Fairtrade Pilots
Standard Operating Procedure

Version 2.0

Approved by the Oversight Committee in July 2025

FAIRTRADE INTERNATIONAL

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1 Introduction

1.1 Purpose of the Fairtrade Pilots SOP

The Fairtrade Pilot Standards Operating Procedure (PSOP) defines Fairtrade International's approach to testing and innovating within the scope of the Fairtrade Scheme. To foster innovation, Fairtrade International intends to enable pilot projects building on established rules and procedures. Pilots play a critical role in enabling growth. They provide opportunities for innovation and testing in a controlled environment while providing a strategy of risk mitigation. Also, they contribute to adequate development of Standards and allow Fairtrade to stay flexible enough for specific production and trading realities. The aim of this document is therefore to enable Fairtrade to test ideas in a transparent and meaningful way and to outline the key steps, processes and procedures that stakeholders need to follow when conducting Fairtrade pilot projects.

The PSOP operates within and as part of already established Fairtrade procedures and guidance materials.

1.2 Scope of the Fairtrade Pilots SOP

Definition of Pilot: For the purpose of this PSOP, a pilot is an idea that is tested *within or affecting the scope of standards and certification*. Thus, in many cases, the outcome of the pilot will raise the need to review Standards, pricing or certification requirements. For the avoidance of doubt, any project that is testing an idea outside or beyond the standards and certification, and with no intention of having any changes in these requirements is not considered a pilot as per this PSOP. However, it is considered beneficial and it is recommended to apply this procedure to other types of pilots (e.g. labeling requirements, capacity building, offers to business, etc.).

This Pilot Standard Operating Procedure (PSOP) outlines the steps to be followed, specific procedures and documentation within each step, and the assessment criteria to be applied to objectively measure the success and compliance at each step. Specifically, the PSOP provides the following:

- Outline and description of steps to be followed in a pilot project
- Pilot compliance requirements for the different pilot project steps
- Template for the pilot project appraisal criteria
- Pilot project performance evaluation matrix
- Pilot project stakeholder engagement processes

1.3 Responsibility for this procedure

Fairtrade International's Oversight Committee (OC) has responsibility for this document and will periodically review it according to the OC ToR and the Oversight Procedure.

Change history

Version number	Date of publication	Changes
1.0	March 2022	First version approved by Fairtrade International Oversight Committee.
1.1	December 2023	Minor changes approved by acting interim Standards Unit Director (i.e. the Executive Direction). Main change: Pilot terms and conditions and need for confirmed acceptance thereof added (in section 2.3).
2.0	July 2025	Revision of the PSOP based on internal survey. Main changes: greater alignment with innovation process, including reference to relevant templates as well as differentiation between more complex and minor pilots, more clarity on pilot terms and conditions, on Producer Network role and on pilot exit phase.

1.4 Definition of key roles in the PSOP

This PSOP relies on four key roles and responsibilities as outlined in the table below:

Role	Summary of responsibilities in the PSOP
Pilot Facilitator	- Procedural Oversight of the pilots - Central focal point for pilots work - Planning and resource oversight for pilots - Central system-wide coordinator for all pilot stakeholders and processes - Technical review of the pilot application and performance evaluation - Conducts stakeholder engagement on pilots as needed - Oversees the monitoring and documentation of the pilot project during implementation - Manages communication through various channels - General risk analysis and management - Compiles and prepares documents for Oversight Committee - Archives all pilot documentation and materials - Shares learning across the system
Project Manager	– Takes the technical leadership of the pilot project process from the research, consultation and planning stage, through to the completion of the project (the Pilot Facilitator retains procedural oversight responsibilities) – Coordinates closely with the Pilot Facilitator – Engages relevant stakeholders – Identifies risks and risk mitigation strategies – Ensures the pilot project remains within scope, timelines, and budgets – Supports the Pilot Facilitator in preparing periodic updates reports for the Oversight Committee – Leads the pilot research and/or oversees a consultant through the process
Oversight Committee	- Review the technical recommendations by the Pilot Facilitator and make decisions for approval - On exceptional basis escalate any pilots with strategic significance to the Fairtrade Board - Give high-level strategic guidance to the Pilot Facilitator
Director Standards & Pricing	– Administrative oversight of the pilot e.g. budgets approval and staff allocation – Receives the final pilot report at exit stage for implementation (or learning if it is terminated)

1.5 Timelines for the pilots

It is envisaged that different pilots will have different duration needs at various stages. Timelines have been proposed at the end of each stage. However, these are strictly indicative. Each pilot should clearly indicate its own timelines during the design and planning stage which care to be assessed and validated through the technical peer review and advisory.

2 Stages in pilot projects

Introduction

This PSOP outlines a stage-gate process for pilots. The pilot follows a step-wise process with go or no-go decisions being applied at the various stages.

