

Project Assignment/ Draft proposal for standards suspension:

Fairtrade Textile Standard Suspension Request (7 October 2020)

This project assignment contains the most important information about the project. For additional information on the project, please contact the project managers (contact details below). The project will be carried out according to the Standard Operating Procedures for the Development of Fairtrade Standards/Minimum Prices and Premiums. More information on these procedures can be found on the website:

https://files.fairtrade.net/standards/SOP_Development_Fairtrade_Standards.pdf

Rationale for and justification of need for the project:

Requirement 1.4.2 *Ensuring subcontractor compliance* is currently hindering implementation of the standard, i.e. certification of operators and full supply chains. The purpose of the Fairtrade Textile Standard is to set the requirements that determine participation in the Fairtrade system that applies to workers along the entire textile supply chain, guaranteeing them a decent living and empowering them to combat poverty, strengthen their position and to take more control of their lives. If however one requirement is hindering certification or operators entirely, it needs to be reviewed so that workers can finally benefit through implementation of the standard.

Risk assessment:

1. From a generic point of view, if no traders are certified against the Textile Standard, no progress can be made through Fairtrade towards living wages.

Mitigation: Implement the suspension request to assess the current application of the standard and certification and propose feasible solutions that safeguard the integrity of the standard.

2. Suppliers of the smaller brands will find it inconvenient to subcontract some specialized work if the requirement is not suspended.

Mitigation: Implement the suspension request to assess the current application of the standard and certification and propose feasible solutions that safeguard the integrity of the standard.

3. Difficulty in determining the eligibility for low volume subcontractors. The cost (in percentage) of a subcontracted operation e.g. knitting or printing in the FOB value of finished FT product is required to determine eligibility. A cost break-up of the product is required for the purpose and it is difficult to obtain accurate figures unless the supplier provides it. The FOB value of the products purchased on Fairtrade Textile Standard terms must be compared with the total FOB value of the products produced by the subcontractor.

Mitigation: The certification body will determine based on the value of the 'FOB' product based on industry guidance. The suppliers shall provide relevant calculation and documents to the certification body.

4. If the requirement is suspended, then there are risks of subcontractors not complying with labour conditions (chapter 3) and requirement 1.4.4 (grievances procedure) of the textile standard.

Mitigation: A similar approach as that of trader standard/fibre crop standard - 'social indicator' can be used although further than showing efforts to comply, showing compliance evidence. Suppliers collect social indicator evidence from their subcontractor and the validity is checked by the certification body. Credible social compliance certifications can be made mandatory for such low volume sub-contractors.

Project Start Event:

Draft Project Assignment will be uploaded to the FI website for comments by stakeholders

Project Start Date:

October 7th 2020

<p>Project End Event: Publication of the revised Standard requirement, or alternatively an interpretation note</p>	<p>Project End Date: November 2020</p>
<p>Project Goal: To process the suspension request of requirement 1.4.2 <i>Ensuring subcontractor compliance</i> to find a feasible solution and align the standard with the reality of subcontracting in textile supply chains that will enable certification of more operators.</p> <p>Connection with Theory of Change (ToC): This project is connected to the Fairtrade Goals which are to foster sustainable livelihoods, make trade fair and build Fairtrade markets.</p> <p>For more information on Fairtrade's ToC see this link.</p>	
<p>Project scope:</p> <p>The project covers all regions and products where the Fairtrade Textile Standard applies. This standard is applicable in countries and regions where freedom of association is possible. For more information on Fairtrade Standards click this link.</p>	<p>Out of scope:</p> <p>Full review of the Fairtrade Textile Standard Fairtrade Trader Standard review</p>
<p>Project timelines and information on opportunities to contribute:</p> <p>Scoping: August – September 2020 Research: September 2020 Publishing draft proposal for standard suspension*: October 2020 Analysis of results: October 2020 Drafting final proposal: October 2020 Decision by Head of Standards: October 2020 Publication: November 2020 Implementation: November 2020</p> <p>* More information will be provided closer to the consultation period on our website. If you are identified as key stakeholders, you will receive an invitation to participate.</p>	<p>Decision making process:</p> <p>The final decision will be taken by the Head of Standards in coordination with the Standards Committee (SC) Chair.</p>
<p>Project Owner (Unit):</p> <p>Alina Amador (Head of Standards)</p>	<p>Project Managers (contact point for the project):</p> <p>Kerstin Cron (Project Manager Standards) k.cron@fairtrade.net +49 228 94923 231</p>

Project Team (Unit):		Project Environment (stakeholder groups not part of the project team): <ul style="list-style-type: none"> - Certified operators under the Fairtrade Textile Standard - Senior Adviser Workers Rights and Trade Unions - Fairtrade Germany
Fairtrade International	GPPP	
PNs	NAPP	
NFOs	Mariska Przyklenk (Fairtrade Germany)	
FLOCERT	Theresa Glammert-Kuhr tbc	