



Oversight Committee Minutes

Meeting 14: 18-19 March 2019

Teleconference meeting

Present:

OC members: Martin Boon, Doreen Chanje, Martin de la Harpe (Chair), Miguel Mateo Sebastián, Sugumar Raman, Iresha Sanjeevanie, Ludwig Tanchot, John Young

Fairtrade International S&P: Gelkha Buitrago, Eleonora Gutwein, Ana Rosas.

FLOCERT: Theresa Glammert-Kuhr

Excused : Ludwig Tanchot (March 18th), Martin Boon (March 19th)

Disclaimer:

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

Item 1 – Opening

The chair opened the meeting and stated that the quorum was met.

Agenda: The agenda was agreed unanimously.

Conflict of interest:

There were no conflicts of interest reported.

Ground Rules:

A new practice was implemented for the opening section in the OC by announcing the following ground rules for the meeting:

- All information shared within the committee is confidential and should not be circulated or disclosed outside the committee. This does not apply to the public minutes.
- All decisions will be based on consensus whenever possible.

A&O News:

The OC was informed that the Chair of the OC expressed the intention to resign. A new Chair election was due for March 2019 and is now planned for June 2019. A new OC member may be appointed by the SC in June 2019.

Review of actions items:

- The development of the key performance indicators (KPIs) on Rogue Trading/label integrity is in

process. Update on the project is scheduled for this meeting.

- The follow-up with FLOCERT on additional trainings on the impartiality procedure to be offered to the PN's is ongoing.
- The AM provided support to the NFO representative in developing the ToR for the LOA working group. This topic on the agenda for this meeting
- Exceptions Report will be published on the website in April 2019.
- The AM sent the self-assessment checklist for the RAPs 2.0 to the assurance providers; submission deadline is the 31st of March 2019.
- Sharing best practices among the APs and other stakeholders within the system is ongoing.
- The review of scheme documents OC Oversight Procedure (OP), OC Terms of Reference (ToR), Working Procedure is on the agenda for decision for this meeting.

Item 2 – Updates

On Rogue Trading, the operationalization of the measures set in 2018 at the standards, assurance, oversight and communications level will continue in 2019 and a closer look will be taken in tier one products to assess if the measures are fit for purpose. Also there is a plan to organise roundtables for producers and traders in tier one products to share learnings and collect inputs.

The OC was updated on the progress in the transitioning of certified customers from Fairtrade Canada to FLOCERT. The process is ongoing and it is planned to transfer all customers by the end of August 2019. Fairtrade Canada is planning to stop providing certification services after the transition period.

The AM explained the background and the outstanding issues provided by the Workers' Rights Advisory Committee (WRAC) on the response letter to the complaint from December 2017 on FLOCERT's allegation procedure. The topic will be discussed on the June OC meeting in order to explore the possibilities suggested by the WRAC and agree on actions and timelines.

The OC was informed of the recent progress of the Data Governance working group and the results of the data maturity assessment.

Key topics for the Assurance and Oversight work plan for 2019 were presented. The main focus is on completing the assessments of the APs against the RAP 2.0; the development of the assurance risk management plan and procedures on the second instance complaints and impartiality; automatization in the exceptions process; ensuring continuous compliance with the ISEAL Assurance code 2.0 and preparing and conducting the upcoming Peer Review. Main projects for Assurance and Oversight in 2019 are the Rouge Trading project, the Revision of the RLBs and the Exceptions Policy.

The reports required from the APs and their submission timelines were also presented to the OC.

Item 3 and 4 – System review – Fairtrade International Oversight Procedure, Terms of Reference for the Oversight Committee and Oversight Committee Working Procedure

The ISEAL Assurance Code requires the scheme owner to conduct regular reviews of its assurance scheme to ensure it remains adequate, effective and able to maintain integrity. In its November 2016 meeting the Oversight Committee decided to commence a full system review.

Fairtrade International's Oversight Procedure (OP), the Terms of Reference of the Oversight Committee (OC ToR) and the Oversight Committee Working Procedure (OCWP) have been revised for the purpose

of amending the oversight system documents to be more concise and fit for purpose. The final drafts of the procedures address issues from the monitoring log; consider previous input from the OC and aim to align with the ISEAL Assurance Code 2.0.

The AM presented the final draft of the OP for decision and of the OC ToR for recommendation to the SC, also proposed to phase out the Oversight Working Procedure (OCWP), as most of its content can be incorporated into other procedures or policies.

OC provided feedback to the draft Oversight Procedure, endorsing most of the changes proposed. Nevertheless, changes presented by the technical members of the committee were found relevant and it was agreed that further amendments are needed mainly on the structure and clarification of definitions, also simplification. The final approval of the document is planned for offline, email voting in the coming weeks.

The phasing out of the OCWP document was unanimously approved by all members. Once the revised OP is published the OCWP will no longer be valid.

The OC also provided input to the proposed ToR. Feedback and clarifications were given, AM to revise the relevant clauses after the meeting and to develop an amended proposal.

The OC unanimously approved the recommendation on the proposed changes to the Oversight Committee Terms of Reference v2.0 to the Standards Committee for decision in June 2019.