2.1 Stage 1: Pilot application

In this stage, an applicant proposes a pilot project to Fairtrade. The applicant should be a stakeholder in the Fairtrade system (Producer Network (PN), National Fairtrade Organisation (NFO), FLOCERT or Fairtrade International).

- The applicant submits a completed proposal (Pilot Application Form in Annex 1) to the Pilot Facilitator.
- The proposal is sent via email addressed to the Pilot Facilitator before the closing date for submission (dates to be set to allow synchrony with Oversight Committee meetings).
- The Pilot Facilitator must acknowledge receipt of proposal via email.
- The Pilot Facilitator reviews the proposal and accompanying documents for completeness. If need be, the Pilot Facilitator requests and guides the applicant to submit any pending documents or additional information.
- All proposals must be received at least two months before the scheduled Oversight Committee meetings. This is to allow at least a two-month preparatory window before the next Oversight Committee meeting. The dates of the Oversight Committee meetings can be found on FI's website, under section Assuring Integrity in Checking Compliance.

2.2 Stage 2: Request review and peer consultation

- The Pilot Facilitator undertakes a full proposal appraisal using the scorecard in Annex 2. The proposal appraisal score will determine whether the proposal is taken forward: a score below 50% means the proposal is not taken forward. A score between 50% and 75% means the proposal receives support from the Pilot Facilitator to be improved before re-submission. The scorecard is also used to confirm that the idea is a real pilot with potential for scaling and is not an exception for an individual case.
- Once the proposal scores more than 75%, the applicant develops a concise proposal summary including annexes and filles the market projections template, with the support of the Pilot Facilitator. The concrete proposal, annexes and market projections template are shared for peer review. Consultation in the peer review includes the following teams:
    - FLOCERT
    - Producer Networks (in the impacted production regions) and whenever possible also impacted producers
    - Legal department
    - Standards & Pricing Unit (S&P)
    - Brand Integrity
    - Global Product Managers (where relevant)
    - Global Impact Unit
    - Fairtrade Executive Team (where relevant, e.g. for high risk or complex pilots)

- The Pilot Facilitator has discretion to consult other internal or external experts for review and advisory.
- The peer reviewers undertake a review with specific reference to their technical areas of interest and offer written advice to the Pilot Facilitator.
- The Pilot Facilitator compiles the feedback from the peer reviewers and prepares a concise paper or summary including the feedback.
- The Pilot Facilitator also assesses at this point whether a pilot is minor in scope, taking into consideration the risks, the impact and producer feedback, using the form in Annex 3. For a minor pilot the decision-making whether the project can enter the research phase is delegated to the Pilot Facilitator. For such minor pilots an OC decision is only required after stage 3, that is before pilot implementation. If a minor pilot is accepted by the PF to enter the research phase, the Pilot Facilitator informs the applicant and Director Standard and Pricing immediately of the decision and the OC at the next meeting.
- For other pilots or in the absence of a Pilot Facilitator decision, an OC decision is required before proceeding to the research phase and the further steps in stage 2 as listed below apply.
- The Pilot Facilitator prepares a written appraisal recommendations which is shared with the Oversight Committee (through the established channels), at least 14 days before the Oversight Committee meeting to provide the Oversight Committee time for review.
- During the Oversight Committee meeting, the project manager presents the pilot proposal and the Pilot Facilitator presents the findings and recommendations of the appraisal process.
- The Oversight Committee has the decision-making authority on pilots and thus endorses the recommendations. In case the Oversight Committee disagrees with the Pilot Facilitator recommendations, the Oversight Committee refers back the recommendations to the Pilot Facilitator and Project Manager with proposed actions.
- On exceptional basis, the Oversight Committee has discretion to refer a decision to the Fairtrade Board should the pilot have potential significant strategic impact or strategic risks.
- The Pilot Facilitator drafts a formal notification to the pilot project applicant on the Oversight Committee decision (approval, referred for amendments, or rejection).
- The Pilot Facilitator must include reasons for rejection if the application was declined. A declined pilot can only be re-submitted as early as the next submission window, if the proposer can demonstrate it has addressed all the issues that led to rejection.
- If an application was referred back to the applicant for amendment, the Pilot Facilitator outlines the areas where amendments are required. The application can be re-submitted to the Pilot Facilitator who reviews whether all amendments have been sufficiently addressed. The application then progresses to the next stage.

Pilots outside or beyond the scope of standards and certification

- Pilots that do not affect Fairtrade Standards or certification (pilots either beyond or outside the scope of standards/certification) follow the innovation funnel process that is managed by the Innovation Manager.

Proposed stage duration: 2 months

2.3 Stage 3: Desk research, consultation and planning

The aim of the desk research, consultation and planning stage is to objectively validate the information provided at the pilot application stage, gather additional information if needed, engage relevant stakeholders and prepare any needed documents including developing a thorough workplan and budget.

