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| **Consultation document for Fairtrade Stakeholders:**  Review of the Fairtrade Standard for Cocoa  Second phase of consultation | |
| Consultation Period | 22 August 2022 – 21 October 2022 |
| Project Manager | Kerstin Cron, Standards |

# PART 1 Introduction

## 1. General Introduction

This consultation document is part of an overall review of the [Fairtrade Standard for cocoa](https://www.fairtrade.net/standard/spo-cocoa). Phase 1 already took place, and more information can be read in Annex 4 and on this [webpage](https://www.fairtrade.net/standard/cocoa-standard-review-2020-). In this document, we concentrate on Internal Management Systems with a global scope, as well as on Human Rights and Environmental Due Diligence (HREDD), addressing deforestation risk, and traceability with a regional scope - Latin America and the Caribbean. HREDD, deforestation risk and traceability were consulted in Africa and Asia during the 1st phase.

We kindly ask you to provide your input on these topics and encourage you to give explanations, analysis, and examples underlying your statements.

**Please submit your comments to** [**standards-pricing@fairtrade.net**](mailto:standards-pricing@fairtrade.net) **by 21 October 2022.** If you have any questions regarding the draft standard or the consultation process, please contact [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)

## 2. Background

In recent years, the cocoa sector has seen many changes in its regulatory landscape including:

* new and/or upcoming Human Rights and Environmental Due Diligence (HREDD) regulations in the European Union as well as in individual consuming countries such as France, Netherlands, Germany, Switzerland, Belgium and the UK;
* the introduction of new organic regulation in the European Union;
* new legislation in West Africa, including the development of an African Regional Standard for Sustainable Cocoa (ARS);
* the introduction of the respective governments’ Living Income Differential in Ghana and Côte d’Ivoire;

Given these developments, the need for a review of the Fairtrade Standard for Cocoa is very clear.

The goal of this review is to support Fairtrade certified SPOs to meet the market demands associated, with the new/upcoming HREDD regulation, the EU Organic Regulation 2018/848 for SPOs in Latin America and the Caribbean and the new African Regional Standard (ARS), for SPOs in Ghana and Côte d’Ivoire. Responding to the assurance needs of the consuming markets will be essential for further Fairtrade cocoa market retention and growth. The second goal is to improve the Fairtrade Standard for Cocoa based on the implementation experience and feedback received during the last years.

# 3. Objectives of the review – relevant for this consultation paper:

* Review requirements on Human Rights and Environmental Due Diligence in Latin America and the Caribbean – in particular, explore solutions for the implementation of risk-based child labour and forced labour monitoring and remediation
* Explore mechanisms to identify and further address deforestation risk in Latin America and the Caribbean and how these could be included in the standard; enable Latin American and Caribbean cocoa SPOs to respond to the assurance needs in different consuming countries and regions (EU) with regards to deforestation-free supply chains
* Improve the effectiveness of requirements on Internal Management Systems whilst also aligning in key areas with EU organic regulation 2018/848 and the African Regional Standard
* Strengthen traceability/transparency requirements for Fairtrade cocoa

The following topics are consulted in this questionnaire:

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| **2nd Consultation starting in August 2022** |
| Internal Management Systems |
| Human Rights and Environmental Due Diligence in Latin America and the Caribbean |
| Addressing Deforestation Risk and Traceability in Latin America and the Caribbean |

Two former objectives listed for this standard review have been singled out and will be addressed in a new project instead:

* Map relevant farming requirements for Fairtrade stakeholders and asses if feasible to integrate into standards; consider additional environmental requirements to further mitigate climate change and promote biodiversity;
* Strengthen the position of workers in SPOs

Timelines for this new limited review of the standard, planned to begin in 2023, are yet to be determined and will be communicated on the FI website in due time. Regarding the objective in the original project scope on cost escalation, particularly caused by imbalances in butter and powder sales, of the Fairtrade Minimum Price differential, Fairtrade Premium, and Fairtrade Organic Differential, we have conducted research on this and have had interviews with traders. However, at this point in time, we are yet to find a standard-based solution which could solve the issue. We will continue to follow up on this topic and possibly conduct more research with traders. We will also continue to improve our internal reporting to address this topic.

## 4. Project and Process Information

The complete [project assignment](https://www.fairtrade.net/standard/cocoa-standard-review-2020-) is available on the Fairtrade International website. The current Fairtrade [Standard for Cocoa](https://www.fairtrade.net/standard/spo-cocoa) is also available on the Fairtrade International website.

The progress to date and next steps are described below:

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| **Activity** | **Timeline** |
| 2nd Public Consultation | August - October 2022 |
| Drafting final proposals | February 2023 |
| SC decisions | March 2023 |
| Publication | Q2 2023 |

## 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 to provide us with information about your organization.

## 6. Target groups and consultation structure

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

* Cocoa producers already certified under the Fairtrade Standard for Small Producer Organizations and the Fairtrade Standard for Cocoa.
* Licensees and retailers as well as traders certified under the Fairtrade Standard for Traders and the Fairtrade Standard for Cocoa.
* Producer Networks, National Fairtrade Organizations, Fairtrade International, FLOCERT, governmental bodies, industry bodies, NGOs, researchers and subject matter experts etc.
* Sharecroppers, Tenant Farmers, Workers and Worker Representatives

**Structure of the questionnaire:**

For each topic a description is presented followed by the aim of the proposal. The proposed changes are presented with reference to the relevant requirements in the standard. 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. The Internal Management System data linked to the proposed requirements is summarized in annex 1. In addition, some topics include proposals for reporting indicators as SPOs and traders will be asked to report to Fairtrade International in the future.

The questionnaire is split into 2 parts. The first part is consulted globally. The second part is consulted only regionally – in Latin America and the Caribbean. 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.

If you are an SPO, we encourage you to involve your members as well as sharecroppers, tenant farmers and workers related to 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:

Fairtrade Africa: <https://fairtradeafrica.net/contact-us/>

CLAC: [comunicacion@claconline.com](mailto:comunicacion@claconline.com)

NAPP: Ashok Krishna [ashok.krishna@fairtradenapp.org](mailto:ashok.krishna@fairtradenapp.org)

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. You can also select the topics you want to provide an answer to.

At the end of the document in Annex 2, you can find a list of the requirements in the EU Organic Regulation 2018/848, and the African Regional Standard, which are implicitly addressed in the Internal Management System proposals presented for the Fairtrade cocoa standard in this questionnaire.

In Annex 3 you find an overview of the different HRDD legislations.

**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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# Information about you and your organization

Please complete the information below:

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| **Q0.1** **Please provide us with information about you and 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  Your name  Your email  Country  FLO ID  **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)**  We want to be aware of how many non-binary, women and men do participate in the consultation and we find it important to hear the views from all.  Non-binary  Female  Male  **Q0.4 What is your main responsibility in the supply chain?**  Producer  Farm operator (Sharecropper, tenant farmer, caretaker farmer)  Worker  Exporter  Importer  Processor  Distributor  Retailer  Licensee  Other (e.g. PN, NFO, FLOCERT, FI, NGO, Researcher, Government agency, etc)    **Q0.5 Is cocoa 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.**  yes  no  Other or multiple products (please specify below) |

