

Project Assignment

Fairtrade Sourcing Ingredients Extension for Coffee (16.12.2020)

This project assignment contains the most important information about the project. For additional information on the project, please contact the project manager (contact details below).

The project will be carried out according to the Standard Operating Procedures for the Development of Fairtrade Standards/Minimum Prices and Premiums. More information on these procedures can be found on the [website](#).

Rationale for and justification of need for the project:

Fairtrade Sourcing Programs for cocoa, sugar and cotton were introduced in 2014 to connect Fairtrade farmers with companies wanting to buy these specific commodities on Fairtrade terms. Rather than focusing on all the ingredients that can be Fairtrade for one finished composite product, companies make commitments to sourcing one or more specific commodities for use as ingredients in finished composite products across ranges, or even their whole business.

In 2017, as part of the implementation of the global strategy 2015-2020, the Board and the General Assembly (GA) approved the extension of Fairtrade Sourced Programs (FSP) from cocoa, sugar and cotton to all Fairtrade product categories with the exception of coffee and bananas. The model was then renamed into Fairtrade Sourced Ingredients (FSI). Since then, FSI has been successful, especially for cocoa. Consequently, several National Fairtrade Organisations (NFOs) have advocated for the Board/GA to reconsider the decision to exclude bananas and coffee.

During the meeting that took place in October 2020, the Board approved the extension of FSI to include coffee and processed bananas, in line with the Fairtrade's global strategy 2021-2025 which in its strategic pillar of growth and innovation aims at delivering greater volumes of existing Fairtrade-certified products sold on Fairtrade terms, and introducing new products and services to drive the overall strength and sustainability of the Fairtrade movement by fully utilizing our offer to business (O2B). This review will however only focus on FSI extension for coffee.

Lastly, extending FSI to coffee will provide an opportunity to increase the sales of Fairtrade producers through sourcing commitments with brand owners and other supply chain actors, increase label awareness through entire new product ranges that will be possible to offer and will also extend the Fairtrade reach into new consumer segments.

Risk assessment:

- There are currently very few ATCB coffee composite products in the system. There is a risk of losing small volumes of other Fairtrade ingredients in such products (e.g. sugar, by commercial partners switching these products from ATCB to FSI)

Mitigation

- The experience with FSI cocoa shows that almost no volume of other Fairtrade ingredients was lost through FSI in cocoa and neither have concerns around volume loss for producers in other categories, diminished brand trust and customer loyalty, or increased label confusion materialized.
 - Robust stakeholder outreach to bring risks in specific products to the project team’s attention.
 - Sufficient internal and external stakeholder communications to raise awareness of new business opportunities through an extended FSI model.
- Stakeholders may assume that this project is a full review of the Trader Standard, Fresh fruits Standard and coffee Standard and may bring forward any topic related to the standard.

Mitigation

- Ensure that the project scope is clearly communicated to all the stakeholders involved.
- There is a risk that the project could be delayed due to unforeseen challenges or issues

Mitigation

- Good communication with all relevant stakeholders to ensure as many as possible are aware of and able to contribute to the review in a timely manner.

Project Start Event:

Publication of the project assignment for feedback

Project Start Date:

December 2020

Project End Event:

Publication of the standard

Project End Date:

August 2021

Project Goal and Objectives:

Goal: Extend the scope of Fairtrade Sourcing Ingredients to coffee in order to fully utilize Fairtrade’s existing Offer to Business (O2B) in line with the 2021 -2025 Fairtrade Global Strategy.

Objectives:

- Conduct a consultation review to gather opinions from stakeholders.
- Engage with stakeholders to ensure that their views and needs are taken into account

- Agree on how best to secure the conditions set by Producer Networks regarding the FSI model for coffee.
- Amend the relevant Trader Standard clauses which set out the requirements for FSI to apply to coffee .
- Harmonize all Trader Standard requirements for FSI.
- Develop final proposal for final approval by the Standards Committee.