Item 5 – Travel Risk Areas

FLOCERT presented the progress made on the certification procedures and policy in travel risk geographies. According to FLOCERT virtual audit is a combination of desktop (document) audit and offsite interaction with the customer that can only provide the usual level of assurance for a limited number of requirements. The challenges and the risks in conducting remote audits were presented and examples were given (e.g that it is not possible to identify who are the people in the call, or if they are being intimidated). Virtual audits could exclude vulnerable people from the audit procedures as they might not have access to internet and desktop audits can only cover a very limited number of elements of the compliance criteria.

Mitigation of the risks would involve a public disclaimer on FLOCERT's website ensuring transparency on the limited level of assurance provided by the remote audits. However, according to FLOCERT a similar approach should be adopted by the licensing bodies and FI, to protect the credibility of the Fairtrade Marks while re-iterating Fairtrade's commitment to support producers in these affected geographies.

Next Steps:

FLOCERT to conduct pilots to explore the feasibility of the remote audit approach in travel risk areas. FLOCERT and FI to be clear and transparent about the limited level of assurance in travel risk areas, also highlighting the fact that it is a pilot approach.

The policy and the process to be closely monitored by the OC and if findings suggest that the level of assurance provided through the remote audits is not acceptable as required, the approach has to be revised.

The topic was requested to be back at the OC after the first remote audit results are in and the level of assurance was analysed.

Item 6 – Guidance for Travel Risk Areas

The revised RAPs 2.0 introduced new requirements on auditing in travel risk areas. It requires assurance providers to have a travel risk policy and conduct remote audits in geographies where travelling is not possible, also that initial audits can be replaced by remote audits under justified exceptional circumstances.

As guidance was requested from FI assurance on clarifying the exceptional circumstances, the AM proposed an interpretation note to the OC for approval.

In the proposal a definition was provided for the exceptional circumstances, outlining the differences in procedures when short term or long term conditions are present in travel risk areas.

Short term conditions are outbreak of diseases or natural disasters (e.g flood that is expected to cease within an accepted timeframe). Long term conditions are conflict areas with long standing conflicts (e.g war that is not likely to cease soon).

As initial on-site audits may be replaced by remote audits in these areas, a proposal was presented on how to handle application from clients, taking into consideration the conditions of the areas at risk and their times of ceasing. As a main rule all applications from travel risk areas have to be accepted, a remote audit is conducted, the certified operator and the area is monitored and when the condition ceases an on-site audit must be conducted as soon as possible.

However, in cases where there is no certified operator in the country and there is a long standing conflict that is not likely to cease soon, applications may be rejected.

The OC unanimously approved the proposed guidance for the RAP clause 2.13.3

Next Step:

The AM to issue the guidance note and send it to the APs certifying clients in high risk areas.

Item 7 – Certification Mark Regulation / LB compliance

FI's Trademark coordinator presented the introduction of the 'certification mark' concept of the EU Intellectual Property (IP) law applicable in the EU and its implications for Fairtrade. Applications for registering the marks have been filed decision are expected in the coming months.

As owner of the Certification Marks, Fairtrade International creates brand and mark guidelines that comply with the EU regulations, and one of its control mechanisms for ensuring compliance is the RLB.

Next steps:

It was agreed that during the current revision of the RLBs, requirements on ensuring compliance with the certification mark will be added, and checked in the assessment procedure following the implementation of the new revised RLB.

Contracts with the licensing bodies will be revised and updated once the registration of the certification mark is complete. CEOs have to be informed about the upcoming changes and ways of working.

The application document and the regulations attached to the application will be public once they are approved by the EUIPO.

Item 8 – L.O.A. ToR

The NFO representative presented the Terms of Reference (ToR) for the Licensing, Operations and Assurance (LOA) working group. The objective of the ToR is to define a formal structure for the LOA working group and meeting; also to have it recognised as the forum for learning and exchanging best practises in licensing, by FI, the Global Leadership team (GLT) and the CEOs.

OC members engaged in a proactive discussion and suggested changes regarding wording and also on the content.

The OC endorsed the LOA as a common framework for licensing activities that drives alignment of practices and harmonization of processes. This endorsement is especially important in the light of the new certification mark regulations and the increased responsibility for the mark owner in ensuring a harmonised global operation in terms of regulating the use of the Fairtrade Mark.

The main concern of the OC was that the LOA is lacking formal support from the system or FI. Currently it is a member's driven initiative based on voluntary actions. It is not clearly defined who drives the process, manages all the administrative work and coordination or the follow-up after the meetings.

The OC agreed on the importance and that it is great value to the system to encourage technical forums like the LOA, and highlighted that in order to maintain the operation of the working group it is key to clearly define the accountability of it and ensure resources are allocated.

Next Steps:

NFO representative to amend the ToR with the suggested changes and circulate the document within the licensing community to collect their feedback.

Director S&P to bring the discussion to FI CEO to inform the organization about the challenges of the working group and defining the way forward. Should the LOA remain a voluntary forum or there is a need for exploring the possibilities of a formal recognition by the system or FI.

Item 9 – AOB, Next meeting date, Closing

AOB

None

Next OC meeting is scheduled for the 4th of June 2019 as a physical meeting in Bonn.

Meeting is formally closed.