# Global topic

# Internal Management Systems

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| With an effective Internal Management Systems (IMS) producers have capacity to identify and implement improvements based on field-level monitoring of farmer adoption rates of better practices. Producer capacity is strengthened to better manage their organizations and provide benefits to members and commercial partners. An effective IMS is a critical tool to contribute to the organizational development of a producer organization improving their access to premium markets. The current Fairtrade Cocoa Standard requires that Fairtrade Cocoa producer organizations implement management systems to ensure their members comply with Fairtrade Standards and also to deliver effective services to their members.  A review of IMS implementation in late 2019 found there is urgent need for producer organizations to progress with developing their own approach to IMS and to use data efficiently to allow continuous improvement and better performance. The review found while producer organizations are collecting data on their members and farms, this data is often collected at the request of partner organizations such as traders, brands, and government regulators. It was found that while data is collected by POs on request from trading partners, it does not happen on a regular basis, and there is no sufficient use of this data by the PO themselves to analyze and improve their own systems. There are also challenges around data ownership and shareability. Fairtrade would therefore like to explore if Fairtrade standards can be improved to promote the progression of effective IMS implementation by Fairtrade producer organizations.  Benefits identified by Fairtrade Cocoa producer organizations who are developing their approach to IMS, and particularly those digitalizing have included;   * better efficiency (moving from paper to digital); * higher professionalism of SPOs as a result of data capture including the activities of field staff; * better documentation of the purchase and sale of cocoa including first mile traceability from the farm to the SPO; * demonstrable proof of who SPO members are and where they are in relation to protected areas (through digitalised membership lists and linked mapping of farms); * better deforestation risk management; * better child labour risk management (because data on family composition of households is now digitalised); * better understanding of the relation between GAP training, input distribution and farm productivity results; * better loan management from SPO to farmer;   Importantly, SPOs have emphasised that they are now owners of their own data and the tools to manage that data.  Extensive SPO guidelines documentation was developed when new IMS requirements were introduced into the Cocoa Standard in 2017. Fairtrade International is in the process of updating IMS documentation for SPOs as an output of the [“FairData”](https://www.fairtrade.net/news/in-c%C3%B4te-divoire-fairtrade-and-farmforce-scale-up-fair-data-partnership-for-cocoa-farmers#:~:text=In%20C%C3%B4te%20d%E2%80%99Ivoire%2C%20Fairtrade%20and%20Farmforce%20Scale-Up%20%E2%80%98Fair,critical%20data%20ownership%20technology%20and%20%E2%80%98first%20mile%E2%80%99%20traceability.) Partnership. With this partnership, Fairtrade International and Fairtrade Africa are currently supporting the deployment of a smart data management system to more than two dozen cocoa cooperatives in Cote d’Ivoire.  **MANAGEMENT SYSTEM PLANNING & OPERATION**  **The proposals aim to:**   * Ensure producer organizations have more control over and gain more benefit from management systems such as: accurate member needs analysis, accessible data to support risk management and efficient audits, improved reporting to support commercial partnerships and hereby sales and increased insight for SPO organizational learning and continuous improvement. * Support producer organizations to analyse their organizational capacity and to progressively improve their effectiveness to comply with Fairtrade Standards and drive organizational development * Ensure roles, responsibilities and qualifications of producer organization staff are clearly defined improving lines of communication between individuals and promoting inclusivity as individuals can see the bigger picture and how their role contributes to the organization. * Improve awareness and communication of Fairtrade costs Vs benefits (at both producer organization and farmer level) to enable informed decision making by farmers regarding their investments and to promote transparency between SPOs and their members. * Ensure SPO share details of their commercial agreements (e.g. committed sales, joint programs, performance indicators, etc) with members to drive transparency and increase farmer knowledge of the organization’s business, thus also supporting informed farmer decision making at General Assembly. * Support compliance with the African Regional Standard and the EU Organic Regulation 2018/848 IMS related requirements   **1.1 Ownership of Management Systems and Data**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | Your organization owns the management systems you operate, and the data contained within them. You have access to the management systems and their data regardless of your commercial relationships. | | **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale**: Ensuring that SPOs have ownership of their management system and its data, therefore having more control and oversight. It is envisaged that where SPOs have access to a National Government System operated by a relevant cocoa regulatory body, this would fulfil the requirement.  **Implications and outcomes**: SPOs will need to invest time and resources into management systems to gain greater insights about their members and organization. This could imply training or purchasing software. However, the organization should receive a return on their investment through cost savings and sales/program commitments thanks to more efficient and effective processes, enhanced commercial relationships due to improved reporting and enhanced member relationships thanks to needs based service delivery. Fairtrade International and Fairtrade Africa are currently supporting the deployment of a smart data management system to more than two dozen cocoa cooperatives in Cote d’Ivoire as part of the [“FairData”](https://www.fairtrade.net/news/in-c%C3%B4te-divoire-fairtrade-and-farmforce-scale-up-fair-data-partnership-for-cocoa-farmers#:~:text=In%20C%C3%B4te%20d%E2%80%99Ivoire%2C%20Fairtrade%20and%20Farmforce%20Scale-Up%20%E2%80%98Fair,critical%20data%20ownership%20technology%20and%20%E2%80%98first%20mile%E2%80%99%20traceability.) Partnership, and will share outcomes, learnings and best practices with SPOs in LAC.  **1.1.1 Do you agree with this requirement?**  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**    **1.2 Sharing Management System Data**   |  |  | | --- | --- | | **Applies to:** Payer, Conveyor | | | **Core** | You grant access to the SPOs you are sourcing from to any data your organization has collected about their farmer membership within four weeks of the request. | | **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) | |   **Rationale:** Traders (payers/conveyors) often collect quite extensive data on SPO members and their farms, and so should share this data with their SPO partners, so that SPOs can analyse this data and gain additional insight about their membership.  **Implications and outcomes:** SPOs will need to be ready to receive and process/analyse this data from trader partners and so need to invest time and resources. As above, this could mean purchasing software and training personnel. However, the organization should recoup these costs via more efficient and effective process as well as improved relationships with their commercial partners and members.  **1.2.1 Do you agree with this requirement?**  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**    **1.3 Management Capacity Assessment**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | Your organization assesses its ability to ensure compliance with Fairtrade Standards and to drive organizational change and development at least every 3 years using the Management Capacity Assessment Tool.  Management strives to improve its capacities, by proposing recommendations to the GA in the form of targeted actions. | | **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale:** To support SPOs in recognizing their strengths and weakness regarding the implementation of Fairtrade standards and organizational development and to encourage progressive improvements in the effectiveness of the organization. The objective of a Management Capacity Assessment is to evaluate the capacity and systems of the organization in several key management areas for example: strategy, financial management, member engagement, sales and marketing, service provision, IMS, etc. It is a “self-assessment” and a starting point for improvement in areas where weaknesses are identified. It is envisaged that an auditor will not check that the answers given are correct/incorrect, but instead focus on whether the assessment was completed in a thorough way.  **Implications and outcomes:** This self-assessment should be carried out by the leadership and management of the organization, typically in a joint meeting. SPOs will need support in terms of guidance material and an assessment tool from Fairtrade to implement this process within their organizations. Implementation will lead to improved managerial insight and decision making for resource allocation and investment in support of organizational strengthening. Cost savings will be realized via improved compliance management, which will also have a positive impact on commercial relationships.  **1.3.1 Do you agree with this requirement?**  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**    **1.4 Commitment to Staffing**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 1** | **Core** | Your organization demonstrates its commitment to the implementation of Fairtrade Standards by appointing sufficient and suitably qualified staff with clearly defined roles and responsibilities.  Your staff receive regular training and are up to date on Fairtrade Standards, your organization’s internal policies and procedures, the products and activities of your organization and relevant regulatory requirements. | | **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale:** Successful work with the Fairtrade Standard requires constant follow up on developing and maintaining internal policies. SPOs should be aware of this when they seek certification and commit to recruiting enough staff and to regularly provide training. In addition, ensuring roles and their associated responsibilities and qualifications are clearly defined, helps to ensure the most suitable individuals are recruited.  **Implications and outcomes:** SPOs who do not already have this in place will need to invest time and resource into developing clearly defined job descriptions (roles and responsibilities). This will help them to hire suitably qualified personnel hereby improving compliance management and organizational development.  **1.4.1 Do you agree with this requirement?**  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**    **1.5 Communicating organizational structure**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 1** | **Core** | Your organization ensures that roles and their associated responsibilities are communicated and understood throughout your membership.  Your organization develops and publishes an organogram to show the management structure of your organization, including the assigned roles responsibilities for the management system. | | **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale:**  Improve communication and collaboration across employees and the wider membership hereby promoting transparency and inclusivity and reducing duplication and silos.  **Implications and outcomes:** SPOs who don't already have this in place will need to develop and publish an organogram which will require some resource. However, lines of communication between individuals can be improved and inclusivity likely promoted as individuals can see the bigger picture and how their role contributes to the organization. Organograms also support SPO management with staff allocation decisions.  **1.5.1 Do you agree with this requirement?**  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**    **1.6 Cost Benefit Estimate**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | Your organization estimates the cost of Fairtrade compliance and the financial benefits of Fairtrade, at both an organization and an individual farmer level. The estimated costs and benefits per farmer are shared with existing and prospective members. You repeat this estimation at least every three years. | | **Guidance:** For further information, please see SPO Guidelines on Cost/Benefit Analysis | | |   **Rationale:** Farmers and SPOs should be aware of the necessary outlay Vs the financial benefits they will receive for Fairtrade certification to enable informed decision making.  **Implications and outcomes:** SPOs will need support in terms of guidance material and/or a tool from Fairtrade to conduct cost/benefit estimations within their organizations. SPOs will have an analysis of the costs and benefits of certification which they can communicate with current and prospective members, promoting transparency and managing member expectations. In addition, this information can be shared with commercial partners and cocoa regulatory authorities to improve understanding of necessary investment and encourage support via sales or other financial commitments.  **1.6.1 Do you agree with this requirement?**  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**    **1.7 Financial Agreements**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 1** | **Core** | Your organization shares details of financial and commercial agreements with members. You share this detail on an annual basis. Such details include:  - committed Fairtrade volume purchases and actual Fairtrade sales, premiums and FMP differential received (when applicable) per season;  - cost of services provided such as training or other support activities to SPOs;  -pre-finance and/or loans/credit arrangements. | | **Guidance:** see requirement 4.1.2 Service Provision. Best practice is to share these details with your members at your annual General Assembly. | | |   **Rationale:** To improve the understanding at farmer level of their SPO’s financial/commercial agreements (e.g. committed sales, joint programs, performance indicators, etc,) supporting transparency and increasing farmer knowledge of the organization’s business.  **Implications and outcomes:** SPOs will need to determine the method of member communication – this could be via General Assembly. Farmer members will have improved oversight of the SPO financial agreements, which in turn will promote member trust, help to manage member expectations and support informed farmer decision making at General Assembly.  **1.7.1 Do you agree with this requirement?**  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**    **MEMBER REGISTRATION & AGREEMENTS**  **The proposals aim to:**   * Empower and strengthen producer organizations via the effective and efficient use of membership data. This includes: * Expanding the dataset and improving the quality of information SPOs hold on farmer members; * Facilitating more effective detection and management of certification risk, especially in areas such as HREDD and deforestation; * Informing and enabling more targeted service delivery to members based on their needs; * Further clarify SPO and farmer obligations and commitments to each other; * Support compliance with the African Regional Standard and the EU Organic Regulation 2018/848   **1.8 Member information**  This new requirement replaces cocoa standard requirements 3.1.1. and 3.1.2.  To review this proposed requirement, please review the data table in Annex 1 of this document. This table includes the year of applicability for each dataset proposed and if the dataset is a core or development requirement.   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 0** | **Core** | You update records of your members on an annual basis according to the table in Annex 1. If your organization has more than 500 members, you implement a digital system to record the member and farm data. | | **Guidance:** This requirement complements the SPO Standard requirement 4.2.2. Best practice is to record information on training and inspections as soon as they have taken place.  For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale:** To empower SPOs via improved datasets on farmer members, enabling more effective risk management and more targeted service delivery based on member need.  **Implications and outcomes:** SPOs will need to invest time and resource into digitalization, including data collection and analysis. This could include purchasing software, training personnel, and collecting data. However, the organization should recoup these costs via more efficient and effective process as well as improved relationships with their members and commercial partners.  **1.8.1 Do you agree with this requirement?**  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**    **1.9 Strengthen requirement 3.1.5 Member Agreement in the cocoa standard**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 0** | **Core** | You have a signed agreement in place with each individual member which specifies the rights and obligations of each party in relation to Fairtrade certification. The agreement includes at a minimum, details which describe:  - date the farmer member joined the organization/date of registration and the process/conditions for leaving the organization;  -commitment from both the member and SPO to comply with Fairtrade Standards including participation in both external and internal audits;  - SPO commitments regarding service delivery and member commitment regarding participation in training programs and other SPO activities including farm improvement plans;  - permission from the member for the SPO to collect, store and share their data.  Your organization abides by data collection, processing and protection legislation regarding the handling of member data.  Your organization ensures that the registered member is assisted by a witness who is competent in reading and writing if required. When a farmer signature is not possible, a thumbprint is accepted. | | **Guidance:** For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale:** To strengthen the existing Membership Agreement requirement, stipulating that additional rights and obligations be included to further clarify the relationship between the SPO and farmer member.  **Implications and outcomes:** SPOs will need to invest time and resource to update their existing membership agreements. However, this effort will bring about greater clarity regarding the obligations and deliverables of both parties and as such helps to manage member expectation of the SPO and visa-versa.  **1.9.1 Do you agree with this requirement?**  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**    **INTERNAL INSPECTION**  **The proposals aim to:**   * Strengthen the internal inspection function of SPO internal management systems by stipulating the elements and processes that need to be in place * Support compliance with the African Regional Standard and the EU Organic Regulation 2018/848   **1.10 Strengthen requirement 3.1.3 Compliance Management in the cocoa standard**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | You implement an Internal Management System (IMS) which enables you to manage compliance with Fairtrade requirements for all cocoa producers of the organization.  Your internal management system incorporates the following elements:   * A documented description of the IMS procedures * A documented management structure which includes plans and policies * One person responsible for the IMS - an IMS Manager * Regularly updated member records (see req 1.8) * An internal inspection system including: identified internal inspectors, annual inspections and reports which are shared with members and management and the use of corrective actions. * A risk assessment to address risks and threats to the integrity of the IMS, including possible conflicts of interest   You retain documented information as evidence of internal audits and ensure members undertake any necessary corrective actions within a reasonable timeframe. If your organization has more than 500 members, you implement a digital system to record internal inspection data.  Your internal inspection system also identifies opportunities for improvement. | | **Guidance:** This requirement replaces SPO standard requirement 3.1.5 which requires 2nd and 3rd grade SPOs to have an ICS as a development requirement year 3. The requirement also builds upon SPO Standard requirements 3.1.2 to 3.1.4 related to identifying and monitoring the members’ compliance with the production chapter of the SPO Standard. You need to understand how your members are performing in terms of compliance and be able to identify areas of risk for non-compliance. For further information, please see SPO Guidelines on Internal Management Systems (IMS) | | |   **Rationale:** Strengthen SPO internal inspection systems by requiring certain elements and processes to be in place, enabling better detection and management of compliance risks.  **Implications and outcomes:** SPOs who do not already have all the necessary elements and processes in place with need to invest resources to improve their systems. SPOs will also need to invest into digitalization. However ,the organization should recoup these investments via more efficient and effective process including improved compliance management which will also help to improve their relationships with commercial partners.  **1.10.1 Do you agree with this requirement?**  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**    **1.11 Internal Inspectors**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | The number of internal inspectors are adequate and proportional to the type, structure, size, products, activities and output of your organization.  Internal inspectors receive training at least annually to ensure they are up to date on Fairtrade standards, your organization’s internal policies and procedures, the products and activities of your organization and relevant regulatory requirements. | | **Guidance:** Please refer to the SPO Guidelines on Internal Management Systems (IMS) and the examples for ratios between the number of internal inspections and farms. | | |   **Rationale:** Strengthen SPO internal inspection systems by requiring an adequate number of internal inspectors to be operational based on recommended ratios. Successful work with the Fairtrade Standard requires constant follow up on developing and maintaining internal policies. SPOs should be aware of this when they seek certification and commit to recruiting enough inspectors and regularly provide them with training  **Implications and outcomes:** SPOs who do not have adequate numbers of internal inspectors may need to recruit additional staff. However, this will mean that the SPO gains full and effective oversight over the state of member compliance. The organization should recoup the investments made via more effective internal inspection and hereby compliance management, which will also help to improve their relationships with commercial partners.  **1.11.1 Do you agree with this requirement?**  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**    **1.12 Do you have other general feedback on Internal Management Systems that you would like to share?** |

