

Project Assignment

Fairtrade Standard for Cocoa (15 March 2022)

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:

Due to changes in the cocoa landscape, especially new legislation in West Africa including the development of a sub-regional sustainability standard and the introduction of a living income differential, along with a critical need to address deforestation, and human rights abuses, the need for a Fairtrade Cocoa Standard review is clear. The objective of this review is to address and find solutions for identified problems or gaps within the Fairtrade Standard for Cocoa.

Risk assessment:

1. There are many topics for this review and it may be difficult to find an appropriate approach to all of them within the given timeframe of the project.

Mitigation: prioritize topics according to most pressing needs or circumstances.

2. Issues pertaining to the West African producer region dominate the review.

Mitigation: Seek input to this review at all stages also from the CLAC.

3. Failure to update or implement emerging issues with regards to new legislation relevant to the cocoa sector adequately may lead to loss of sales volume by certified SPOs if they cannot fulfill regulations and/or meet what have become the basic assurance needs of commercial partners

Mitigation: Take into account new laws, regulations and norms.

4. Publication of the regional African Regional Standard by the governments of Cote d'Ivoire and Ghana is delayed and either hinders the decision on the Fairtrade standard for cocoa or the updated Fairtrade standard for cocoa is not aligned to the regional standard; which leads to disadvantages for Fairtrade certified SPOs in their ability to sell on Fairtrade terms.

Mitigation: continue engagement with the governments of Cote d'Ivoire and Ghana to understand all developments up to the publication of their final standard.

5. Overburdening SPOs in terms of new requirements in the standard and lack of funding for new measures to be implemented by SPOs.

Mitigation: During research and consultation, there needs to be a check on what kind of changes can be implemented by SPOs and what is not realistic to implement and/or would require additional sources of income.

6. There is a need to address workers in Small Producer Organizations (SPOs) and it may be expected that this topic is included into this review. If the review happens at the same time in a separate project, it might lead to confusion and fatigue.

Mitigation: The project to review requirements related to workers in SPOs could potentially take place at the same time. If this is the case, there would be a need to coordinate and keep each other informed.

Project Start Event:

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

Project Start Date:

April 2020

Project End Event:

Publication of the revised Standard

Project End Date:

Q2 2023

Project Goal and Objectives:

Goal:

The revision of the Fairtrade Standard for Cocoa is a key instrument to align the standard with the market needs and producer realities.

Objectives:

- Align the standard to the specific reality of regulated markets in West Africa, as implementation of the African Regional Standard from the Ghanaian and Cote d'Ivoire governments will be mandatory;
- Review and amend the current practice in the standard to regulate the entry of new SPOs, leading to higher sales and more impact for Fairtrade certified producers; also explore regulations to manage growth of existing certified producer organizations
- Explore mechanisms to eliminate or limit unfair trading practices
- Review requirements on the Internal Management System
- Explore mechanisms to identify and further address deforestation risk and how these could be included in the standard
- Consider additional environmental requirements to further mitigate climate change and promote biodiversity
- Review requirements on Human Rights Due Diligence – in particular explore solutions for the implementation of risk based child labour and forced labour monitoring and remediation, review requirements on gender based violence
- Reduce the cost escalation of the Fairtrade Minimum Price differential, Fairtrade Premium, and Fairtrade organic differential, or at least expose the level of cost escalation along the supply chain
- Consider additional requirements in the production chapter to further promote living income goals for cocoa farmers
- Reconsider the distribution and uses of the Fairtrade Premium to ensure all producers benefit from it.
- Map relevant farming requirements for Fairtrade stakeholders and asses if feasible to integrate in the standards
- Strengthen traceability/transparency requirements for Fairtrade cocoa and FMP/premium payments to farmers
- Incorporate the sharecropper model into Fairtrade and strengthen the position of workers in SPOs
- Address specific trade situation in Ghana
- Collect additional topics, issues and concerns on the Fairtrade standard for cocoa from relevant stakeholder groups
- Ensure consistency in standards by aligning changes in all related standards
- Improve standard language for better clarity and simplicity

Connection with Theory of Change (ToC):

This project is connected to the Fairtrade Goals which are to foster sustainable livelihoods, empower small producers, make trade fair and build Fairtrade markets.

For more information on Fairtrade's ToC see this [link](#).

Project scope:

The project covers all regions and products where the Fairtrade Standard for Cocoa applies. The geographical scope is worldwide, with a particular focus on West Africa. Côte d'Ivoire accounts for over 80% of Fairtrade cocoa and most of the challenges Fairtrade Cocoa faces are West African in nature, hence this particular focus on the region.

