

## Project Assignment

### Fairtrade Trader Standard Review (20 September 2022)

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: <http://www.fairtrade.net/standards/setting-the-standards.html>

#### Rationale for and justification of need for the project:

The globally applied Trader Standard (TS) is currently undergoing review as part of the regular standard monitoring and review cycle ensuring that the standard is aligned with and contributes to the present Fairtrade 2021-2025 strategy. The strategy aims to transform the supply chains to achieve greater impact through socially and environmentally just trade.

Fairtrade is committed to better demonstrate the respect for the rights of farmers, workers and other rights-holders affected by standards. A transformative business due diligence that includes mitigation and remediation of any human rights abuses and environmental harms will strengthen farmers', workers', and their communities' rights. Following this commitment and relevant international and national legislations, there is a need to improve standard as a tool to better connect supply chain actors in assessing and addressing human and environmental rights violations through their joint response to salient risks.

#### Risk assessment:

- There is a risk that topics brought up for review by stakeholders pertain to specific products or regions and are not applicable for the global standard. The scope and range of topics arising during consultation may result in a pushing back deadlines, making the outcomes less timely and too impractical for effective solutions.

Mitigation: Topics will be categorized for review in the research phase in order to manage and limit scope to generically applied requirements. There will be a product specific analysis of the proposals, to assess if product specific approaches enable wider stakeholder support.

- Stakeholders may expect that their input will lead to a specific standard revision, while not all suggested proposals for revisions from stakeholder are appropriate in a global context.  
Mitigation: Stakeholders will be provided with synopsis of all input received in the most transparent way possible, so they can understand how all input is weighed and solutions are devised for the best possible outcome for in a generic and global standard.

- Lack of system wide consensus about certain key issues that may increase the complexity of the standard review.  
Mitigation: First consultation round will focus on identifying areas of consensus and will be followed by a more technical proposal for the second round. In addition, discussions amongst different categories of stakeholders will be organized to reach common understandings and solutions.

- The quality of research and proposed solutions for identified problems may suffer due to lack of stakeholder engagement or quality of inputs, both internal and external.  
Mitigation: Review the data available early during the project so that limitations can be clearly stated and considered for final proposed solutions. Early engagement of stakeholders and where applicable, identification of key stakeholders.

- There is a risk that project will be hampered due to delays or complexities in the roadmap to implement Outcome Based Standard approach (OBS) in the review of the Trader Standard;  
Mitigation: During the development of consultation there will be a thorough analysis of inputs from the OBS work stream on the areas that are relevant to the Trader Standard. Current estimations of timelines to some extent include risks of delays with research work. Good communication with all

<p>stakeholders to ensure as many as possible are aware of and able to contribute to the review. Flexibility would be needed in case any of the topics of the review require a more in-depth assessment.</p>	
<p><b>Project Start Event:</b> Kick-off meeting of project team</p>	<p><b>Project Start Date:</b> December 6, 2021</p>
<p><b>Project End Event:</b> Publication of the revised Standard</p>	<p><b>Project End Date:</b> Q4 2023 (tbc)</p>
<p><b>Project Goal and objectives</b></p> <p><b>Goal:</b> Fairtrade is a strategy that aims to promote fairer trading conditions and empower producers to combat poverty (<a href="https://www.fairtrade.net/about/mission">https://www.fairtrade.net/about/mission</a> ).</p> <p>The goal of this review is to find solutions for identified issues in the trade, to align the standard with market needs and to address these (where relevant) in the generically applied requirements in the Trader Standard. The input from all relevant stakeholders, including producers and Producer Networks, traders and National Fairtrade Organizations, Fairtrade International staff, product managers, assurance providers, and market facing units is critical to this goal.</p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Review and analyse outstanding issues on the Trader Standard since last revision</li> <li>• Collect additional topics, issues, and concerns on Trader Standard from relevant stakeholder groups and recent studies</li> <li>• Explore mechanisms to address or limit occurrences of unfair trading practices<sup>1</sup> (UTP)</li> <li>• Explore options for Human Rights Environmental Due Diligence (HREDD) implementation by traders, including measures to identify, prevent, mitigate, and remediate any human rights violations and environmental harm in the supply chain as well as risk assessment and grievance mechanism</li> <li>• Explore options for co-investments in HREDD implementation throughout supply chain</li> <li>• Explore paths to facilitate the Trader Standard in enabling achievement of Living Income and Living Wages</li> <li>• Evaluate the practicality of 'Voluntary Best Practice requirements' concept in all relevant standard sections, including requirements on management of environmental impacts</li> <li>• Integrate outcome based standard requirements in the Trader Standard</li> <li>• Evaluate feasibility of including other supply chain actors in the scope of certification</li> <li>• Seek solutions from stakeholders to resolve standard related issues</li> <li>• Consult on solutions with relevant stakeholder groups</li> <li>• Ensure consistency in standards by aligning changes in all related product standards</li> <li>• Ensure alignment of introduced changes in standard with existing digital supply chain tools (e.g., Fairtrace)</li> <li>• Improve standard language for better clarity and simplicity</li> <li>• Develop final proposals for Trader Standard for approval by Standards Committee</li> </ul> <p><b>Connection with Theory of Change (ToC):</b> This project is connected to the Fairtrade Impact Goals (Empowerment of Farmers and Workers, Growth and Innovation, Advocacy and Citizen Engagement, Digitalization for Fairer Supply Chains) aiming to enable resilient and viable producer business, strong and inclusive SPOs, improved farming</p>	