- Once a minor pilot was admitted to the research phase by the pilot facilitator or a pilot has been approved by the Oversight Committee, a notification is shared with the Director Standards & Pricing and with key stakeholders. The Project Manager must support the Pilot Facilitator to spread the information to stakeholders.

- The pilot applicant organisation appoints a Project Manager. This Project Manager can be drawn from any of the Fairtrade members or units, with strong preference going to the applicant organisation.
- The Project Manager assumes the technical coordination responsibilities of the pilot, while the Pilot Facilitator oversees procedural compliance. To enable a clear separation of duties, the Pilot Facilitator is to develop generic Terms of Reference for Project Managers to be modified depending on specific pilot needs.
- The Project Manager develops the pilot project Scope of Work. If need be and depending on availability of resources, an external consultant can be contracted to assist the Project Manager in desk research, design and preparation of the pilot project documentation. The decision to contract a consultant, and to cover the costs associated is with the applicant organisation initiating the pilot.
- The Project Manager uses the Research, Consultation and Planning Checklist in Annex 4.
- Thorough stakeholder engagement is undertaken to ensure broad-based inclusion at this stage. See a sample Stakeholder Engagement Plan in Annex 5.
- In case the Project Manager represents an NFO, the Project Manager invites the relevant Producer Networks (PNs) to appoint one PN counterpart to co-manage the pilot project. The PNs decide whether they appoint one PN counterpart or not, depending on the relevance of the project for the PNs. If a PN pilot manager is assigned by the PN(s), the PN manager works with the pilot project manager as agreed in terms of reference for the PN manager role. The ToR are agreed between the Project Manager and the PNs, with facilitation by the Pilot Facilitator only if requested. The final agreed terms of reference are shared with the Pilot Facilitator for information.
- The Project Manager compiles all the required documents and shares the summary of the feasibility recommendations with the Pilot Facilitator for review.
- The Pilot Facilitator undertakes a review of the recommendations and advises the Project Manager on any gaps.
- The Pilot Facilitator consults technical peers from various Fairtrade institutions for advise on specific areas (e.g. Legal, Brand Integrity, FLOCERT, PNs, Global Impact etc.) as needed.
- The Project Manager develops a monitoring matrix for the pilot (see an example of a Monitoring Matrix in Annex 6) with involvement of GI under certain conditions[1]. The Monitoring matrix must include indicators assessing producer impact and producer views on the pilot. The Pilot Facilitator reviews the Monitoring Matrix.
- Project Manager compiles the final draft pilot terms and conditions (based on the available template[2]) and sends it to the Pilot Facilitator for review.
- The Oversight Committee has the decision-making authority on all pilots. The Pilot Facilitator and Project Manager write an OC paper summarizing all obtained information and the draft pilot terms and conditions, including an exit plan. This OC paper also includes an assessment and recommendation from the Pilot Facilitator. The OC paper is shared with the OC (through the established channels), at least 14 days before the OC meeting to provide the OC time for review.
- Once approved, the Project Manager shares the pilot terms and conditions with all identified stakeholders.
- For each pilot participant, implementation of the pilot conditions cannot start before the Pilot Facilitator has received a written confirmation of the participant's acceptance of the pilot terms and conditions and the Pilot Facilitator has confirmed participation of that pilot participant by email.

[1] Global Impact (GI) is to be involved in advising on the monitoring framework when data to underpin claims needs to be an integral part of the solution, where there is use of the global monitoring tools to collect the data or where there is in any other way an expected long term involvement of GI in the model as exemplified in the pilot.

[2] The pilot terms and conditions template is available on request from pilots@fairtrade.net. The pilot terms and conditions must at a minimum contain the following elements: pilot scope, timelines, other agreed specific conditions, the approved claim, communication for transparency on the pilot, monitoring requirements, an exit plan and a reference to Pilots SOP. Each pilot participant must confirm in writing that they accept the pilot terms and conditions in order to join the pilot.

- The OC paper, including annexes is shared with the Director Standards & Pricing for an estimation of operational costs that can be expected if the pilot would later transition to usual Fairtrade standards work.
- The Project Manager coordinates with FLOCERT the identified and required adaptations to the assurance approach and sign a pilot service agreement with FLOCERT if required by FLOCERT.

Proposed duration: 2 months to 12 months (depending on scope of work and complexity of the pilot).

2.4 Stage 4: Implementation and monitoring

In this stage, the plans and pilot terms and conditions developed in the research and planning stage are implemented and results are closely tracked and documented.

