personal protection equipment (PPE), filters, measuring and application equipment. You are encouraged to contact chemical suppliers and/or local authorities for disposing of these materials.Pesticide and other hazardous material remnants are covered under requirements related to storage (see 3.2.9 and 3.2.10).  |

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| **Year 6** | **Dev** | **NEW** You centralize the purchase of pesticides and chemical materials. You only use authorized pesticides.Guidance: Centralized disposal of materials is encouraged to reduce hazards of pesticides use. |

**Rationale:** Awarenessof hazards related to pesticides, clear labelling of substances and disposal of containers can’t be an optional activity and is a must to protect the health of the farmers and their families. Along the same lines, a proper storage of pesticides that minimizes risks to those who could be exposed should be implemented as soon as possible. Finally, if purchases of substances and their disposal are centralized, the hazards around their use are minimized. **Implications:** Within the mentioned timelines organizations would have to comply with requirements on awareness raising, labelling and handing the containers. As of year 1 (instead of the current year 3 timeline) organizations would need to demonstrate that hazardous chemicals are stored with minimum risks for people.Lastly,organizations would play a bigger role (if it is not the case already) in the purchase and disposal of hazardous chemical materials.**Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introduce a requirement to prevent deforestation activities**

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| **Year 0** | **Core** | **NEW**  Your members’ activities on production areas do not cause deforestation and do not destroy vegetation on protected areas or on High Carbon Stock forests areas.**Guidance:** Your members may identify protected areas with the help of local, regional or national authorities. For definition of High Carbon Stock areas please refer to <http://highcarbonstock.org>.  |

**Definitions and terms:**“Protected areas” are a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values (IUCN 2008). Protected areas can be public or private biological conservation areas.The High Carbon Stock (HCS) approach is a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. The methodology was developed with the aim to ensure a practical, transparent, robust, and scientifically credible approach that is widely accepted to implement commitments to halt deforestation in the tropics, while ensuring the rights and livelihoods of local peoples are respected. Thus this methodology allows to separate HCS areas (viable natural forest) from non-HCS areas (degraded land). It is implemented together with the High Conservation Value (HCV) approach. The rights and livelihoods of local communities are addressed via participatory mapping and Free Prior and Informed Consent (FPIC) (for more information see <http://highcarbonstock.org> )**Rationale:** The topic of deforestation was brought up by several stakeholders during the first round of consultation as a topic that should be strengthened in the standard. It was highlighted that deforestation contributes to climate change, puts the natural resources producers depend on (like water and soil) at risk and threatens biodiversity.**Implications**:Organizations whose production area will be or has been established through the conversion of any land which was previously not used for agriculture (all types of forest, shrubs or other) to produce certified crops would need to conduct an assessment of this area demonstrating there was/is no risk of deforestation or degradation of any vegetation that falls under HCS, through engagement with local authorities and licensed service companies who provide such assessment.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

#  Gender equality and women’s empowerment

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| The vast majority of Fairtrade production is male dominated and even though women are frequently heavily involved in the production processes (growing, harvesting and processing), their work is often not fully recognized or rewarded. In the case of smallholder production, women and girls often work as unpaid labourers on family farms, they rarely occupy leadership positions, and their needs and voices are often not heard. Also, as in some countries women frequently do not own land titles, they may be unable to join producer organizations and access the services they provide. **The proposal aims at:**Increasing women's active and equal participation in Fairtrade and empowering more women and girls with opportunities to access equitable benefits of Fairtrade, in line with the [gender strategy 2016-20](https://www.fairtrade.net/fileadmin/user_upload/content/2009/programmes/gender/1601-Fairtrade_Gender_Strategy-EN.pdf) and [the theory of change](https://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/1612-Fairtrade_Theory_of_Change.pdf). **The proposed change is:*** 1. **Introduce a new development requirement for year 3, on SPOs having a gender policy**

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| **Year 3** | **Dev** | **NEW** 4.3.5 You develop and implement a gender policy. Your members are aware of this policy and its contents.**Guidance**: The aim of the policy is to increase women's active and equal participation in Fairtrade and to empower more women and girls with opportunities to access equitable benefits of Fairtrade. The policy should include the purpose, scope, actions to make it known, awareness raising, training, implementation and monitoring. Example of elements that can be included in the policy are: promoting participation of women in SPOs, Boards, leadership positions and other structures within the community, having a policy against sexual harassment, reinvesting in projects and programs focusing exclusively on women’s needs but also that reduces the burden of care and work on women as this enables women to have time to participate in cooperative meetings.The gender policy can be part of a more overarching policy covering other relevant groups (e.g. youth, workers, family).  |