# Regional topics – For Latin America and the Caribbean

# Human Rights and Environmental Due Diligence: For Consultation with Latin American and Caribbean Producer Organizations Only

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| Respect for Human Rights is one of the most relevant principles for Fairtrade. The Vision of Fairtrade for HREDD is explained in detail [here](https://www.fairtrade.net/issue/hredd). The SPO standard calls for abiding by national law and references relevant international conventions with regards to prohibitions of child labour and forced labour (ILO and UNCRC).  National legislation, such as the German Supply Chain Act, the French Duty of Vigilance and Dutch Child Labour Due Diligence law and other laws detailed in annex 3, makes HREDD mandatory for many companies operating across these geographies. Modern Slavery Acts in the UK and Australia have introduced a reporting requirement for large companies. Related regulations are also being adopted by the EU, Switzerland, Finland and Canada. Many of these countries represent important markets for Fairtrade cocoa sourced from Latin America and the Caribbean.  Legislation is needed – voluntary initiatives like certifications are not sufficient to solve human rights violations in global supply chains. While companies remain responsible for undertaking their own human rights and environmental due diligence (HREDD), Fairtrade certification and programmes can be one tool for retailers and manufacturers to mitigate salient human rights violations in their supply chains, in partnership with producer organizations. Fairtrade is fully aware of the HREDD regulation buyers have to comply with in their countries and that they are looking to producers and certification to support them in fulfilling their obligations. Therefore, this consultation document aims to suggest the respective standard requirements in cocoa to respond to the needs emerging from this regulation of which the cocoa sector is a frontrunner. These standard proposals have been developed in such a way to encourage closer collaboration between producer organizations and supply chain operators on this topic.  A key objective of the Cocoa Standard Review is to strengthen the position of Fairtrade certified SPOs with regards to these regulations and to explore where the responsibility of the SPO ends and where traders are expected to support. Also, it is important to address the barriers that are hindering Fairtrade producer organizations from addressing cases of rights violations and to formalize reporting. Producer Networks and producer organizations have identified these barriers as being primarily related to lack of funding, capacity and governmental support, which impacts the producer organizations’ ability to set up, identify and remediate cases found. Fairtrade producer organizations may be concerned that they will face sanctions, even negative impact on their sales, for not having the necessary resources available to remedy the occurrences of rights violations they identify. Fairtrade is committed to finding solutions during this Cocoa Review to tackle these issues head on. In Fairtrade’s understanding of HREDD it is fundamental that supply chain partners jointly fund implementation, especially for Monitoring and Remediation systems.  In the key cocoa stakeholder interviews, which were conducted during the research phase of this review, the majority of respondents agreed that the Fairtrade Standard for Cocoa should require that Fairtrade producers undertake a dedicated and prescribed risk assessment for child and forced labour, due to the ongoing salient risk in cocoa. Based on external research and indices it is evident that the risk of child and forced labour is higher in African cocoa production, therefore the implementation of a Monitoring and Remediation system was proposed as a CORE requirement for African SPOs during the first consultation phase of this review which ran from August to October 2021. It is also evident that the implementation of a Monitoring and Remediation system is a resource intensive undertaking and that the majority of cocoa sector efforts to implement such systems are focused on Africa. Therefore, the proposals in this document for Latin America and the Caribbean (LAC), promote the implementation of a Monitoring and Remediation system if high risk of child and/or forced labour is identified during the risk assessment process. Should an SPO in LAC choose to implement a Monitoring and Remediation system as a development requirement, traders are required to support their SPOs financially. It is expected that the majority of LAC SPOs will not be impacted by this requirement based on Producer Network feedback that most are not operating in countries of high risk. For the remaining proposed requirements representing the core HREDD steps, considerable supporting tools have already been developed to guide SPOs through the process.  The steps of the HREDD process, first laid out in the UN Guiding Principles on Business and Human Rights (UNGP, 2011), are clearly outlined in international guidelines including the OECD Due Diligence Guidance for Responsible Business Conduct. Please see Fairtrade’s interpretation of the HREDD process below, taken from [Fairtrade’s SPO Guide for Implementing Human Rights and Environmental Due Diligence](https://files.fairtrade.net/standards/Fairtrade_HREDD-guide-for-smallholder-farmer-organisations_EN.pdf). This guide and its associated tools support producer organizations in developing a full HREDD process by building upon their current work. When conducting research for the development of this guide, it was discovered that cocoa producer organizations globally are already completing many of the activities required by a HREDD process.  The HREDD process has five steps. An organization:   1. **commits** to respecting human rights and the environment. 2. **identifies** the biggest human rights and environmental problems linked to its operations and value chains; 3. takes action to **address and remediate** those problems; 4. **tracks** progress; and 5. **communicates** about this work to its stakeholders.     The table below indicates how the proposed requirements in this section correspond to the illustrated HREDD process steps.   |  |  | | --- | --- | | **HREDD Process Step** | **Fairtrade Proposed Requirement** | | 1. *COMMIT* | * Commitment to Respecting Human and Environmental Rights * Awareness Raising | | 1. *IDENTIFY* | * Risk Assessment * Grievance Mechanism | | 1. *ADDRESS & REMEDIATE* | * Human Rights Policy and Procedures * Action Plan * Monitoring and Remediation * Supporting Producers with Monitoring and Remediation Systems | | 1. *TRACKS & COMMUNICATES* | * SPO Reporting * Trader Reporting |   **The proposals aim to:**   * Implement HREDD processes and procedures with a focus on salient issues in cocoa such as child labour, globally. * Empower SPOs and their members to avoid causing or contributing to adverse human rights and environmental impacts. * Drive continuous improvements by encouraging due diligence instead of applying a solely prohibitive approach. * Formalise requirements for contributions from all supply chain actors to monitoring and remediation. * Introduce reporting indicators which will support producer organizations in tracking the effectiveness of their HREDD activities and improving their operations. * Communicate reporting indicators with Fairtrade International annually, in order to enable aggregated and anonymized reporting to the public or to stakeholders upon request, thus demonstrating that Fairtrade certified producer organizations work hard to be responsible and sustainable and need support from their business partners and governments.   HREDD requirements were consulted for Africa and Asia in August-October 2021 during the first phase of consultation of the Fairtrade cocoa standard. The proposals received much positive feedback from most stakeholders and a clear need for simplification was specified. The proposals have since been reduced and each individual requirement simplified. This consultation presents the updated proposed requirements that are considered the most relevant for Latin America, where the regional regulatory situation as well as the context of available funding is different. SPOs from Latin America and Caribbean are asked to reply to this section.   * 1. **Commitment to Respecting Human Rights and the Environment**  |  |  |  | | --- | --- | --- | | **Applies to:** SPOs and Traders | | | | **Year 0** | **Core** | You produce a written signed commitment to upholding Human and Environmental Rights which:  • References the ILO conventions as mentioned in the SPO standard chapter 3.3 and UNGP for Business and Human Rights  • Stipulates that your organization avoids causing or contributing to adverse human rights and environmental impacts, whilst also ensuring that if any such impacts occur, they will be addressed. | | **Guidance:** Please see Guidance Document “Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations”. | | |   **Rationale**: In line with the HREDD step, the requirement will set the basis for an entire HREDD process to be embedded into an organization; it stipulates the intention of what is to come.  **Implications**: This is the starting point and implies relatively low effort as the commitment need not be lengthy or complicated. The commitment will clarify the organization’s goal and guide future work. This commitment can be shared with members, business partners and other local partners, making them aware that the organization actively seeks to avoid harms to people or the environment.  Fairtrade International had developed guidance and commitment templates to support SPOs with these efforts and these can be located in Fairtrade’s Guide for “Implementing Human Rights and Environmental Due Diligence”.  **2.1.1 Do you agree with this requirement?**  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**    **2.2 Awareness raising**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs and Traders | | | | **Year 0** | **Core** | You inform and educate your key stakeholders to raise awareness of human rights and your organization’s commitment. You start with those closest to you such as your members and staff and gradually expand your scope to include others. | | **Guidance:** Awareness raising is a process and not a one-time event: people’s attitudes and beliefs are shaped by traditions and the environment and usually change slowly. Awareness raising can be through presentations and discussions at meetings, training programmes including sketches and role plays and/or the distribution of posters, leaflets, and infographics. Although all human rights are important, it is advisable to prioritize awareness raising for the human rights challenges most salient to your operations.  Please see Guidance Document “Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations”.  Your stakeholders include members, farm operators, workers, staff, management, board members, suppliers and other partners. | | |   **Rationale:** With this requirement, the organization is bound to raise awareness amongst their stakeholders of human rights and the organization’s commitment, hereby influencing attitudes and behaviours towards protecting human rights and environmental sustainability  **Implications:** An awareness raising program, especially amongst farmers and workers, can be done within a framework that is already happening, such as General Assembly, trainings and visits to individual members. It needs only limited additional effort in an already functioning SPO. It is an important step in supporting the successful implementation of the human rights commitment by ensuring farmer and workers recognize human rights violations and report them accordingly. Raising awareness of the commitment with business partners will help to strengthen commercial relationships as it demonstrates the organization’s focus on human rights.  **2.2.1 Do you agree with this requirement?**  Strongly agree  Partially agreewi  Disagree  Not relevant to me / I don’t know  **Please explain your rationale in case you partially agree or don’t agree**    **2.3 Risk assessment**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs and Traders | | | | **Year 1** | **Core** | You conduct a human rights and environmental risk assessment at least every 3 years.   1. Map all the risks and challenges in your country and field of production, considering available external data and research. 2. Through engagement with farmers, farm workers (if applicable) and others, prioritize and further assess at least three challenges that are most salient to your operations. Include child labour and forced labour in your priorities if Fairtrade or another reliable source has indicated these as a risk in your country and areas of production. 3. Identify and focus on the most vulnerable groups of people that are or could be impacted because of the risks and challenges identified. | | **Guidance:** Acknowledging your risks and challenges allows you to address them before they grow bigger and builds your credibility among business partners and other stakeholders. Fairtrade’s Human Rights Impact Assessment Tool guides you through a basic risk assessment process and offers you relevant data and research findings. For further guidance, please see Fairtrade’s “Implementing Human Rights and Environmental Due Diligence, Guide for Smallholder Farmer Organizations” and Fairtrade’s Risk Map.  Please note that this requirement complements SPO Standard requirement 3.1.2 on Risks of non-compliance and 3.1.3 on Updating risk assessments. Fairtrade Standards stand for zero tolerance of forced labour and child labour as per the core requirements 3.3.5, 3.3.8 and 3.3.10 of the SPO Standard. If you identify cases at risk of forced labour or child labour in your assessments, you need to remediate them in line with SPO Standard requirements 3.3.6. and 3.3.11.  Human trafficking is considered a form of forced labour. | | |   **Rationale:** The organization will learn about the salient human and environmental rights issues for their organization by conducting regular risk assessments. The results will inform the HREDD policy and procedures as well as all other steps of the HREDD process.  The Fairtrade Human Rights Impact Assessment Tool is currently being created and not yet accessible. Specifically, for child and forced labour, it will reference and include:   * Previously identified cases; * Previous audit results and Fairtrade suspensions for non-conformities; * National Action Plans to Eliminate Child Labour and/or Forced Labour, which apply to the cocoa sector; * List of Goods Produced by Child Labour and Forced Labour by the US Department of Labor; * US Trafficking in Persons List by the US government; * Global Slavery Index by the Walk Free Foundation, Verisk Maplecroft child labour index or UNICEF data; * Information from traders, the government, research or academic institutions, civil society organizations and media.   **Implications:** Risk assessment requires organizations to include a diverse group of stakeholders in the process to gather different perspectives, to consider all internationally recognized human rights and environmental issues and how common and serious these risks are in their country and product. The Fairtrade Risk Assessment tool streamlines this process by showing what external data and research find to be the salient areas in their country and product. Risk assessment is an important step which confirms the most salient human rights and environmental risks the organization faces. This allows the organization to focus their efforts on reducing the most serious and common violations, helping them to effectively fulfil their human rights commitment.  **2.3.1 Do you agree with this requirement?**  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**    **2.4 Grievance Mechanism**  The Grievance Mechanism requirement below was consulted for Africa and Asia in August-October 2021, and received very positive feedback with 91% of stakeholders strongly agreeing. As outlined in the guidelines for HREDD grievance is a very relevant part of the HREDD process as it enables the SPOs to understand their risks and respond to incidents and complaints early, before the problem grows bigger, possibly into a violation.  