- The Pilot Facilitator announces the commencement of the pilot implementation. The Project Manager must support the Pilot Facilitator to spread the information to all stakeholders. In the announcement, the project shares a high-level plan and channels for stakeholder feedback.
- The pilot project is added to the Pilots project page and the Fairtrade impact map.
- The Project Manager regularly updates progress, which is captured on a project tracker.
- The Pilot Facilitator and Project Manager have regular (e.g. monthly) meetings to track progress and raise any challenges.
- The OC has the right to close a pilot either during the pilot or at the end of the pilot. If the pilot is closed, the exit plan is implemented, unless decided differently by the OC.
- The OC also retains the right to add pilot conditions in the course of a pilot, if deemed necessary to mitigate identified risks or improve the functioning of the pilot model.
- When the pilot facilitator is not provided with evidence of pilot progress (i.e. sales under the pilot or concrete commercial leads that are confirmed through written evidence) for a period of 12 months the Pilot Facilitator will propose to the Project Manager to close the pilot. The OC will only be asked to decide on the closing decision of inactive pilots in case the Project Manager and Pilot Facilitator do not agree on the closure of the pilot.
- A change in the pilot status or conditions will always be announced by the Pilot Facilitator. The Project Manager must support the Pilot Facilitator to spread the information to all stakeholders.
- In case pilot participants do not adhere to the pilot terms and conditions, a warning is issued maximum two times. If the issue is not resolved, the pilot participant is excluded from the pilot.
- The Pilot Facilitator prepares updates on the pilot progress for the OC meetings as well as updates the monitoring indicators. A qualitative update is provided in the first OC meeting of the year and a quantitative update is provided in the first OC meeting in the second semester of each year. Pilot updates are also shared with the Standards Committee for information and Standards Committee members are invited to attend the update sessions. The data and information for those updates has to be provided timely by the project manager.
- Any extension to the timelines or departure from the approved project plan has to be approved by the Director Standards & Pricing. Without this approval, the pilot project runs its course as per the project plan.
- Assurance according to the pilot terms and conditions is conducted in case audits of pilot participants take place.

Proposed duration: 6 months to 2 years depending on the nature of the pilot.

2.5 Stage 5: Performance approval and appraisal

This stage enables the Pilot Facilitator to compile the pilot project results and make recommendations to the Oversight Committee.

- The Project Manager notifies all stakeholders of the completion of the pilot project implementation and invites any feedback through appraisal questions, that aim to collect all information indicated on

the monitoring matrix. The Pilot Facilitator (and if relevant GI) review the appraisal questions before they are sent out and assure it includes all indicators on the Monitoring Matrix.

- The Project Manager ensures all relevant data has been collected. The Pilot Facilitator updates the data in the project tracker and monitoring database.
- The achievements in the monitoring matrix are compared with the targets set at the planning stage. In addition, factors such as scalability and broader market potential are taken into account when drafting a recommendation on the future of the pilot.
- The Project Manager compiles a concise paper capturing all key outcomes, challenges, lessons and recommendations and if applicable can propose an updated exit
- plan for the pilot.
- The report may propose any of the following:
    - *Successful pilot to proceed to scaling up phase*. The report outlines proposed the next steps towards scaling up e.g. new standards formulation, existing standards/price review, new approach to certification process, etc.
    - *Termination and retirement of a failed pilot*. In this case, the report clearly outlines the factors that led to the pilot failure and lessons learnt, and a phase out plan for the termination of the pilot.
    - *Pause until new information can be gathered*. In this case, the pilot is neither a success nor a failure. It just requires additional information before it can move to the next phase.
- The Project Manager outlines a high-level plan of action clearly indicating the key steps to be undertaken (e.g. execution of the exit plan and/or standards or pricing review process).
- The proposed exit plan may include a short phase before pilot closure in which pilot conditions continue to apply while the pilot participants transition into an existing Standard or new Standard that is under development. For such transition phase additional or adjusted pilot conditions may be decided upon by the OC. The OC has decision-making power on the exit plan and, if applicable, on the conditions that apply during the exit phase.
- The Project Manager submits the report to the Pilot Facilitator. The Pilot Facilitator reviews the paper and guides the Project Manager should it need additional inputs. The Pilot Facilitator also adds a risk assessment and recommendation on the pilot exit plan.
- The Pilot Facilitator submits the paper to the OC for review and endorsement of the findings.
- The appraisal paper is also shared with Standards Committee members.
- The OC reviews the pilot project recommendation and endorses or rejects the recommendations clearly giving reasons for such rejection.
- Once endorsed by the OC, the decision is announced by the Pilot Facilitator. The Project Manager must support the Pilot Facilitator to spread the information to all stakeholders. Equally, in the case of a rejection, the reasons for the rejection are circulated to the stakeholders.

Proposed duration: 2 months

2.6 Stage 6: Pilot exit

This stage enables exit from the pilot phase to implementation of the pilot recommendations.

- The Pilot Facilitator continues to check in with the project managers on the execution of the agreed exit plan and regularly informs the OC of the progress made.
- The Pilot Facilitator submits the pilot paper as submitted to the OC and the minutes of the OC meeting to the Director Standards & Pricing.
- The Director Standards & Pricing is obligated to give guidance on the implementation of the report recommendations. In doing so, the Director Standards & Pricing may delegate the development of the implementation plan to the Standards & Pricing Unit (S&P) or any other Fairtrade International team or coordination with FLOCERT as may be relevant.