As the Fairtrade Standard for Cocoa is complementary to the Fairtrade Standard for Small-scale Producer Organizations for producers and to the Fairtrade Trader Standard for traders, requirements of the Fairtrade Standard for Small-scale Producer Organizations and the Fairtrade Trader Standard applying in cocoa supply chains will be revised. For more information on Fairtrade Standards click this [link](#).

Out of scope:

Premium and Price review will not take place at the same time
Fairtrade Standard for Small-scale Producer Organizations review
Fairtrade Trader Standard review

Project timelines and information on opportunities to contribute:

Scoping: February - April 2020
Research: May 2020 – July 2021

1st Review phase

Consultation*: August - October 2021

1st set of SC decisions: March 2022

Publication of new entry

requirement: Q2 2022

2nd set of SC decisions: September 2022

Publication of standard including all phase 1 outcomes: Q4 2022

2nd Review phase

Consultation*: July – August 2022

3rd set of SC decisions: March 2023

Publication of standard including phase 2 outcomes: Q2 2023

* 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.

Decision making process:

The final decision will be taken by the Standards Committee (SC), a body made up of stakeholder representatives. The SC will aim at making a decision based on consensus. They may reword the final proposal if needed to reach consensus. If consensus cannot be reached, the SC will resort to voting.

<p>It was decided to start the consultation only in 2021 due to the harvest season in West Africa, the elections happening in Cote d'Ivoire in October and the development of the African Regional Standard. This leaves more time in the research phase for a deep analysis of the situation and pre-consultation with stakeholders if possible.</p> <p>It was also decided to split the consultation and decision process into two consecutive phases in order to keep the amount of topics per round manageable for all stakeholders involved.</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>								
<p>Project Team (Unit):</p> <table border="1"> <tr> <td>Fairtrade International</td> <td>Jon Walker, GPM Samantha Dormer, GPM, Johanna Schmidt, GPM Yun-Chu Chiu, Senior Project Manager Pricing Eleonora Gutwein, Assurance Scheme Manager Juan Pablo Solis</td> </tr> <tr> <td>PNs</td> <td>Anne Marie Yao, Fairtrade Africa Abubakar Afful for Ghana Sonndia Ouattara for Cote d'Ivoire Luis Mendoza, CLAC Abel Fernández, CLAC Ashok Krishna, NAPP</td> </tr> <tr> <td>NFOs</td> <td>Marine Moschetti, Max Havelaar France, Yanick Lhommel, Martin Schueller, Fairtrade Germany, David Finlay, Fairtrade Foundation UK Tytti Nahi, Fairtrade Finland</td> </tr> <tr> <td>FLOCERT</td> <td>Theresa Glammert-Kuhr Ute Baoum Johannes Wolpert</td> </tr> </table>		Fairtrade International	Jon Walker, GPM Samantha Dormer, GPM, Johanna Schmidt, GPM Yun-Chu Chiu, Senior Project Manager Pricing Eleonora Gutwein, Assurance Scheme Manager Juan Pablo Solis	PNs	Anne Marie Yao, Fairtrade Africa Abubakar Afful for Ghana Sonndia Ouattara for Cote d'Ivoire Luis Mendoza, CLAC Abel Fernández, CLAC Ashok Krishna, NAPP	NFOs	Marine Moschetti, Max Havelaar France, Yanick Lhommel, Martin Schueller, Fairtrade Germany, David Finlay, Fairtrade Foundation UK Tytti Nahi, Fairtrade Finland	FLOCERT	Theresa Glammert-Kuhr Ute Baoum Johannes Wolpert	<p>Project Environment (stakeholder groups not part of the project team):</p> <ul style="list-style-type: none"> - Certified producer organizations under the Fairtrade Standard for Cocoa - Certified cocoa traders - Senior Advisor Social Compliance and Development - Senior Advisor Sustainable Livelihoods - PNs - NFOs - Global Impact unit
Fairtrade International	Jon Walker, GPM Samantha Dormer, GPM, Johanna Schmidt, GPM Yun-Chu Chiu, Senior Project Manager Pricing Eleonora Gutwein, Assurance Scheme Manager Juan Pablo Solis									
PNs	Anne Marie Yao, Fairtrade Africa Abubakar Afful for Ghana Sonndia Ouattara for Cote d'Ivoire Luis Mendoza, CLAC Abel Fernández, CLAC Ashok Krishna, NAPP									
NFOs	Marine Moschetti, Max Havelaar France, Yanick Lhommel, Martin Schueller, Fairtrade Germany, David Finlay, Fairtrade Foundation UK Tytti Nahi, Fairtrade Finland									
FLOCERT	Theresa Glammert-Kuhr Ute Baoum Johannes Wolpert									