

Oversight Committee Minutes

Meeting 31: 21 March 2023 Teleconference meeting

Present:

OC members: Martin Boon, Jules Colombo, Theresa Glammert-Kuhr, Martin de la Harpe, Richard Kwarteng, Marike de Pena, Iresha Sanjeevanie, John Young (Chair)

Excused: Sugumar Raman (substituted by Theresa Glammert-Kuhr)

Fairtrade International S&P: Eleonora Gutwein, Gudrun Schloepker, Christine Knickelbein

Item 3: Presenters: Oksana Forkutsa (item 3), Margret Loeffen (item 4)

Contributing observers: Manosh Sanketi, Michael Kitetu (item 3)

Disclaimer:

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

Item 1 – Opening

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

Agenda: The agenda was agreed upon unanimously.

Conflict of interest: No conflict of interest was identified.

Ground Rules:

The chair reminded the OC about the ground rules for the meeting:

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

Review of actions items:

- Mapping of the Fairtrade standard requirements to guidelines, such as OECD guidelines, UNGPs, ILO conventions, has started. The overview, when ready might be used for external communication.
- FLOCERT developed a Trader e-learning tool, which could be used to reach traders for other topics related to the standard. OC members and the Standards unit are welcome to brainstorm on ideas, how the tool could be used further.

Item 2 – Updates

Certifying in conflict areas

In its meeting in December the Fairtrade International (FI) Board mandated FI, in line with the OC decision, to explore an alternative scheme for certifying producers in conflict affected areas and to discuss with FLOCERT how the auditing could be done differently, e.g., with external auditors or other schemes.

A few meetings have already taken place to explore benefits and risks of developing a new scheme, new labelling solutions, as well as potential clients were mapped. FI is currently finalizing a risk assessment and working on possible solutions, however there is no decision or agreement yet.

The OC will be updated regularly about progress.

Item 3 – HML Red list exceptions

In its meeting on July 15, 2022, the OC decided to delegate the decision making on exceptions to the Hazardous Material (HML) Red List to FI Standards & Pricing (S&P).

S&P gave an update on the exceptions granted, the situation on the field and the support from the Producer Networks (PN) provided to the producer organisations to meet the exception deadlines to phase out the chemicals.

Overview of submitted cases:

In total, 39 organisations in Asia and Africa have applied for exceptions (52 single requests for exception from July to October 2022, most for Glyphosate and its salts). The exceptions have been granted until July 1, 2023, December 31, 2023, or July 1, 2024, depending on the date of the request and the chemical.

8 exceptions have been granted for producers in Africa and Middle East region to use Glyphosate for devitalization of roses to be sold on the Australian market. The exception for the purpose of devitalization was granted until July 1, 2024.

Report from the PNs:

The Network of Asia & Pacific Producers (NAPP) has explored opportunities to collaborate with a company that offers a plant-based alternative to Glyphosate and is planning to run trials in India and Sri Lanka from June/July 2023 on. Furthermore, producers have been trained by field consultants, raising awareness on how to reduce the usage of Glyphosate and to search for alternatives.

A framework has been developed to monitor the progress of the phase out plan by the producer organisations.

It is planned to conduct research to develop an eco-friendly weed management approach as alternative for Glyphosate with the collaboration of universities. As a part of the research, it has been decided to apply a bio herbicide which is available in India at the trial blocks according to the regional segregation to see the viability and adaptability.

The NAPP has identified the following challenges:

- Alternatives to the prohibited chemicals may not be very cost effective. Therefore, the NAPP is currently investigating a more efficient cost-effective product with lower dosage.
- Further trials will not be possible immediately due to the dry season in the next 2 months.
- Research and trials for an alternative to Glyphosate takes time (organic and inorganic alternatives).

In the African regions, Fairtrade Africa (FTA) has provided trainings and technical assistance to producers in identifying and adopting alternative weed management practices. Further trainings have been provided on

- integrated pest management (physical control, biological, cultural and chemical), methods of pest and disease control.
- occupational Health and Safety risks associated with chemicals.
- environmental risks associated with chemicals.

The trainings provided the opportunity of knowledge exchange between producers to share best practices.

Challenges identified by FTA:

- Differences in the lists of banned chemical materials across different certifications.
- Costs implications for implementing alternative approaches on pest/weeds controls e.g. adopting IPM (integrated pest management).
- Lack of external stakeholder engagements with industry players to identify other alternative products.

Collaboration among producers, research institutions, and regulatory bodies is critical to drive meaningful change. There is a need for continuous innovation and research to develop effective, sustainable alternatives to glyphosate and other salts.