Proposed duration (implementation plan development): 2 months

3 Annexes

Annex 1: Pilot application form

This pilot application form needs to be filled by the organisation applying to commence a pilot. The filled form needs to be sent to the Fairtrade Pilot Facilitator (pilots@fairtrade.net). Pilot application windows close two months before the scheduled Oversight Committee meetings. The dates of the Oversight Committee meetings can be found on FI's website, under section Assuring Integrity in Checking Compliance.

Name of applying organisation	
Name and email of contact person	
Date	
Title of the proposed pilot	
Product category	
Relevant Fairtrade Standards	
Proposed pilot problem statement (250 words)	
Proposed solution description (250 words)	
Goal of the proposed pilot	
Specific and focused objectives of the proposed pilot (what does the proposed pilot aim to prove through testing)	1. 2. 3.
Proposed target scope description – market, supply chain, POs, timelines (100 words)	
Estimated pilot cost (Euros)	
Are the estimated pilot resources available and from where?	
How does the proposed pilot contribute to the Fairtrade strategy? (250 words)	
Expected outputs (quote numbers where relevant) e.g. sales, brand visibility, strategic positioning, efficiency etc.	1. 2. 3.
What is the expected Impact to producers (100 words)	
Does the proposed pilot require any standards deviations or exceptions during the piloting	

phase? Please explain (100 words)	
If successful, would the pilot require standards amendments or new standards formulations? Please explain (100 words)	
What are the expected risks of the proposed pilot and how will they be mitigated? (250 words)	
Can you describe the forecasted medium term (5 years) market projections from the pilot to market scale up (if applicable)? This can be included as an attachment where relevant (250 words)	
List and contacts of stakeholders who have been involved in preparing this application	1. 2. 3. 4. 5.
List of Licensees and/or Traders who have expressed interest in the proposed pilot	1. 2. 3.
List of Producer Organisations that have expressed interest to be part of the proposed pilot	1. 2. 3.
Proposed duration / timeframe	
Affected sourcing countries and markets	
Does the pilot involve use of the Fairtrade certification mark on pack?	
Are there any additional legal or statutory requirements that may apply to the pilot in source or destination markets?	
Any other general comments (250 words)	
Attachments	1. Forecasted 5-year market projections 2. Any other supportive market study reports/literature 3. Support letters from Licensees / Traders for the pilot 4. Support letters from Producer Organisations 5. Any other support materials

Annex 2: Pilot appraisal scorecard

CRITERIA CHECKLIST

Scores available from 1-5. Basis for scoring must be listed with specific examples or rationale.

Idea Title

Innovation categorisation Characterisation: Type: Objective:

a. Strategic and Priority Fit	Score	CONSIDERATIONS FOR SCORING (1:Limited >> 5:Strong Alignment)	Explanatory Comments
Idea/project is aligned with the Global Strategy Pillars		Does it align with FI's Global strategy pillars? If so, how many pillars does it strategically align with?	
Idea/project is aligned with the Theory of Change (find it here- https://www.fairtrade.net/impact/theory-of-change)		Does it align with one or more of the 6 interventions outlined by the theory of change? Does it have the potential to contribute to one or more of the 5 impacts as defined by the theory of change?	
Idea/project is aligned with the Commercial Strategy		In line with the MTR, Global Growth of Fairtrade is defined in terms of four key measurable results: 1) Grow Volumes and Premium; 2) Grow license fee; 3) Grow non-license fee income and; 4) Retain the top 40 global partners. Is it market facing? Does it contribute to market retention? Does it directly contribute to volume growth? Does it contribute to entering new markets?	
Idea/project is aligned with innovation priority areas		The idea contributes to one or more of the four priority innovation thematic areas: HREDD Climate Change and Environment LIRP LWRP Consider number of areas aligned with and/or strength of alignment	
Category Score	**0**		
1. Desirability	**Score**	**CONSIDERATIONS FOR SCORING (1:Limited Evidence >> 5:Strong Evidence Available)**	
The idea addresses a clear need and/ or solves a defined problem for a customer segment / end-user		Is the need clearly defined? Is the target customer identified?	
The idea has garnered interest from producers		How is this interest evidenced? Is the interest demonstrated for the targeted producer segment? Is the interest demonstrated for the wider producer population?	