**Rationale:** Majority of the stakeholders who responded during the first round of the consultation said that there was a need for Fairtrade to address the issue of gender inequality and the lack of women’s participation within SPOs. Different suggestions were provided on how to address these issues while others cautioned about being too prescriptive. In order to enable each organization to decide on which areas of gender equality and women’s empowerment to focus without being prescriptive, a development requirement on SPOs having a gender policy is proposed. A gender policy tailored to the needs and aspirations of each organization is likely to be more effective that a prescribed list of requirements.**Implications:** SPOs would require an analysis of where the organization is at the moment on this topic in order to be able to define the areas to be included in the gender policy. Training members on this topic will also be necessary to raise awareness, as well as a framework for implementation and monitoring. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

#  Development potential

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| The current requirements allow SPOs to enter certification at a very early stage of development. These requirements aim to keep the balance between market access to disadvantaged producers and the potential to benefit from Fairtrade for the organizations that join the system. The system has limited resources to provide support to the SPOs at their early development stage. This may cause false expectations and frustrations for producers who invest to comply with Fairtrade Standards and yet do not benefit as expected. **The proposal aims at:*** Including a step before certification for organizations to better understand what Fairtrade certification means and assess if they are ready to join the system.
* Discouraging organizations with limited development potential to join the system.

**The proposed changes are:*** 1. **Adding a self-assessment tool before applying to Fairtrade for organizations to have a better understanding of what Fairtrade requires**

**Rationale:** The results of the self-assessment can give an organization a good indication of their readiness to apply and/or the potential benefits of being certified in Fairtrade. Even if the results are not positive, they can still apply if they wish. However, negative advice may lead to limited or no support from PNs. The online tool is to be defined and would be developed based on the standard and the compliance criteria.**Implications:**This would be an additional new step in the application process for organizations that wish to join Fairtrade. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introduction of a requirement that during the application process an organization wishing to join Fairtrade demonstrates that:**
		1. It has a potential market for its product (either letter of intent from a buyer, recommendation from an NFO, or records of trading history, etc)
		2. It was established and has been operational at least 2 years prior to Fairtrade certification

**Rationale:**  Limiting the entrance only to organizations with a market would reassure existing organizations that their market would not be taken away by newcomers and for the new organizations the benefits of Fairtrade would be quickly tangible. Further, organizations would be more experienced in working together when they join Fairtrade and it would be more difficult for trader-led organizations to poach members from other organizations or organize farmers just to meet a short term market demand. **Implications:** These two indicators would raise the bar for the organizations that want to join Fairtrade. Fairtrade may be criticized for not working with the most disadvantaged organizations and the inclusion of these requirements may be perceived as discriminatory. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text***Do you have any other suggestions for indicators that should be included to be fulfilled by organizations with during the application process (i.e. before they join Fairtrade)?**[ ] Yes[ ] No**Please explain your rationale below***Click here to enter text** 1. **A new core requirement for organizations to involve all members in the decision to join Fairtrade**

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| **Year 0** | **Core** | **NEW** 1.1.3You ensure that the decision to join Fairtrade is a collective decision of all members of the organization and is approved by the GA. Guidance: The rational to join Fairtrade and the commitment from the members that it requires should be clear for the organization. |

**Rationale:** It is important that the members of the organization understand the demands that Fairtrade certification has on them, but also how they can participate and benefit from it. FLOCERT has a similar compliance criterion in place for 2nd and 3rd grade organizations. The intention would now be to make this explicit in the standard.**Implications:** A general assembly where a decision on joining on Fairtrade is made would need to take place. Depending on how disperse the organizations are and/or how difficult it is to gather its members, it may be challenging to fulfil this requirement prior to the certification.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

#  SPO governance

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| The democracy, participation and transparency requirements in the SPO Standard do not fully deliver the intended impact in the areas of good governance practices, true member ownership, adequate accountability and internal control.Issues can be linked to imbalanced power structures, a lack of clarity regarding roles and responsibilities between the board and management, insufficient room for decision making, inefficient internal communication between leadership or delegates and members, a lack of opportunities for wide participation in governance, especially for women and younger generations, and a lack of accountability requirements covering mechanisms such as a supervisory board or surveillance committee.**The proposal aims at:*** Improving good governance practices, true member ownership, adequate accountability and internal control in SPOs.

