



STANDARDS WORK PLANNING 2006

The framework

The FLO Standard Unit as a part of FLO organizes Fairtrade standard setting. Fairtrade standards are relevant for smallholder organizations and for workers on plantations and in factories. Fairtrade standards fit into existing supply and demand patterns to increase business opportunities under Fairtrade terms for primarily producers and small and medium enterprises in the global south. Through their design Fairtrade standards are auditable -currently exclusively by FLO-Cert- and thus contribute to the credibility of the labelled Fairtrade system.

Standards are closely linked to all other parts of the Fairtrade Labelling system. On the one hand, they are developed within the political framework of Fairtrade itself. Current relevant issues mainly relate to global companies and plantations in the Fairtrade system, and to securing access for smallholder organizations to the global markets. On the other hand as determined by FLO Board of Directors, FLO standard setting must respond to relevant issues high on the development agenda. Keywords here are increased quality of standards, demonstration of impact and enhanced credibility of the Fairtrade system.

The choice

For 2006, Standards Unit deliberately has chosen for an approach that **starts with consolidation** before entering into new ventures. We want to provide for a more solid and coherent base first and then progress, just like we expect from certified Fairtrade producers and traders. Another decision was to **concentrate on core stakeholders** and the **most challenging products** first.

The application

Creating a solid base in first instance means to finish ongoing projects.

In 2006 we are starting with a review of the **Generic Small Farmer's organization Standard** with the aim to provide applicable solutions to a number of challenges that Fairtrade encounters: use of Hired Labour, purchase from outgrowers, producers under contract production. Space for development on the one, high credibility right from the start on the other side are demarcating the political frame of upcoming consultation rounds.

Another central item will be the introduction of a **Generic Trade Standard** to minimize the need for product-specific trade requirements, and to find solutions for critical areas of fair trade, among others, consignment sales and traceability (product integrity). This project is twinned with research on a **Generic Processing Standard** (and a project called "Standards for the South") that looks on potential particular requirements for processing and manufacturing in the South and North alike. Both projects aim at increasing business opportunities under conditions worth called Fairtrade for small and medium enterprises.

In terms of products we have already reviewed the most critical part of the banana standard which is Fairtrade price-setting. On request of the FLO Board in 2006 we will look into **coffee**, trying to address the concerns of stakeholders with the current coffee standard. We also will seek for a model how **tea** could be integrated into the system of Fairtrade minimum prices. Finally, the Fairtrade **flower** standard needs upgrade and thorough review, and the existing cotton standard needs its complement: a Fairtrade standard for **textiles** made from cotton.

Of course, also the current system of Fairtrade prices needs to be maintained. **Routine reviews** and reviews on demand of those prices will be part of that work, whether for products like rice, mangoes or other products. From the difficulties of developing the current pricing system in line with the enormous growth of



FAIRTRADE LABELLING ORGANIZATIONS INTERNATIONAL

Fairtrade we will look into a review of labelled Fairtrade **pricing methodology**. This will be one of our projects to provide a more solid basis for the future of labelled Fairtrade.

The approach

FLO standard setting follows **good practices of private standard setting** as developed by ISEAL. In 2006 we will consolidate our methods particularly regarding the consultation process with stakeholders in view of improving our efforts to achieve consensual decisions. The decision-making body within FLO for that consensus is, only since a short time, the Standards Committee (SC), whose members represent the stakeholders of the Fairtrade system. In 2006, efficient organization and traceable documentation of its work are the main areas of work regarding the Standards Committee. The same of course applies to the Standards Unit itself which will see elaboration of an adapted quality management system.

Another dimension of standards is their accountability. Since we want to create a difference through Fairtrade, we must be able to demonstrate impact. From its current rudimentary stage, **Fairtrade impact assessment** will be developed into a more systematic and comprehensive system that will more and more satisfy the needs of all our clients. Suitability for impact assessment thus will become another criteria for Fairtrade standards and we can foresee already a need for clarification in standards in terms of desired impacts, desired target groups and desired access criteria. This work will start this year but is sure to extend in 2007.

Again having clients in mind, Standards Unit will provide for more accessible and **user friendly standards** on the website, for a more comprehensive terminology used, and for more transparency in its own work. We sincerely hope this note can be seen as a good starting point in this regard. We invite all stakeholders to have a look at our planning for this year in this very same section of the FLO website (to be updated henceforth) and to be an active part of the consultation rounds. We are looking forward to your input.

Standards Unit: at your service.