The idea has garnered commercial interest from licensees/NFOs		How is this interest evidenced? Is the interest demonstrated for the targeted licensee/NFO segment? Is the interest demonstrated for the wider licensee/NFO population?	
Category Score	**0**		
2. Feasibility	**Score**	**CONSIDERATIONS FOR SCORING (1:Limited Availability and Ability to Secure >> 5:Abundant Availability)**	
Key resources (The requester team has the right technologies and resources to create the proposed value proposition.)		What are the required technologies and resources? Do they exist in the requesting team currently? Are they available for use currently?	
Key activities (The requester team has the right capabilities and expertise to handle the most critical activities for creating and delivering the proposed value proposition.)		What are the required capabilities and expertise ? Do they exist in the requesting team currently?	
Key partners (The requester team has identified key partners who are willing and available to work with them to create and deliver the value proposition.)		Who are the key partners? What is their level of willingness and availability?	
Track record (The requester has a proven track record of past successful initiatives)		What similar projects was the team involved in? What was the outcome of these initiatives?	
Category Score	**0**		
3. Economic Viability	**Score**	**CONSIDERATIONS FOR SCORING (1:Limited Evidence and Confidence >> 5:Strong Evidence and Confidence)**	
Revenues (The requester team demonstrates that customers are willing to pay, how many customers are willing and how much they will pay)		Has the requester team demonstrated with evidence that this proposal demonstrates a revenue opportunity?	
Costs (We know our costs for creating and delivering the value proposition.)		Has the requester team demonstrated with evidence a clear understanding of the costs involved with the proposal ? Was the market projection template filled?	
The idea will generate growth		Has the requester team demonstrated with evidence a how the proposal will result in a growth opportunity? Was the market projection template filled?	

The idea has the potential of scalability and replication across the system		Has the requester team demonstrated the potential of the idea (if successful) of future scaling and replication (e.g. in other supply chains/ geographies/products)?	
Category Score	**0**		
4. Impact potential	**Score**	**CONSIDERATIONS FOR SCORING (1:Low Extent>> 5:High Extent)**	
The idea connects disadvantaged producers and consumers		To what extent does the idea contribute to connecting disadvantaged producers and consumers?	
The idea promotes fairer trading conditions		To what extent does the idea promote fairer trading conditions?	
The idea strengthens producers, farmers and workers' position to take more control over their lives		To what extent does the idea strengthen producers, farmers and workers' position to take more control over their lives?	
The idea furthers the cause of environmental sustainability		To what extent does the idea further the cause of environmental sustainability?	
The idea helps producers to combat poverty		To what extent does the idea empower producers to combat poverty?	
Category Score	**0**		

CRITERIA SCORES	WEIGHT	WEIGHTED SCORE	NOTES
a. Strategic and Priority Fit	0.20	0.00	
1. Desirability	0.25	0.00	
2. Feasibility	0.20	0.00	
3. Economic Viability	0.20	0.00	
4. Impact potential	0.15	0.00	
Total Score	1.00	**0.00**	
Out of		**19.50**	
% Score		**0%**	

A score below 50% implies no further support; 50%-75% implies support to sharpen the proposal, but no immediate peer review; peer review can only start when a proposal scores above 75%.

Annex 3: Assessment tool to determine whether a pilot is minor

1. Scope of the pilot	Possible scores	Scoring	Cut-off point
Volumes	1 to 5	1=Less than 5% of global volume of the involved product category (irrespective of organic status), 2=5-15%, 3=15-25%, 4=25-35%. 5=above 35%	**Category simple average not exceeding 2.0 to be minor**
Geographical coverage	1 to 5	Number (e.g. 1=2, 2=2) of countries involved (5 or more =5)	
Number of pilot external participants (excluding Fairtrade-internal entities)	1 to 5	Number of all partners involved / 2 (e.g. 1= up to 2 external partners (including producers, traders, licensees), 2= 3 or 4 commercial partners involved, 3= 5 or 6 partners involved, 4=7 or 8 partners involved, 5 = more than 8 partners involved	
	Average of volumes, geographical coverage and number of partners score		
2. Risk of the pilot			
Impact of the risk	1 to 5	Impact on a scale 1 (low) to 5 (high), with 2 being medium low, 3 medium and 4 medium high.	**P * I can maximum be 4 to be minor**
Probability of the risk	1 to 3	Probability is indicated on a scale 1 (low), 2 (medium) to 3 (high)	
3. Impact of the pilot on Fairtrade Standards	1 to 5	Impact on a scale 1 (low) to 5 (high), with 2 being medium low, 3 medium and 4 medium high.	**maximum 2 to be minor**
4. PN and producer feedback	1 to 3 score	1 for positive feedback, 2 for neutral feedback and 3 for negative PN or producer feedback	**maximum 2 to be minor**
If the cut-off point is exceeded for **any category**, the pilot is not minor and an Oversight Committee decision is also required before the research phase can start. For minor pilots the Pilot Facilitator may allow the pilot to proceed to the research phase only. For all pilots (including minor pilots) an OC decision is required after the research phase, before proceeding to pilot implementation.			