**The proposed changes are:*** 1. **Additional guidelines separating the role of Board members from that of management**

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| **Year 0** | **Core** | 4.2.1 The structure of your organization must have:• a General Assembly as the highest decision making body where all major decisions are discussed and taken• equal voting rights for all members in the General Assembly• a Board chosen in free, fair and transparent elections Guidance: Staff hired by your organization will be controlled by the Board which is in turn controlled by the General Assembly. In the General Assembly members can either vote directly or through a system of elected delegates if you choose so. The system is based on the principle that each member or member organization has the equal or proportional number of delegates.2nd or 3rd grade organizations are democratically controlled by their direct members, which are legally constituted and legally affiliated 1st grade/2nd grade organizations. There is a democratically elected board on the 2nd/3rd grade level.It is best practice to separate the roles and responsibilities between the Board and management. The Board’s role and responsibilities differ from those of management: the Board’s role is to govern, provide strategic direction and make decisions while the role of management is to ensure that the decisions are implemented. Lack of clarity between the roles and responsibilities can lead to extreme situations of either power concentration or insufficient room for decision making. |

**Rationale:** Clear definition of roles of Board and management was highlighted during the first round of consultation as an area that needed strengthening. It is included in guidance to allow organizations to decide by themselves how they want to address this within the organization.**Implications:** Organizations would not be audited against this change because it is guidance, but this would encourage them to separate the roles of the Board members from that of management.**Do you agree with this change:**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **A more explicit definition of the frequency of updates and information to be kept a link to an IMS, and not allowing double membership**

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| **Year 0** | **Core** | **4.2.2** It needs to be clear who is a member of your organization. Therefore, you must have written rules to determine who can become a member and you must keep a record of your members on an annual basis. At a minimum member records should include: member name, contact information, gender, date of birth, registration date with SPO, farm location and farm size.Double membership is not allowed unless the member grows different products.Guidance: Double membership occurs when farmers are members of more than one Fairtrade certified SPO.You can use this information to improve your management practices (see req. 3.1.1 and 3.1.2) and overview of your organization, and gain understanding of members’ situation. |

**Rationale:** Linking the members’ list with the IMS connects two important elements in the standard. The details on what needs to be included in member record provide clarity to members on what information to collect. The issue of double membership has been discussed in a previous review of the SPO standard. It was then decided not to include it as a requirement and to leave to the organizations the freedom to decide if they wanted to allow double membership or not. It is now proposed in this consultation based on input from stakeholders during the first round suggesting that this practice should be clearly forbidden in the standard. **Implications:** Organizations would need to keep a more detailed list of the member records if they are not already doing this. This would involve collecting information from their members and this could be linked this to their IMS. For the same product members won’t be able to belong to two different producer organizations. Before SPOs could decide if the would allow this or not.**Do you agree with this change:**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Additional guidance on defining Board term limits**

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| **Year 0** | **Core** | **4.2.3** You **must follow** your own rules and regulations such as a constitution, by-laws and internal policies, including those for election, membership processes and board term limit which needs to be agreed by the organization, and a delegate system (if applicable).Guidance: Best practice is a Board term limit of 9 years (3 x 3-year terms, and re-election for 2 additional terms). |

**Rationale:** During the consultation it was suggested to define better the terms of members in the Board. In order to give as much freedom as possible to organizations to define this, it is proposed to be added that SPOs should define the term but the standard would not be prescriptive on how long a member could serve in the Board. This would give clarity on how long a member should serve and require organizations to think ahead about transitions. **Implications:** Organizations would need to revise their constitution to include term limits. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Limitation on non-members in the Board to reduce external actors’ (e.g. traders) influence over organizations**

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| **~~Year 0~~****~~New 2014~~** | **~~Core~~** | **~~4.2.12~~** ~~If there are non-members on your board, it~~ **~~must be approved~~** ~~by your General Assembly, in accordance with your constitution/statutes and national legislation, and it must be specified whether they have a voting or advisory role.~~ |

**Rationale:** During the consultation concerns were raised about the influence of external actors in SPOs, in particular traders.**Implications:** Organizations with non-members in their Boards will be required to change this since it would no longer be allowed. Organizations desiring external input on strategic matters would have to find other channels for this.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree?***Click here to enter text** 1. **Changing requirement 4.2.13 (on sharing audit results with members) from Dev to Core**