On the other hand, setting up a grievance mechanism that is meaningful needs resource and funding which is not so forthcoming for producer organizations in Latin America, compared to the situation in Africa.  In this context Fairtrade is exploring further how to structure this important work in Latin America, hence you will find two exploratory questions below regarding this requirement.   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs and Traders | | | | **Year 1** | **Core** | Your organization has a gender sensitive grievance procedure in place that allows individuals and groups, including third parties, to anonymously raise complaints of injustice, harm or fraud linked to the organization. The procedure:  -Is accessible in local languages and supports both written and verbal complaints  -Ensures decisions and follow up actions are made and implemented in a timely manner  -Respects anonymity and protects people who file complaints from retaliation, threats or harm.  -Abides by national laws and, when relevant, reports human rights violations to relevant national agencies.  You seek to raise awareness about your grievance procedure among all stakeholders. | | **Guidance:** A grievance mechanism is meant to help your organization to hear about and address grievances early, before they grow bigger. Claims that a certified entity has not complied with Fairtrade Standards can also be submitted to Fairtrade’s global grievance mechanism via WhatsApp on +49 (0)228 2493230 or an online form.  If you already have a Protection Policy for Children and Vulnerable Adults, you still need to set up a Grievance Mechanism. Please see Guidance Document “Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations. | | |   **Rationale:** Putting a grievance mechanism in place is key to identifying human rights and environmental risks. It acts as an early warning system that supports the risk assessment, as it is a formal process for receiving and responding to complaints from stakeholders.  **Implications:** Organizations can start simple and improve the mechanism over time. It takes time for stakeholders to hear about a Grievance Mechanism, to learn how to make complaints and actually make them. Implementing a grievance mechanism will allow organizations to respond to concerns and incidents early, before the problem grows bigger and is discovered by auditors, buyers or journalists.  **2.4.1 Do you agree with this requirement?**  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**    **2.4. 2. Do you already have a grievance or a complaints procedure in place?**    **2.4.3 Do you see value in setting up a grievance mechanism together with other SPOs?**  Strongly agree  Partially agree  Disagree  Not relevant to me / I don’t know  **Please explain your rationale if you like**      **2.5 Human Rights Policy and Procedures**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs and Traders | | | | **Year 1** | **Core** | You develop and implement policies and procedures to mitigate, prevent and remediate the most serious human rights risks or challenges you have identified through your risk assessment  You communicate the policies and procedures to your management, staff, members, farm operators and workers, buyers, suppliers and any job brokers and contractors you use.  You review and revise the policies and procedures as often as required, but at a minimum every six years. | | **Guidance:** For further guidance, please see Fairtrade’s “Implementing Human Rights and Environmental Due Diligence, Guide for Smallholder Farmer Organizations”. | | |   **Rationale:** After setting the intention with the HR Commitment, this requirement outlines clearly and with detail the organization’s policy and procedures for each of the salient issues identified in the risk assessment. It will help define how HREDD is embedded within the organization in the long term.  **Implications:** If organizations do not already have policies in place, they will need to develop them which includes gathering information about the topic and feedback from different groups of people, communicating the adopted policy with stakeholders, and monitoring its impact so that it can be revised regularly to improve effectiveness. The level of effort can be reduced in this process if the organization has already gathered feedback from a diverse group of stakeholders during the risk assessment step and educated their management, board and staff on human rights issues during the awareness raising step. This investment in policies and procedures provides the necessary framework for organizations to **take action** in addressing the salient human rights and environmental risks identified.  Fairtrade International had developed policy and procedure guidance and policy templates to support SPOs with these efforts and these can be located in Fairtrade’s Guide for “Implementing Human Rights and Environmental Due Diligence.  **2.5.1 Do you agree with this requirement?**  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**    **2.6 Action Plan**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs and Traders | | | | **Year 1** | **Core** | You develop and implement an action plan to prevent, mitigate, cease and remediate the most serious risks identified by your risk assessment and enacted by your policies.  Traders include at least one activity that supports their suppliers’ prevention and mitigation activities.  You keep the plan up to date by revising it annually. | | **Guidance:** Activities can include providing training, forming partnerships with local organization, negotiations with local authorities, targeted provision of social services, for producer organizations projects funded by Fairtrade Premium, etc. Please see Guidance Document “Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations | | |   **Rationale:** To fully implement policies, action plans are required to set out the concrete actions organizations will take to prevent, mitigate, cease and remediate the most salient human rights and environmental problems identified.  **Implications:** The first iteration of an action plan can be very straightforward and will likely list the actions an organization is already taking to prevent and mitigate risks such as awareness raising, payment of school fees and organizing free transport to school, etc. It is advisable for organizations to analyse the problem, its root causes and possible solutions before deciding on suitable actions. The level of effort can be reduced in this process if the organization has already gathered feedback from a diverse group of stakeholders during the risk assessment and policy development steps. Action plans also provide organizations with a useful tool to demonstrate how organizations are addressing human rights issues without necessarily implementing a full monitoring and remediation system.  Fairtrade International had developed action plan guidance and templates to support SPOs with these efforts and these can be located in Fairtrade’s Guide for “Implementing Human Rights and Environmental Due Diligence”.  **2.6.1 Do you agree with this requirement?**  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**    **2.7 Monitoring and Remediation**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Development for Latin America** | You implement a monitoring and remediation system to regularly check for and respond to cases of child labour and forced labour if Fairtrade or your risk assessment has indicated these as a high risk in your country and area of production. You facilitate and support the remediation of any case found. You may establish and operate this system by yourself or in partnership with others, including relevant government agencies, expert human rights NGOs, traders or others.  Your Monitoring and Remediation system contains the elements and procedures detailed in Annex 5 ***“****Monitoring and Remediation System Protocols”.* Your Monitoring and Remediation system documents, stores and assesses the type and number of cases identified and responded to on an annual basis. To demonstrate operationalization and effectiveness, the number of cases identified and responded to increase year upon year.  Your handle the data in a manner that ensures no further harm comes to impacted and involved persons. | | **Guidance:** When forming partnerships with governments, companies, civil society organizations and others, you help to eliminate child labour, forced labour and human trafficking from your country and supply chains. You may also access funds and other resources for this work  For more background information on safe remediation please refer to the [SPO explanatory document](https://files.fairtrade.net/standards/2020.10.08_SPO_Expl_Doc.pdf) on page 54.  Examples of monitoring and response systems include a Youth Inclusive Community Based Monitoring and Remediation (YICBMR) system that Fairtrade can offer support on.  Human trafficking is considered a form of forced labour | | |   **Rationale:** This is part of the “Address and Remediate” – step of the HREDD process . If an SPO identifies child labour, forced labour and human trafficking risk as high during their risk assessment it is strongly recommended that the organization should implement a monitoring and remediation system. Note that if cases of child labour and forced labour are found, those always have to be remediated, independent of a Monitoring and Remediation system being in place or not. As the set up of a system needs resource the requirement is proposed as development for Latin America. When organizations communicate the risk to their supply chain partners, partners should share the cost, see requirement “Supporting Producers with Monitoring and Remediation Systems”.  **Implications:** It is expected that the majority of LAC SPOs will not be impacted by this requirement based on Producer Network feedback that most are not operating in countries of high risk.  **2.7.1 Do you agree with this requirement?**  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**    **2.8 Supporting Producers with Monitoring and Remediation Systems**   |  |  | | --- | --- | | **Applies to:** Traders | | | **Core** | You provide resource and support to producer organizations who have identified they are operating in areas at high risk of child labour and/or forced labour. This contribution is in addition to the Fairtrade Premium paid to the producers. Your support is either direct or through a partnership. It is in the form of funding, training, facilitation of partnerships, advocacy with government, or other ways. | | **Guidance:** Please see Guidance Document “Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations”. | |   **Rationale:** This requirement asks traders (and in turn the trader’s customers) to support SPOs with the costs or resource needed to run Monitoring and Remediation Systems. This is a shared responsibility that needs strong supply chain partner participation.  **Implications:** This will require investment of resources by the trader (and in turn by the trader’s customers) but will be beneficial for the partnership between the commercial organization(s) and the SPO. This action will also enable commercial organizations to demonstrate how they are supporting HREDD implementation in their supply chains.  **2.8.1 Do you agree with this requirement?**  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**    **2.9 SPO Reporting**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | You report data to Fairtrade International every year. The data is presented using the available template and includes -  **Awareness Raising:**   * # and type of awareness raising human rights/environmental topic covered during the past year * Per awareness raising activity # of attendees in total and by profile (# of women, young people, SPO members, farm operators, workers and family members) during the past year   **Risk Assessment:**   * list the three most salient risks identified in your latest risk assessment * list the most vulnerable groups of people impacted   **Grievance Mechanism:**   * # and type of grievances reported during the past year * # and % of reported grievances responded to/followed up within ninety days during the past year   **Address and Remediate:**   * list the human rights/environmental polices your organization is implementing * list the type of activities implemented during the past year to tackle the three most salient risks identified   **Remediation System (*Generic Indicators):***   * # of individuals and type of violation identified by the monitoring and remediation system during the past year * # and % of victims identified who received support (prevention & remediation) during the past year * type of support including its estimated monetary value, received to implement monitoring and remediation systems during the past year   **Remediation System (*CLMRS Specific Indicators):***   * # and % of households covered by the system reached by awareness raising at household level during the past year * # of households & children covered by CLMRS during the past year * # and % of children identified in child labour during the past year * # and % of children identified in child labour who received support (prevention & remediation) during the past year | | **Guidance:** Please note that the indicators in blue are only applicable to producer organizations implementing a Monitoring and Remediation System. See requirement 2.7.  Please see Guidance Document “Implementing Human Rights and Environmental Due Diligence (HREDD) – Guide for Smallholder Farmer Organizations”. | | |   **Rationale:** The reporting indicators will allow SPOs to understand whether their due diligence activities are working and effective. The indicators will be shared with Fairtrade International annually, to inform Fairtrade interventions and enable aggregated and anonymized reporting to the public or to stakeholders upon request. This will help to fulfil regulatory demands as well as demands by customers. Hereby gaining in credibility.  **Implications:** It is expected that the majority of LAC SPOs will not need to report on the monitoring and remediation indicators as based on Producer Network feedback, most are not operating in countries of high risk of child and/or forced laobur and therefore will not need to implement such a system.  Implementing reporting indicators will require SPOs to collect and analyze the data and to utilize the analysis to improve their activities. SPOs will also need to communicate their results to Fairtrade International and may choose to also share this information with members, buyers and other relevant stakeholders. Introducing and communicating reporting indicators will support producer organizations in improving their HREDD operations, whilst also demonstrating to stakeholders that their organization works hard to be responsible and needs support from business partners and governments.  **2.9.1 Do you agree with this requirement?**  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**    **2.10 Trader Reporting**   |  |  | | --- | --- | | **Applies to:** Traders | | | **Core** | You report data to Fairtrade International every year. The data is presented using the available template and includes -  **Supporting Producers with Monitoring & Remediation Systems:**   * type of support including its estimated monetary value, provided to SPOs to implement monitoring and remediation systems during the past year |   **Rationale:** The reporting indicators will be shared with Fairtrade International annually, in order to track Fairtrade’s objective of promoting cost sharing of Monitoring and Remediation systems across the supply chain. If traders should also report to Fairtrade re their actions related to other steps of the HREDD process is one of the areas that the ongoing trader standard review will explore more in detail.  **Implications:** This presents minimal administrative burden for traders and allows them to evaluate the level of support they are providing SPOs with monitoring and remediation.  **2.10.1 Do you agree with this requirement?**  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**    **2.11 Do you have other general feedback on HREDD that you would like to share?** |