Annex 4: Research, consultation and planning checklist

Checklist topics for research and compilation	What to check	Responsibility	Comments
Clarity of pilot hypothesis/ objective	Is the pilot hypothesis and objective clear and focused? Does it align with Fairtrade's strategy and mission?	Project Manager	
Comments from appraisal stage and Oversight Committee	Were there any specific concerns raised at technical appraisal or Oversight Committee? If so, how were they addressed?	Project Manager and Pilot Facilitator	
Stakeholder consultation plan	Has a stakeholder engagement plan been developed? Have consultations been done and documented? What were the key areas of concerns? How are they addressed?	Pilot Facilitator and Project Manager	
Budget	Has a budget been prepared? Does the manager have the funds? Has allocation been done for all relevant institutions? (FI, FLOCERT, PNs, NFOs, etc) ?	Project Manager	
Legal risks assessment	Has the legal department undertaken a legal risk assessment?	Legal Project Manager	
Claims	Have off-pack and on-pack communications been approved?	Brand Integrity Project Manager	
Social, economic and environmental safeguards	What are the social, economic and environmental risks and how are they mitigated? Any special interest groups?	Project Manager	
Standards compliance and exceptions	Has the Standards & Pricing Unit (S&P) done a standards compliance assessment?	S&P, Project Manager	
Current market leaders consultation	Who is the market leader for the product under pilot? Have they received a pilot brief?	Project Manager	
Market demand assessment	Which market(s) demand the pilot? What is the scaling pathway if the pilot is successful? How reliable is the volume/value growth forecast?	Project Manager and Pilot Facilitator	
Performance evaluation criteria	Has the monitoring framework, including targets, been set? Was GI involved (see criteria footnote 1).	Project Manager, GI team	
Detailed implementation plan	Has a detailed implementation plan been prepared with clear roles, responsibilities and timelines?	Project Manager	
Project communications plan	Does the project have a communications plan?	Project Manager	

Annex 5: Sample stakeholders engagement plan

Name of Stakeholder	Role and Interest in Pilot	Influence level on pilot (1. Critical, 2. Important, 3. Moderate)	Stage of pilot to engage in	Expected engagement output	Channels of engagement	Name and email of focal person(s)
Standards & Pricing Unit (S&P)	Standards lead compliance checks, exceptions approval	1	All stages	Standards compliance checks	Technical team participation	
Fairtrade Germany	Lead market for XXX product	1	All stages	Market information	Technical team participation, email	
FLOCERT	certification	1	Stage 2, 4	Certification compliance	Technical team	
Producer Organisation X	Participating PO in pilot	1	Stage 1,4	Producer based information	email	
Fairtrade Africa	Representing producer interests	2	Stage 2 and 4	Outreach to producers	email	
NFO X	Has a growing market for X	3	Stage 2, 3	Provide market info	email	
Legal department	Legal compliance review	1	Stage 1	EU legal requirements review	Technical Committee	

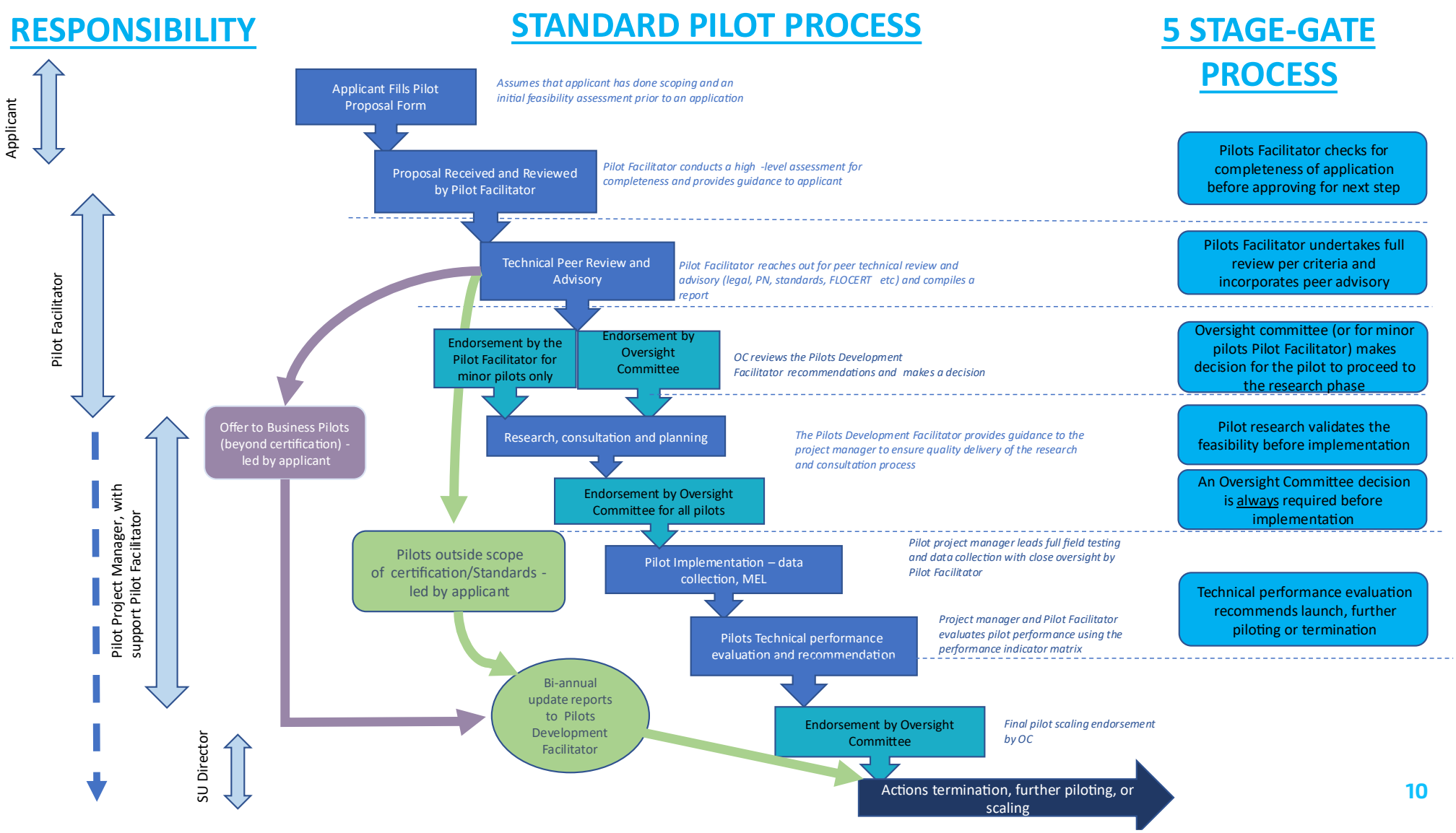
Annex 6: Pilot performance monitoring matrix