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| **Year 3** | **~~Dev~~****Core** | **4.2.13** You **must share** audit results with your members, in a format and language accessible to them.**Guidance**: The results of the audit mean an explanation or a summary of non-compliances and corrective measures. The results can be shared in the General Assembly, in other meetings or in other ways. This is an opportunity for members to have more awareness of and involvement in the process.  |

**Rationale:** Sharing audits results with members increases the accountability of the management towards members and gives members more information about how the organization is performing. **Implications:** Although this practice is already implemented by some organizations, all organizations would be requested to demonstrate that they have shared the results of their audits with their members. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text***6.6 New requirement on having a surveillance committee to oversee the overall administration of the organization (including the use of Premium) on behalf of the members in order to enhance members’ control over the organization.**

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| **Year 1** | **Core** | **NEW** 4.2.14You have a surveillance committee to oversee the overall administration of the organization (including the use of Premium) on behalf of the members. A surveillance committee enhances transparent administration and the effectiveness of members’ control. This body acts on behalf of the members and exercises an effective and continuous control over the board of directors and the managementThe surveillance committee:* is elected by the General Assembly and reports back to it;
* oversees the administration of the organization to ensure accordance with internal and external rules, mission and values, as well as the pursuit of approved strategies and plans;
* flags detected irregularities to the board or competent bodies and follows up on corrective measures.
* serves as a sounding board for members or staff to voice complaints.
* may be involved in other control activities, such as the internal control system for certification requirements and financial audits.

Guidance:For the surveillance committee to fulfil its function, its members need to have a good understanding of their roles and responsibilities. All relevant information, such as meeting records, reports, accounts and contracts, should be provided to them in a timely manner for examination.It is crucial to elect members of a supervisory body that have adequate skills and knowledge of the organizationIf your organization already has a committee that fulfils this function you do not need to create one. |

**Rationale**: The need to improve oversight functions in SPOs was highlighted in the consultation. Some SPOs already have a body that fulfil this function and/or a surveillance committee is required by national law. Also, producers mentioned that where a surveillance committee exists among SPOs, it has proven to be useful.**Implications:** A surveillance committee exists already among some organizations and they would therefore not be required to create a new one. SPOs without this function would be required to establish one; this might require a revision of the structure of the organization as well as the roles and responsibilities of the members.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text***Do you have any additional comments on the role of the surveillance committee?***Click here to enter text* |

#  Fairtrade Development Plan and Premium use

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| SPOs have many and diverse needs and, with limited resources, it is hard to decide where to invest first in order to make the best use of the Fairtrade Premium and maximize its impact. A relatively large share of the Premium is currently spent to cover operational costs, certification fees, etc. Therefore it is important to follow a proper planning process, in which the longer term effects of an investment are thought through. However, conducting a needs analysis only comes into effect as a development requirement in year 6 of certification. In practice, comprehensive planning and prioritization processes rarely take place before deciding on the use of the Premium.The impact generated by the Premium is in many cases below market expectation. Tangible impact is the main driver for commercial partners and civil society to engage with Fairtrade.**The proposal aims at:*** Providing additional guidance on Premium use in line with the Fairtrade International Board approved strategy on living income. The purpose is to help organizations to invest more strategically in a way that it contributes to achieving its long-term development goals and sustainable livelihoods for their members.
* Facilitating the communication on Premium use to commercial partners, civil society and other relevant stakeholders.
* Strengthening the requirements on misuse of Premium.

**The proposed changes are:*** 1. **On Fairtrade Development Plan and Premium use planning:**
* To change the current requirement so that it only kicks in once the organization has sold under Fairtrade conditions and has received Fairtrade Premium.
* Additional guidance on Premium use in order to follow a strategic planning process. In addition it is recommended to have a Premium committee which will help to improve member participation in the development planning and decision making process