# Addressing Deforestation Risk and First Mile Traceability: For Consultation with Latin American and Caribbean Producer Organizations Only

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| Fairtrade defines protection of the environment as one of its main strategic objectives, together with social and economic sustainability. In light of the climate crises the maintenance of forest areas is a key topic globally, which is also reflected in the increasing number of legislations, such as the new European regulations on deforestation . Potential new laws are also under discussion in the United Kingdom and United States.  As 90% of all Fairtrade cocoa is sold by brands and retailers in the European Union or bordering the European Union, these laws are very relevant to Fairtrade.  Fairtrade is fully aware of the environmental regulation buyers must comply with in their regions and that they are looking to producers and certification to support them in fulfilling their obligations. Therefore, this consultation document aims to suggest the respective standard requirements in cocoa to respond to the needs emerging from the new EU regulation of which the cocoa sector is a key focus These standard proposals have been developed in such a way to encourage closer collaboration between producer organizations and supply chain operators on this topic. A key objective of the Cocoa Standard Review is to strengthen the position of Fairtrade certified SPOs with regards to these regulations and to explore where the responsibility of the SPO ends and where traders are expected to support.  In November 2021 the European Commission unveiled its new proposal for an EU regulation that aims to prevent the entering of select commodities and derived products, including cocoa and chocolate, if they are associated with deforestation or forest degradation. The European Commission’s proposal requires among other specifications:   * Geo-location coordinates, latitude and longitude of all plots of lands where the relevant commodity was produced * Date or time range of production   The proposed regulation is expected to enter into law in 2023 with an anticipated transition period, the exact length of which is still to be confirmed. The European Parliament are forming their position and the European Council have confirmed their position on the European Commission’s proposed regulation. These positions indicate potential amendments to the proposed regulation rather than a rejection of the proposed regulation. On the 28th June 2022, the European Council adopted geolocation of all plots where the relevant commodities were produced, as well as the date or time range of production. For plots of land of more than 10 hectares, the geographical location shall be provided using sufficient latitude and longitude points to describe the perimeter of the plot of land. So polygons will be required.  The European Parliament Environment Committee has also adopted amendments to the proposed regulation that would oblige importers to undertake reasonable and documented efforts to support the compliance of smallholders, ensure meaningful engagement with stakeholders including smallholders, and take necessary measures to ensure that vulnerable stakeholders such as smallholders receive adequate assistance and fair remuneration so that their commodities and products can comply with the new EU rules. This relates particularly to the new geolocation requirement. The report of the European Parliament Environment Committee also foresees that the costs resulting from the implementation of this Regulation should be shared fairly among the different actors of the supply chain. The Committee furthermore suggests a new reference to capacity-building and financial investments for smallholders as part of the mitigation measures that importers may undertake in the context of their due diligence process.  These recommendations from the European Parliament Environment Committee reflect much of Fairtrade’s position and recommendations to EU policy makers. However, it will not be known if these proposed amendments are adopted by the European Parliament until the plenary vote planed for mid-September 2022. Whether the proposed amendments make it into the final version of the upcoming EU Regulation will not be known until the end of the process which is scheduled for the end 2022/early 2023.  Current Fairtrade requirements suggest the use of geo-mapping and polygon maps (including boundaries of the farms). However, the use of geo-data is not currently mandatory for producer organizations. Fairtrade is therefore exploring if Fairtrade requirements can be strengthened in the cocoa standard to further reduce the risk of deforestation and vegetation degradation whilst also considering the important link to Internal Management Systems (IMS) requirements, first mile product traceability and the new EU regulation.  During the research phase of this project, the interviews with key stakeholders showed strong support for the use of geo data and cut off dates and there were no concerns regarding the collection of and access to geo location points.  The topics of deforestation and first mile product traceability were already consulted in 2021, partly with a global and partly with a regional scope. Requirements which were consulted in 2021 with a regional scope for Africa and Asia are now consulted for Latin American and Caribbean stakeholders.  **The proposals aim to:**   * Make geolocation data available for 100% of farms, and gradually introduce farm polygons. * Promote the deployment of technical solutions to track cocoa beans sold by SPOs back to farms. * Introduce reporting indicators which are to be shared with Fairtrade International annually, to enable aggregated and anonymized reporting to the public or to stakeholders upon request   1. **Geolocation data of farms**  |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 0** | **Core** | Geolocation data is available for 100% of your member and farm operator units. You identify and prioritize for which farms units this should be in the form of GPS polygons based upon area risk of deforestation and adopt a phased approach. For all other farms, geolocation data can be in the form of location points. You use the data to further inform your procedures to prevent deforestation. |   **Rationale:** Geolocation data has to be provided for all farm units, so that forest cover loss monitoring can be carried out, and also to enable traceability. Overall this will mean better deforestation risk management.  **Implications:** If SPOs do not already have this data it will need to be collected. However, many trading partners already possess this data about SPO members which should be shared with partner SPOs (see proposal 3.2 below). Having and analysing this data provides SPOs with demonstrable proof of who SPO members are and where they are in relation to protected areas (through digitalised membership lists and linked mapping of farms).  **3.1.1 Do you agree with this requirement?**  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**     * 1. **Sharing geolocation data**  |  |  | | --- | --- | | **Applies to:** Fairtrade payers and conveyors | | | **Core** | Geolocation data is available for 100% of the farms units you are sourcing from. This can be in the form of GPS polygons and location points. You share this data with the SPOs you are sourcing from so that they can use it to inform their procedures to further prevent deforestation. |   **Rationale:** With this requirement, Fairtrade seeks to ensure that traders share the data which they have available, to support SPOs.  **Implications:** This avoids duplication of effort and resources.  **3.2.1 Do you agree with this requirement?**  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**    **3.3 Product Tracking Technology**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 3** | **Core** | You deploy technical solutions that support your organization to track the cocoa beans sold by your organization back to your individual members’ farms or fields. | | **Guidance:** Technical solutions can include third party software applications or national traceability systems when available. | | |   **Rationale:** HREDD and deforestation regulation increase the need to achieve first mile physical traceability (identify preserved) from the cocoa farm and the farmer to the SPO to meet market demands. First mile traceability tools are becoming increasingly available directly to SPOs. Fairtrade International and Fairtrade Africa are in the process of facilitating access to such third party tools as part of the [“FairData”](https://www.fairtrade.net/news/in-c%C3%B4te-divoire-fairtrade-and-farmforce-scale-up-fair-data-partnership-for-cocoa-farmers#:~:text=In%20C%C3%B4te%20d%E2%80%99Ivoire%2C%20Fairtrade%20and%20Farmforce%20Scale-Up%20%E2%80%98Fair,critical%20data%20ownership%20technology%20and%20%E2%80%98first%20mile%E2%80%99%20traceability.) Partnership, and will share outcomes, learnings and best practices with SPOs in LAC.  **Implications:** Implementation of such technology will require investment by the SPO however, in Latin America and the Caribbean, the majority of Fairtrade cocoa is also organic certified and consequently has advanced segregation, which should provide a strong foundation for digital enhancement. Offering first mile traceability strengthens an SPO’s value proposition (if not already on offer) which should help to increase sales/program commitments and enhance commercial relationships.  **3.3.1 Do you agree with this requirement?**  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**    **3.4 SPO reporting**   |  |  |  | | --- | --- | --- | | **Applies to:** SPOs | | | | **Year 1** | **Core** | You report data to Fairtrade International every year. The data is presented using the available templates and includes -   * available geolocation data of member farms units * # and % of farm units for which GPS points are available * # and % of farm units for which polygons are available * # and % of farm units checked against forest cover loss monitoring data * type of support received during the past year, including its estimated monetary value, to prevent and mitigate any deforestation and degradation of forest |   **Rationale:** The reporting indicators will be shared with Fairtrade International annually, in order to inform Fairtrade interventions and enable aggregated and anonymized reporting to the public or to stakeholders upon request. This will help to fulfil regulatory demands as well as demands by customers; this will also help to show the impact of the requirement at farmer level.  **Implications:** Implementing reporting indicators will require SPOs to collect and analyse the data and to utilize the analysis to improve their activities. SPOs will need to communicate their results to Fairtrade International and may choose to also share this information with members, buyers and other relevant stakeholders. Introducing and communicating reporting indicators will support producer organizations in improving their deforestation risk management operations, while also demonstrating to stakeholders that their organization works hard to be responsible and needs support from business partners and governments.  **3.4.1 Do you agree with this requirement?**  Strongly agree  Partially agree  Disagree  Not relevant to me / I don’t know[[1]](#footnote-1)  **Please explain your rationale in case you partially agree or don’t agree**    **3.5 Trader reporting**   |  |  | | --- | --- | | **Applies to:** Traders | | | **Core** | You report data to Fairtrade International every year. The data is presented using the available templates and includes -   * available geolocation data of the farm units you are sourcing from (with the appropriate approval from SPOs) * type of support provided to SPOs during the past year, including its estimated monetary value, to prevent and mitigate any deforestation and degradation of forest |   **Rationale:** The reporting indicators will be shared with Fairtrade International annually, in order to track Fairtrade’s objective of promoting cost sharing of deforestation prevention interventions across the supply chain. If traders should also report to Fairtrade re their actions related to other steps of the HREDD process is one of the areas that the ongoing trader standard review will explore more in detail.  **Implications:** This presents minimal administrative burden for traders and allows them to evaluate the level of support they are providing SPOs with deforestation prevention.  **3.5.1 Do you agree with this requirement?**  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**    **3.6 Do you have other general feedback on deforestation risk and traceability that you would like to share?** |