Connection with Theory of Change (ToC):

This project is connected to the Fairtrade Goals (make trade fair and foster sustainable livelihoods) through increasing the possibilities for business engagement and increase the volumes of commodities sold under Fairtrade terms. For more information on Fairtrade’s ToC see this [link](#).

Project scope:

The project covers all regions where the Coffee Standard apply.

The project includes amendments relating to FSI in the trader Standard.

Out of scope:

- Full revision of the Trader Standard
- Amendment to the Trader Standard physical traceability requirements
- Full review of product standards (Fresh fruit and Coffee Standard)
- Label communication on- and off-pack
- Commercial thresholds for the company engagement under the FSI model
- The distribution of licensing income generated by FSI

Project timelines and information on opportunities to contribute:

- Scoping:** November 2020
- Research:** Nov – Dec 2020
- Consultation*:** May – June 2021
- Drafting Final proposal:** June 2021
- SC decision:** June 2021
- Publication:** August 2021
- Implementation:** August 2021

*** More information will be provided closer to the consultation period on our [website](#). If you are identified as key stakeholders, you will receive an invitation to participate.**

Decision making process:

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

<p>Project Owner (Unit):</p> <p>Alina Amador, Head of Standards a.amador@fairtrade.net</p>		<p>Project Manager (contact point for the project):</p> <p>Jebet Yegon, Standards & Pricing j.yegon@fairtrade.net</p>																	
<p>Project Team (Unit):</p> <table border="1"> <tr> <td>Standards Team</td> <td>Jebet Yegon</td> </tr> <tr> <td>Assurance</td> <td>Eleonora Gutwein</td> </tr> <tr> <td rowspan="2">Global Programs, Products and Policy</td> <td>Peter Kettler</td> </tr> <tr> <td>Nicolas Léger</td> </tr> <tr> <td rowspan="2">Brand, Trademark and Licensing</td> <td>Patricia Magana-Spiegel</td> </tr> <tr> <td>Michela Bartolini</td> </tr> <tr> <td>FLOCERT</td> <td>Johannes Wolpert</td> </tr> <tr> <td rowspan="4">PNs</td> <td>CLAC: Maria Trinidad</td> </tr> <tr> <td>Luis Martínez</td> </tr> <tr> <td>Fairtrade Africa: Michael Kitetu</td> </tr> <tr> <td>NAPP: Hagung Hendrawan</td> </tr> </table>		Standards Team	Jebet Yegon	Assurance	Eleonora Gutwein	Global Programs, Products and Policy	Peter Kettler	Nicolas Léger	Brand, Trademark and Licensing	Patricia Magana-Spiegel	Michela Bartolini	FLOCERT	Johannes Wolpert	PNs	CLAC: Maria Trinidad	Luis Martínez	Fairtrade Africa: Michael Kitetu	NAPP: Hagung Hendrawan	<p>Project Environment (stakeholder groups not part of the project team):</p> <ul style="list-style-type: none"> • Certified Coffee producers • Certified coffee traders • Major retailers of coffee • Global Impact • External Relations • Legal • NFOs
Standards Team	Jebet Yegon																		
Assurance	Eleonora Gutwein																		
Global Programs, Products and Policy	Peter Kettler																		
	Nicolas Léger																		
Brand, Trademark and Licensing	Patricia Magana-Spiegel																		
	Michela Bartolini																		
FLOCERT	Johannes Wolpert																		
PNs	CLAC: Maria Trinidad																		
	Luis Martínez																		
	Fairtrade Africa: Michael Kitetu																		
	NAPP: Hagung Hendrawan																		

NFOs	Max Havelaar Switzerland: André Koch Max Havelaar Netherlands: Jos Harmsen Max Havelaar France: Laurie Roubas Fairtrade Canada: Helen Reimer Fairtrade Foundation: Anna Pierides Emma Mullins	
-------------	--	--