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| **Year 1** | **Core** | **4.1.1** You must plan and document at least one activity with the intention to promote the progress of your business, organization, members, workers, community and/or environment. The plan is called the Fairtrade Development Plan.In the plan you must include:• the description of the activity (what you plan to do)• the objective of the activity (why you plan to do it)• the timeline of the activity (by when you plan to do it)• the responsibilities (who will be in charge of doing it)• and in case you need to spend funds (such as the Fairtrade Premium as described in requirement 4.1.2 or other sources of funds), the budget of the activity (how much you plan to spend)If you are a 2nd or 3rd grade organization, you must have a Fairtrade Development Plan, which benefits all Fairtrade member organizations, and includes the total Fairtrade Premium income, the allocation system to the member organizations (if applicable), and the Fairtrade Premium decisions taken.If Fairtrade Premium is channelled to the member organizations directly, the member organizations must develop their Fairtrade Development Plans and provide them to you.Guidance: This requirement is only applicable once your organization has sold under Fairtrade terms and received Fairtrade Premium.Planning, implementing and evaluating the plan will stimulate and increase the participation of members in their own organization and community. It is a good practice to plan activities that respond to the needs of your organization, members, workers and communities. Your organization has the right to choose any activities that your members agree on and are important for your particular situation, aspirations and priorities. Upon your request, Fairtrade International or Producer Networks can provide the List of Ideas for the Fairtrade Development Plan that includes activities that have been useful in other organizations. The list is only for guidance. You are encouraged to think of your own activities. In terms of allocation of Premium, the recommendation is to prioritize resources to strengthen an organization so it can effectively serve its members. Investing in the organizational sustainability can then be followed by investments to improve members’ livelihoods and finally investments at community level. Please refer to the Fairtrade Premium guide for more information.It is also recommended (best practice) to have a Fairtrade Premium Committee especially for organizations with more than 500 members and/or very disperse membership. This will help to improve member participation in the development planning and decision making processThe role of a Premium committee should include: * Managing the Fairtrade Premium
* Supporting or organizing member consultations and needs assessments
* Developing proposals and budgets for Premium use based on these and presenting them to the GA
* Monitoring the implementing of the approved Premium plans
* Reporting back to the GA on the results of the Premium plans

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**Rationale:** Many SPOs do not have Fairtrade sales after one or even two years and therefore do not earn Premium so it not beneficial for them to have to comply with this requirement. Results from the first round of the consultation showed that stakeholders wished to have more guidance on Premium use in the standard. They also expressed the importance of having proper strategic plans in place while at the same time not being prescriptive on how the Premium should be used. **Implications:** * Only SPOs who have sold under Fairtrade conditions and have received Fairtrade Premium would be audited against this requirement. This would not be applicable for those who have not sold under Fairtrade terms and have not received Fairtrade Premium.
* Following a strategic planning process would require additional skills and training for the SPO. In addition, establishing a Premium committee is recommended and would require revising the structure of the organization in order to decide on the roles, responsibilities and composition of this committee.

**Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Requirement on needs identification proposed to be changed from Development Year 6 to Core, Year 1**

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| **~~Year 6~~****Year 1** | **~~Dev~~****Core** | **4.1.10** You **must design** and **start implementing** a process that collects and analyzes the development needs in your organization. ***Guidance:*** The intention is to ensure there is a process in place that informs your organization of the needs included in the Fairtrade Development Plan. In time you are encouraged to use this information to measure the success or shortcomings of your plan and to guide your organization’s planning in the future.  |

**Rationale:** Results from the first round of the consultation showed that stakeholders considered this requirement to start as too late to be effective in deciding how to use the Premium; therefore the proposal is to bring it forward as a core requirement. **Implications:** Organizations would need to identify and prioritize their needs in order to analyse whether the organization is sufficiently sustainable to secure its long term viability. The requirement would changing from development year 6 to core year 1 and therefore SPOs will be audited against the requirement in year 1.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **New requirement on Premium reporting on an annual basis**

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| Year 1 | Core | NEW 4.1.12 At least once a year and at latest one month after the General Assembly, you send a complete report on Fairtrade Premium use for all projects to Fairtrade International.Guidance: Only applicable once the organization has sold under Fairtrade terms and has received Fairtrade Premium.  |

**Rationale**: This has proven useful for other products (e.g. bananas) and would be a good communication tool for the market side. This will also not add any additional burden to the producers because they already present similar reports to the General Assembly. The requirement is proposed to be Core, Year 1 (and also would only kick in once the organization has received Fairtrade Premium). The reports would be sent to Fairtrade International (email and/or platform to be confirmed).**Implications:** This would be the same information that is presented to the GA. SPOs would however need to allocate the responsibility to someone who will be responsible for sending the reports to Fairtrade International or uploading the information in a platform.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **New requirement to sanction mismanagement of Fairtrade Premium**

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| **Year 0** | **Core** | **NEW** 4.1.13You and the members of your organization administer Premium funds responsibly and do not mismanage the Fairtrade Premium. There is no evidence of favoritism or fraud in the management of the Fairtrade Premium or any activity that could jeopardize the business or certification of the company or have a demonstrable negative, structural, financial or social impact on the organization.**Guidance** : Examples of favoritism and fraud (deception intended for personal gain) include: special rewards for particular members, project bids that are prearranged, wasteful or not cost-effective, projects that benefit one group over others, and favoritism for project selection.  |