# General comments/ feedback

In this section you are invited to provide additional feedback on any of the requirements in the [Fairtrade Standard for Cocoa](https://files.fairtrade.net/Cocoa_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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| --- | --- |
| **Topic/ requirement number** | **Comments/ feedback** |
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If you need some more information before commenting on this document do not hesitate to contact [standards-pricing@fairtrade.net](mailto:standards-pricing@fairtrade.net)

# Annex 1. Internal Management System Data

Please note different datasets below have different years of applicability.

The tables below detail the member, farm operator and farm information SPOs will be required to collect via their Internal Management Systems. The information also addresses **African Regional Standard Bronze requirement 4.2.3.2 (Information for Registered Farmers) including annex C farm diagnostic (Information on Individual Farms) AND EU Organic Regulation 2018/848** **Article 5 (Documents and records of a group of operators).** This table is presented for consultation during the 2nd consultation round of the cocoa standard review in 2022.

Table 1 – Core Requirement Information

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **A. Farmer** | **B. Farm size, location and ownership** | **C. Household**[[2]](#footnote-2) | | **D. Farm operation** | **E. Cocoa Production** | **F. Training and Inspections** |
| **Adult HH Members** | **Child HH Members** |
| **YEAR 0** | | **YEAR 1** | | | | |
| name | total farm size | names | names | who works on the farm? farm owner, farm operator, family labour, hired labour? | previous crop year’s production:  conventional (kilos) organic (kilos) | Fairtrade-related inspections[[3]](#footnote-3) performed on the farm including dates and outcomes |
| contact information: address, telephone number | number of farm units | gender | parent/guardian names | for farm operators: number of years the arrangement has been in place with the landowner | previous crop year’s sales to SPO:  conventional (kilos) organic (kilos) | training programs attended by the farmer including dates |
| id document (if available) | area cultivated with cocoa (with GPS polygons when available) | date and country of birth | gender | for farm operators: is a legally binding contract in place with the landowner, yes or no? | current crop year’s estimated production:  conventional (kilos) organic (kilos) |  |
| gender | area cultivated with cocoa under organic, in-conversion or non-organic production | education level | date and country of birth |  |  |  |
| date and country of birth | farm location (per farm unit with GPS coordinates) | relationship to registered farmer e.g. spouse | school registration and attendance details[[4]](#footnote-4) |  |  |  |
| education level | distance from protected and HCV areas |  | kinship with registered farmer |  |  |  |
| registration date with SPO | area cultivated with other crops including food crops |  |  |  |  |  |
| SPO membership status (active, suspended, etc) | area of fallow land |  |  |  |  |  |
| Landowner (legal rights of land/farm) or farm operator[[5]](#footnote-5) | date/year of cocoa farm(s) creation |  |  |  |  |  |
| banking arrangements (bank account, mobile money) | for organic production: date conversion period began |  |  |  |  |  |

Table 2 – Development Requirement Information

|  |  |
| --- | --- |
| **H. Costs of Production** | **I. Household Income** |
|
| **YEAR 6** | |
| cost of hired labour | member cocoa sales per season (kilos) |
| total family labour | sales of other crops |
| cost of agricultural inputs | food crops for home consumption |
| cost of tools and equipment including PPE | sales of food crops |
| other costs | livestock |
| total cost of production | other income |
|  | gross and net income |

# Annex 2. List of management system requirements in the African Regional Standard and the EU Organic Regulation 2018/848

|  |  |  |
| --- | --- | --- |
| **Draft Fairtrade Cocoa Standard Requirements** | **African Regional Standard, part 1 Requirements** | **Regulation (EU)) 2018/848 Requirements** |
| **1.1 Ownership of Management Systems and Data** | 4.2.3.1 Registration of farmer and Recognized Entity | N/A |
| **1.2 Sharing Management System Data** | 4.2.3.1 Registration of farmer and Recognized Entity | N/A |
| **1.3 Management Capacity Assessment** | 4.1 Understanding Cocoa Farmer as an Entity/Farmer Group/Farmer Cooperative and its context | N/A |
| **1.4 Commitment to Staffing** | 7.2 Competence & 7.3 Sensitization, 5.1.A Leadership & Commitment | N/A |
| **1.5 Communica ting organizational structure** | 5.3.1 & 5.2.5 Organizational roles, responsibilities and authorities | N/A |
| **1.6 Cost Benefit Estimate** | 4.2.2.C Specific communication to farmers considering registration  7.1.2 Cost identification and recovery mechanisms | N/A |
| **1.7 Financial Agreements** | 4.2.2.E Specific communication to farmers considering registration | N/A |
| **1.8 Member information** | 4.2.3.2 Information (for farmer registration) & Annex C Information on individual farms for cocoa farm diagnostic | Article 5, Documents and records of a group of operators, A. |
| **1.9 Strengthen requirement 3.1.5 Member Agreement in the cocoa standard** | 4.2.2.B Specific communication to farmers considering registration & 4.2.3.1 Process (for farmer registration) | Article 36, Group of Operators, 1.H  Article 5, Documents and records of a group of operators, B. |
| **1.10 Strengthen requirement 3.1.3 Compliance Management in the cocoa standard** | 9.2 Internal Audit | Article 36, Group of Operators, 1.G & H |
| **1.11 Internal Inspectors** | N/A | Article 36, Group of Operators, 1.G & 1.H |

# Annex 3: Overview of HREDD legislation March 2022 (see pdf)

# Annex 4: General introduction and background information on the consultation

**General introduction:**

Fairtrade Standards establish fairer terms of trade and support the sustainable development of small-scale producers and workers in regions historically disadvantaged in global trade by setting out social, economic and environmental requirements. Producers and traders must meet applicable Fairtrade Standards for their products to be certified as Fairtrade. Within Fairtrade International, the Standards Committee and the Standards & Pricing team (S&P) are responsible for developing and regularly reviewing Fairtrade Standards, while the multi-stakeholder Standards Committee makes all final decisions. 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.