<sup>1</sup> Unfair Trading Practices - practices that grossly deviate from good commercial conduct, are contrary to good faith and fair dealing and are unilaterally imposed by one trading partner on another ([see link here](#))

performance, protection of environment and adaptation to climate change and enhanced benefits for small producers and their communities.

For more information on Fairtrade's ToC see this link (*coming soon*).

### Project scope:

The project covers all regions and products where the Fairtrade Standard for Traders applies

The Fairtrade Trader Standard is complementary to the product specific standards.  
For more information on Fairtrade Standards click this [link](#).

### Out of scope:

- Review of the Exceptions Policy
- Harzardous Materials List
- Review of Small-scale Producer Organizations, Hired Labour or Contract Production standards.
- Price and Premium reviews

### Project timelines and information on opportunities to contribute:

**Scoping:** November – December, 2021

**Research:** January – July, 2022

**Consultation 1<sup>st</sup> round\*:** August – November, 2022

**Synopsis of 1st round consultation:** December 2022 - January, 2023

**Drafting proposal 2<sup>nd</sup> round:** Q2, 2023

**Consultation 2<sup>nd</sup> round\*:** Q3, 2023

**Drafting final proposal:** Q4, 2023

**SC decision:** Q1, 2024

**Publication:** Q2, 2024

**Implementation:** Q3, 2024

\* 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.

### Project Owner (Unit):

Eleonora Gutwein (Head of Standards)

### Project Manager (contact point for the project):

Oksana Forkutsa, Senior Standards Project Manager

<b>Project Team (Unit):</b>		<b>Project Environment:</b>
<b>Standards &amp; Pricing Team Members</b>	Kerstin Cron Giovanna Michelotto Jebet Yegon Yun-Chu Chiu	<ul style="list-style-type: none"> <li>- Certified traders under the Trade standard</li> <li>- Certified producer organizations under SPO, HL and CP standards</li> <li>- Senior Advisor, Workers' Rights and Trade Union Relations</li> <li>- Senior Advisor, Social Compliance and Development</li> <li>- Senior Advisor, Climate and Environment</li> <li>- Global Product Managers</li> <li>- NFOs</li> <li>- Global Impact</li> <li>- Centre of Excellence – HRDD working group</li> <li>- Centre of Excellence – Climate Change and Environment</li> </ul>
<b>Assurance</b>	Eleonora Gutwein	
<b>FLOCERT</b>	Kim Penwill	
<b>PNs</b>	Joao Mattos / Miguel Mateo/ Maria Trinidad (CECLAC/ CLAC); Edward Akapire / Getahun Gebrekidan (FTA); Erwin Novianto (NAPP);	
<b>NFOs</b>	Maria Steenpass / Martin Schueller (FTG) Laurie Roubas (MHFR) Tytti Nahi (Fairtrade Finland) Sarah Singer (FTUK)	