**Rationale:** Although there are some requirements in the standard that embed the transparency with which the Premium should be used, stakeholders expressed the wish to have a more visible requirement highlighting that misuse of Premium is not acceptable.**Implications:**This would enable SPOs to be sanctioned if Premium funds are not managed responsibly e.g in cases of fraud, favoritism or any illegal activities that would jeopardize the business of the organization.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# Workers in SPOs

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| This topic was not included during the first round of consultation as stakeholders felt the complexity of the topic requires deeper analysis before concrete interventions are consulted upon. Therefore a thorough contextual analysis will be carried out during 2018, aiming to understand the different arrangements between farmers and workers that currently exist within SPOs as well as the implications that any standard related changes or other measures may have. The contextual analysis will help to understand on-the-ground labour realities, in order to be able to:* identify and define challenges
* make concrete proposals to improve labour conditions and workers’ wellbeing.

The results of this contextual analysis will inform Fairtrade’s intervention in the area of workers in SPOs, including a broader review of the standard’s chapter on labour conditions of workers in SPOs but also the implementation of actions beyond the standard. Depending on the duration of the contextual analysis and other factors, the review of the particular labour chapter might be done after the overall standard review, requiring an additional update of the standard.While the contextual analysis is looking at the situation in its complexity, there are some aspects that don’t require the results of the contextual analysis and can already be consulted upon in the second round of consultation. It is worth noting that other proposals in this consultation (e.g. SPO definition) would also have an impact on the number or workers in SPOs.**The proposal aims at:*** Strengthening the assurance framework in the chapter on labour conditions of the SPO standard.
* Taking a first step in improving the working conditions of workers in SPOs

**The proposed changes are:*** 1. **A new requirement on compliance with national legislation that is checked reactively as a means to act in case there are known violations**

The intention is not that auditors do a proactive check on compliance with national legislation but that if there are gross violations, it is possible to act on them (For rational and implications see next section in this consultation). * 1. **Reduce the significant number of workers from 20 workers to 10 permanent workers or equivalent worker days (days worked multiplied by the number of workers working 40 hours/week all year round).**

**Rationale:** To align the current value for significant number of workers with international practices on conditions of employment. [The ILO Convention 110](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:P110) on Conditions of Employment of Plantation Workers defines 10 workers as a threshold for the application of the convention. ILO defines it as “A Member ratifying this Convention may, after consultation with the most representative organizations of employers and workers concerned, where such exist, exclude from the application of the Convention undertakings the area of which covers not more than 12.5 acres (5 hectares) and which employ not more than 10 workers at any time during a calendar year”.**Implications:** SPOs employing more than 10 permanent workers or their equivalent would be affected because they would be audited against some requirements which didn’t previously apply to them.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Changes on contracts for permanent workers:**
* **Change the requirement on written contracts for permanent workers (applicable only if the organization or members employ a significant number of workers) from Development Year 3 to Core Year 1.**
* **Change the requirement that requires that copies of contracts are given to permanent workers from Development Year 3 to Core Year 1. The requirement is applicable only if the organization or members employ a significant number of workers.**

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| **~~Year 3~~****Year 1** | **~~Dev~~****Core** | *Applicable only if the organization or members employ a significant number of workers***3.3.21** You and the members of your organization **must have** a legally binding written contract of employment for all permanent workers that includes at least the following: the job duties related to the position; protection of the worker from loss of pay in the case of illness, disability or accident; and a notice period for termination that is the same as to the notice period of the employer.  |

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| **~~Year 3~~****Year 1** | **~~Dev~~****Core** | *Applicable only if the organization or members employ a significant number of workers***3.3.22** You and the members of your organization **must provide** a copy of the signed contract to the worker. |

**Rationale:** The ILO views formalization of work as an essential process for the promotion of decent work and reduction of risk of exploitative practices. A written contract ensures that workers are able to enjoy their rights and claim them if necessary. In most countries a formal contract is a prerequisite to access services to health and pension schemes. The change was also suggested by different stakeholders. These proposals are likely to be covered by the national legislation but they also ensure that workers are better protected and will have better access to social security.**Implications:** Organizations would need to ensure that permanent workers have contracts and a copy is provided to them. In cases where workers are not able to read or understand the contracts, the organizations would need to ensure that the workers understand what the contract entails.**Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **New requirement to ensure that field workers have access to clean drinking water. This requirement would be applicable to all producers regardless of the significant number of workers**