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

**Background:**

The review of the Fairtrade Standard for Cocoa started in February 2020. The research phase of the project commenced in May 2020 and ended in June 2021. In this project, the research phase was longer than usual as external factors such as the COVID-19 pandemic, evolving Human Rights Environmental Due Diligence (HREDD) regulations in consuming regions, elections in several West African countries, and the evolving African Regional Standard, among others, have hindered an earlier public consultation.

During October and November 2020, Fairtrade interviewed key cocoa stakeholders to gather expert input during the research phase of the project. The findings of these interviews were analysed by S&P and used to sharpen the proposals for the 1st public consultation of the Fairtrade Standard for Cocoa in 2021 which took place from 24th August to 29th October. The 1st consultation focused on the following topics:

* Human rights and environmental due diligence (HREDD) *– consulted in Africa and Asia*
* Identify and further address deforestation risk *– consulted in Africa and Asia, partially consulted in Latin America and the Caribbean*
* Strengthening traceability and transparency requirements for Fairtrade cocoa and Fairtrade Minimum Price and Fairtrade premium payments to farmer *- consulted in Africa and Asia, partially consulted in Latin America and the Caribbean*
* Promote living income goals for cocoa farmers
* Sharecroppers and tenant framers in SPOs – *consulted in Africa*
* Trading Practices

A copy of the 1st phase consultation document and a synopsis of consultation feedback can be found at this [webpage](https://www.fairtrade.net/standard/cocoa-standard-review-2020-).

**Acronyms and definitions**:

|  |  |
| --- | --- |
| ARS  CLMRS  FI  FMP | African Regional Standard  Child Labour Monitoring and Remediation System  Fairtrade International  Fairtrade Minimum Price |
| GA  GPM | General Assembly  Global Product Manager |
| HRDD  HREDD  ICS  IMS | Human Rights Due Diligence  Human Rights and Environmental Due Diligence  Internal Control System  Internal Management System |
| ILO | International Labour Organization |
| NGO | Non-Governmental Organization |
| NFO | National Fairtrade Organization |
| PN  PO | Producer Network  Producer Organization |
| SPO  YICBMR | Small Producer Organization  Youth Inclusive Community Based Monitoring and Remediation |

# Annex 5: Monitoring and Remediation System Protocol

*Draft texts relating to monitoring and remediation system protocols.*

The monitoring and response system protocol identified below can be used for child labour and/or forced labour

**Purpose and Definition of monitoring and response system on child labour and/or forced labour:**

The purpose of a labour monitoring and response system when applied to child labour (persons BELOW the age of 18) is to “identify and remove girls and boys from child labour and remediate (withdrawal and prevention) them.” (ILO). When applied to forced adult labour (persons ABOVE the age of 18 years), the system is used to identify and remove adults from significant harm of exploitation, abuse and violence and remediate (withdraw and prevent) them. This system can be used to monitor and respond to child labour or forced labour separately or could be used together to monitor and respond to child labour and forced labour. The purpose of establishing and operating the system is to contribute to the progressive elimination of child labour and/or forced labour in particular commodity production areas. The goal of developing and implementing a monitoring and remediation system is to institutionalize an ongoing process of observation, identification and removal of child labour and/or forced labour in SPO member farms. Females and youth should be encouraged to participate in developing and operating this system.

**Developing and implementing a monitoring and remediation system:**

1. Preparation stage
   1. Understanding the problem of child labour/ child protection and/or forced labour/ protection of vulnerable adults and why a monitoring and response system matters to the SPO.
   2. Checking and learning the relevant national and international laws, FT standards and company codes of conduct, anti-slavery statements and sourcing policies, including knowing what types of child labour and/or forced labour is reportable to a government agency or equivalent by law.
2. Design phase, training and piloting
3. Training on rights based approach and child protection and/or protection of vulnerable adults, and developing an in-country context of the child labour and/or forced labour problem (context, causes and consequences)
4. Setting up the management team for the system, including the protection focal point (see below)
5. Policy development (No Child Labour and/or No Forced Labour use, including protection policies for children and/or vulnerable adults)
6. Developing and testing the monitoring tools (community engagement, survey tools, etc.)
7. Developing a rights based referral/remediation system, including rights based partner organizations in the local areas and district level government support officers
8. Organizing monitoring/remediation teams
9. Training monitors and building capacity
10. Piloting the monitoring and remediation system design and thinking about replication
11. Dividing areas to be monitored on a roll out bases (area and scope of the system)
12. Monitoring and response phase 1.Preparing for visiting farm areas
13. Conducting the visit and generating data
14. Data analysis, review of data to identify non-compliances to relevant Fairtrade standards based on ILO 138 and ILO 182 (child labour) and/or ILO 29 and 105 (forced labour)
15. Safe withdrawal of persons identified in child labour and/or forced labour, including safe reporting to national protection agencies or equivalents for breaches based on ILO 182 unconditional worst forms of child labour and /or ILO 29 and 105 as required by national law and SPO relevant labour and protection policy.
16. Development and implementation of prevention projects addressing root causes
17. Data management and further assessment for scaling up the monitoring and response systems to additional areas
18. Continuous improvement
    1. Immediate tracking of child labourers and/or forced labourers withdrawn to determine if they have re-entered the farm areas, including remote areas and engaged in unacceptable work and analysis of causal factors. For all who have re-entered safe remediation must occur and adjustments made to prevention projects.
    2. Further verification to ensure persons identified in child labour and/or forced labour have been successfully withdrawn
    3. Develop a re-training of farmers engaged in child labour and/or forced labour
    4. Aggregate Information dissemination and analysis of findings to SPO members, respecting protection policy
    5. Providing inputs to standards, policies and planning
    6. Readjustment on the monitoring and response system and roll plans

**Protection for children and/or vulnerable adults:**

Protection of children and/or vulnerable adults from violence, exploitation, abuse and neglect. It is a term used to describe activities taken to protect specific children and/or vulnerable adults who are suffering or likely to suffer significant harm.

**Safeguarding**

The policies and practices that SPOs employ to keep children and/or vulnerable adults safe and promote their well-being.

**Protection reporting procedures and focal point**

All cases of ILO 182 (hazardous and unconditional worst forms) and/or cases of ILO 29 and 105 (forced labour) identified or alleged through the monitoring and response system must be reviewed by the protection focal point and the trained senior management representative at the SPO in-charge of the protection policy at the SPO.

A case protection template must be filled out on each case by protection focal point and approved by the senior representative. The monitoring and remediation system committee must also follow the same process. A case report must not take more than 10 days from identification to reporting (see below)

Once reviewed, the cases of unconditional worst forms of child labour and/or forced labour must be safely and confidentially reported to the national government protection agency for follow-up. This agency might ask for support in further identifying and assessing risks in preparation for withdrawal which must be done by the SPO. The SPO must provide time for the agency to conduct the follow up.

After two weeks of reporting, the SPO can contact the national protection agency to see what follow-up action was taken. If no action taken, the SPO works with the PN protection focal point and asks for support.

Children identified in these forms of labour (ILO 182) and/or vulnerable adults identified in forced labour (ILO 29 and 105) must be safely and immediately withdrawn and support provided to the farmer for alternative income generation and other forms of social protection. The SPO Protection focal point must monitor the situation for a min of 18 months. After the impacted child and/or impacted adult is withdrawn a series of targeted training must take place in the areas where these forms of labour were identified and farmers and their families need to participate in these trainings.

The areas of identification should involve a series of unannounced spot checks through the monitoring and remediation system to ensure impacted children or vulnerable adults are not in unacceptable labour practices elsewhere.

**Protection Committees:**

If the SPO is setting up village level protection committees then conflict of interest and threat of reprisal for identifying child labour and/or forced labour must be regarded as a prime problem to solve. Furthermore, no further harm should come to children in child labour and/or adults in forced labour and their families. SPO must use sanctions as identified in the NO Child Labour Policy and/or NO Forced Labour Policy. The recommendation is that the committees be formed by local trained community leaders, certification manager and youth (equal mix of female and male should be secured on these committees). The certification manager must work with the SPO protection focal point and report into the SPO using the

above procedure for further assessment and follow-up. The protection officer and the child labour and/or forced labour officer of the SPO cannot be the same person.

1. [↑](#footnote-ref-1)
2. Including first, second and third degree relatives who live in or within the grounds of the household. [↑](#footnote-ref-2)
3. Includes SPO internal inspections and FLOCERT audits [↑](#footnote-ref-3)
4. Is the child registered at school, school name, location, reason for non-attendance if applicable [↑](#footnote-ref-4)
5. The term farm operators refers to: sharecroppers, tenant and caretaker farmers [↑](#footnote-ref-5)