Discussion:

The following points were raised during the discussion:

- It was suggested to develop a handbook for producers on alternatives to replace the chemicals. As the use of the chemicals is very product and climate specific, information should be collected at regional level and developed with research institutes and relevant stakeholders. It will be easier to tackle spot by spot some chemicals and products internally first. S&P will connect with the Centre of Excellence for support.
- The MPS (Environmental certification for the floriculture sector) prohibited material list does not match Fairtrade's which makes it challenging for producers to comply. S&P is working with the Global Product Manager for flowers to investigate options and present them to the Standards Committee.
- Regarding the required transparent communication on the exceptions, the OC agreed that following the consent from the producers, the PNs should publish granted exceptions online, i.e. on behalf of producers.
- Pricing team to investigate the possibility to include costs incurred by use of alternative materials/approaches in the Fairtrade Minimum Price (FMP) tool.
- Centre of Excellence and PNs to collect and systemize the learnings from support on alternatives.
- It was agreed that the approved deadlines for exceptions would not be extended. An assessment on how many producers would be affected will be done around July 2023. S&P will communicate with the Global Product Managers the number of affected producers so they can connect with their clients directly.

Item 4 – Overview on Fairtrade pilots

The Pilot Facilitator (PF) presented the implementation progress of the Fairtrade Pilots Standard Operating Procedure (SOP) and a list of pilots in the Fairtrade system. Pilots were assessed by the PF to determine their stages according to the SOP. The PF is required to update the OC regularly about running pilots; therefore, the OC was asked to give guidance on the preferred modus and frequency by which the OC wishes to receive updates on pilots.

The Fairtrade Pilot SOP defines FI's approach to testing and innovating within the scope of the Fairtrade Scheme. Pilots play a critical role in enabling growth. They provide opportunities for innovation and testing in a controlled environment while providing a strategy of risk mitigation. Also, they contribute to the adequate development of Standards and allow Fairtrade to stay flexible enough for specific production and trading realities. The Fairtrade Pilots SOP was approved in March 2022 and is effective since September 2022. It was announced in two system-wide webinars conducted jointly by the Assurance Manager (AM) and the newly recruited PF.

11 pilots have been identified so far: four show good progress, three limited progress. The ones with good progress include the Textiles pilot, of which the duration was extended by the Standards Unit Director for 2 years until 31.3.2025. One pilot has proven successful and will be implemented into the Flowers and Plants Standard. One pilot has been closed and is currently being phased out. Two pilots are still being clarified.

As the PF is still investigating, the list of pilots might be non-exhaustive. It is also expected that deviations from the Standards previously treated as exceptions may enter the Pilot procedure and thus add to the number of pilots.

First learnings from the pilots and the Pilots SOP show that the SOP is quite document-heavy for smaller pilots. In addition, the interaction between the Pilots SOP and the Innovation Hub needs be clarified to assure complementarity (and to avoid duplication). As a measure to mitigate, the PF will be involved in the Innovation Hub workstream.

There is a need for more system-wide communication on Pilots SOP which will be addressed in the coming months.

Overall, timelines estimated in the pilot proposals tend to be too optimistic at the request stage as the time for the development and implementation of a pilot is underestimated.

Discussion:

Clarification was requested on what closure of a pilot means. A pilot is closed when the decision has been taken that it will be addressed in a Standard (hence the pilot was successful) or it will be phased out after a transition period (the pilot was not successful). It was agreed to work on better definitions to avoid confusion in the future.

Guidance:

The OC gave the following guidance on being updated on running pilots:

The OC wishes to get updated with a presentation by the PF twice a year during an OC meeting (could be some pilot updates in one meeting and others in another OC meeting). A list of pilots with status updates on each pilot should be sent to the OC ahead of each meeting in which pilot updates are on the agenda.

Next steps:

- Apr – Jun 2023: PF to develop a works instruction.
- Apr – Jun 2023: Collecting further information on ongoing pilots and filling key documentation gaps for identified pilots with pilot project managers as well as filling information gaps in the pilots tracker.
- Apr – Sept 2023: PF to implement OC guidance and collect monitoring indicator data to update the OC on the progress of pilots (as per guidance received)
- 2024: Pilots SOP review based on the learnings captured in the Pilots SOP Monitoring log. Any changes to the Pilots SOP will be presented to the OC for approval.

Item 5 – Oversight Committee Terms of Reference (ToR)

Following the ISEAL Independent Evaluation against the Assurance Code, a non-conformity was identified related to the independence of the oversight. The corrective measure by FI is the amendment of

the wording of the clause 5.8 'Conflicts of interest' of the OC ToR to reflect the actual practise that in case a decision constitutes a conflict of interest the member must be excluded from the voting.

Decision:

The OC unanimously endorsed the suggested change to the OC ToR version 2.2.

Next steps:

- March 22, 2023: The endorsed proposal will be presented for final approval to the Standards Committee (SC).
- May 2023: Pending SC approval, the OC ToR v2.2 will be published on FI's website.

Item 6 – AOBs

- Delay in certification process: Some producers in the NAPP region complained about delays in scheduling initial audits. It was recommended to reach out to the local FLOCERT office to investigate the reasons and to remind the producer the possibility of raising a complaint.
- Timelines for audit of Requirements for Licensing Bodies (RLBs): will be communicated once an auditor has been agreed on.

Next Meeting date:

The next Oversight Committee meetings in 2023 will take place on

- June 27
- September 18-19
- November 27-28

The meeting was formally closed.