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| **Year 0** | **Core** | **NEW** 3.3.37 You and the members of your organization ensure that all field workers have access to clean drinking water Guidance: This is applicable to all producers regardless of the significant number of workers. |

**Rationale:** Having access tocleandrinking water is a fundamental right and therefore it should be mandatory for everybody who employs hired labour to ensure that workers have access to clean drinking water.**Implications:** All SPOs, regardless of the number of workers they employ, would need to comply with the new requirement to ensure that all field workers have access to clean drinking water*.***Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# National legislation

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| This topic was not included during the first round of consultation but is relevant to some of the proposals for the second round (for example workers in SPOs and environment).Currently, in the section “Reference” of the SPO Standard (page 3) it reads: *Fairtrade International requires that producer organizations always abide by national legislation on the topics covered by this Standard, unless that legislation conflicts with internationally recognized standards and conventions, in which case the higher criteria prevail. However, if national legislation sets higher standards or ensures more favorable conditions for workers on an issue than Fairtrade International, then it prevails. The same applies to regional and sector-specific practices.*However, as it is not written as a requirement the certification body does not have a link to the standard to raise a non-conformity should a non compliance on national legislation arise. **The proposal aims at:**Enabling Fairtrade to act in case violations to national law take place. The purpose is not that auditors check proactively compliance of organizations against all labour or environmental laws, but to have a tool to react in case of risk or indications of non-compliance. Also, it aims at providing clarity to organizations on how to act in case of contradiction of the standard with national law.**The proposed change is:*** 1. **A new core requirement on compliance with national law**

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| **Year 0** | **Core** | **NEW** 1.1.4 You are aware of the applicable national legislation on the topics covered by this standard in your country and there are no indications that you violate any of them.Guidance: Fairtrade International requires that organizations and its members always abide by national legislation on topics covered by this standard.If a requirement contradicts national laws or regulations, the law is always to be complied with and it prevails, unless that legislation conflicts with internationally recognized standards and conventions (for example the fundamental ILO Conventions), in which case the higher criteria prevail. However, if national legislation sets higher standards or ensures more favourable conditions for workers or higher standards for natural resources management on an issue than Fairtrade International, then that prevails. The same applies to regional and sector-specific practices. |

**Rationale:** There have been cases (not related to labour law or environmental law) where there is no clarity on what to do in the case that a requirement of the Fairtrade Standard is in contradiction with the national law. This requirement would fill this gap. Also, Fairtrade would have a tool to act in case organizations are in non-compliance with national law. This requirement is also part of other voluntary sustainability and private codes.**Implications:** Non-compliances for not abiding with national law could be issued. Organizations, PNs and auditors would need to have a good knowledge on the applicable national laws. On labour and natural resources management the higher standards would apply. In particular cases, Fairtrade International would need to issue interpretations.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# Fostering continuous improvement

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| This topic is included to find out how the standard can best encourage SPOs and foster their continuous improvement.**The proposal aims at:**Making the role that development requirements have clearer, giving more choice to producers on how to reach the objective of the requirement and promoting continuous improvement after year 6 of certification.**The proposed changes are:*** 1. **For the final version of the standard, to show separately the core requirements from the development requirements so the options the standards offer are clearer to producers. Also, to redraft development requirements highlighting the intended outcome and leaving the decision to the organization on how to reach this outcome.**

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| **Year 3** | **Dev** | You as an organization and your members improve soil fertility. ~~must report on measures that you as an organization and your members have implemented to improve soil fertility~~. Guidance: You are free to choose the measures to improve soil fertility. ~~how you report the activities~~. Measures can include practices such as crop rotation, intercropping, agroforestry, the use of ground covers, or incorporating compost or green manures into the soil or any other method of conservation agriculture. |

**Rationale:** Move towards a more outcome-oriented approach in the development requirements.**Implications**: Producers would have more freedom to decide how to achieve the requirement.**Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **Introducing a new requirement for organizations that have been in the system for more than 6 years to foster continuous improvement**

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| **Year 6** | **Core** | **NEW** 4.1.14 Your overall certification score on certification requirements increases over time.If exceptional and unforeseen circumstances prevent you from increasing your overall certification score, you inform the certification body.Guidance: Includes core and development requirements. Only applicable to organizations which have been in the system for more than 6 years. |

**Rationale:** It is often asked how to promote continuous improvement for organizations that have been in the system a long time. The idea is to use an existing tool (the ranks) instead of creating new requirements. The proposal was suggested by stakeholders during the consultation.**Implications:**Organizations which have been in the system for more than 6 years would be required to use the ranks to see how they can improve their performance over time.**Do you agree with these changes?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# Role of traders

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| There is no requirement on the role of traders in the SPO Standard. Although the Trader Standard already recognizes that traders play an important role in SPO capacity building, the SPO Standard does not provide a clear framework on how SPOs must engage with traders in fairer trade relationships.In some cases traders invest resources to get farmers organized, apply for Fairtrade certification and provide market access to the SPOs. On one hand it may help SPOs to start Fairtrade businesses but on the other it can also cause SPOs to rely on traders’ support and it poses challenges to the organization to grow as a self-reliance organization. Elected SPO leaders may be bound to follow the trader’s interest as they may fear losing market access and if the situation persists, preventing the empowerment of producers in the long run.A larger discussion on the role of traders will be included in the next revision of the Trader Standard review. However, from the 1st round of consultation there is a proposal to increase transparency on the services the traders provide to organizations.**The proposal aims at:**Increasing transparency and ensuring that SPOs can decide for themselves on the services provided by traders to their members and on the use of the Fairtrade Premium. **The proposed change is:*** 1. **Add a new requirement in the** [**Trader Standard**](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/TS_EN.pdf) **on transparency should the trader provide services**

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| **Trader Standard – applicable to traders** |
| Year 0 | Core | **NEW** If you provide any services such as training or other support activities to SPOs, you agree in advance and in writing with the SPO, on all terms and conditions, including fees. You do not put pressure on producers to accept the services and the fee, nor do you make it a condition of purchase. Guidance: The intention of this requirement is to ensure that SPOs can decide for themselves on the services provided to their members and on the use of the Fairtrade Premium. |

**Rationale:** Currently SPOs may not be aware of the implications on fees/Fairtrade Premium of some services offered by traders. This new requirement would support SPOs to make informed decisions. **Implications:** Traders providing services to producers would need to be transparent and clear about agreements and fees of services.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# Trading with integrity

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| Unfair trading practices mostly occur in cases of imbalance between trading partners, which can happen anywhere in the chain but most frequently at the expense of producers. In the last revision of the Trader Standard a new requirement on trading with integrity was added to tackle unfair trading practices (TS requirement 4.1.8). The question is now if and how unfair trading practices should be captured in the SPO standard. **The proposal aims at:**Preventing unfair trading practices at producer level and aligning the standard with the compliance criteria.**The proposed changes are:*** 1. **New requirement to prevent bad faith practices**

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| **Year 0** | **Core** | **NEW** 1.1.5 There are no indications that you or your members deliberately circumvent the standard. Guidance: This refers to manipulative behaviour to prevent mandatory provisions in the standard from applying to members or organizations. |

**Rationale:** Sanctioning unfair trading practices is very challenging since by nature they are difficult to identify and verify. The current proposal is drafted at a high level to be able to have the possibility to act in case bath faith practices are found without having to define precisely which requirements they violate.**Implications:** Actions to circumvent the standard may lead to non- conformities and/or suspension of organizations. **Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text** 1. **New Core, year 0 requirement on honouring contracts**

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| **Year 0** | **Core** | **NEW** 2.3.5 You honour all elements of the transactions fixed in the contract, unless you and the other party agree to a change.If you become aware that exceptional and/or unforeseen circumstances prevent you from supplying the volume stated in the contract, you promptly notify the buyer and actively seek a solution.Guidance: In case one party is not able to fulfil the contract due to exceptional and/or unforeseen circumstances the producer and buyer need to both demonstrate to the certification body that they are actively seeking to reach contract resolution. |

**Rationale**: It is an existing compliance criterion for producers (2.3.0.16) and traders have a similar requirement in the Trader Standard (requirement 4.1.6). For alignment it is proposed to also add it to the SPO Standard. **Implications:**No additional implications as this requirement it is already a compliance criteria.**Do you agree with this change?**[ ] Strongly agree[ ] Partially agree[ ] Disagree[ ] Not relevant to me / I don’t know**Please explain your rationale in case you partially agree or don’t agree***Click here to enter text* |

# General comments/ feedback

In this section you are invited to provide additional feedback on any of the requirements in the [Fairtrade Standard for Small Producer Organizations](https://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/SPO_EN.pdf) or provide general comments. If you are referring to a particular requirement, please include the requirement number where possible and your comments.

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If you need some more information before commenting on this document do not hesitate to contact standards-pricing@fairtrade.net