Example of Monitoring Matrix (Introducing pre-peeled avocadoes from East Africa into the German market)

Objective	Indicator	Units of measurement	Target	Baseline	Achieved	Comments
Increase in Fairtrade sales for 5 Fairtrade certified avocado POs in East Africa	Increase in Fairtrade sales value	% increase in Fairtrade sales ($$$)	XXX%	$$$		
Increase in Fairtrade certified avocado sales in Germany (participating retailers)	Increase in Fairtrade sales volumes of avocado	% Increase in sales volume of avocado in Germany (XX retailers)	Xxx%	XX tonnes		
Pre-peeled avocado sales pose no new brand/business or legal risks to Fairtrade	Zero new risks to Fairtrade	No risk reported on the existing avocado Fairtrade market	0	0		
Reduction in net certification costs compared to Fairtrade sales for the POs selling pre-peeled avocadoes	Decreased ratio of cost of certification vs Fairtrade sales value	Cost of certification vs total Fairtrade sales	1:25	1:20		

Annex 7: Process flowchart

The diagram below presents a schematic outline of the pilot process:



Annex 8 Global Impact guidance note for Pilots

Ten Core Principles of Project Monitoring (version February 2025)

Background: This document, an adjusted extract from the Project/Programme MEL Guidance Document (available on the Fairtrade Hub), provides guidance on how Standards Pilots should do project monitoring so to align with best practices across the Fairtrade system. For more guidance contact impact@fairtrade.net.

Project Monitoring: Monitoring allows stakeholders to track progress, assess impact, and ensure alignment with Fairtrade's Theory of Change (ToC) and broader sustainability goals. Effective project monitoring is essential for ensuring the success of Pilots. The top ten practices for project monitoring:

1. **Integrate monitoring from Pilot inception.** Ensure that monitoring components, including clear indicators and data collection tools, are considered from the beginning. If necessary, allocate sufficient budget and human resources to allow project monitoring to be done effectively. Align monitoring objectives not only with the goals of the Pilot, but also as much as possible with the Fairtrade's Theory of Change.

   Establish SMART, Fairtrade-relevant indicators. Ensure quantitative indicators are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound). The indicators should ideally, when possible, also align with those on the Fairtrade Theory of Change Global Indicator Library (2024 version available here on the Fairtrade Hub). Qualitative indicators can however be included, especially for the appraisal where some open questions on how the pilot was experienced are recommended to different stakeholders. It is also explicitly required to include producer feedback questions.

2. Beyond these overall recommendations, the selection of indicators should prioritize relevance to the pilot's objectives, learning, decision-making, accountability, and communication needs. Cost, data availability, and the technical capabilities of those collecting and analysing data should also serve as essential criteria in indicator selection. Where possible, disaggregate indicators by key demographics such as gender and location to enhance inclusivity and understand targeted impact.

3. **Leverage Fairtrade digital platforms for project monitoring and management.** Working with the Standards Pilot Facilitator, keep content on Fairtrade's Impact Map regularly updated. Use entries from other projects on the map to learn and improve. Use Toladata for effective project monitoring and management, from results framework visualization, to data collection and analysis, to visualization, to task tracking and more (Please contact impact@fairtrade.net for a paid account). For minor pilots the Pilot Facilitator can manage the pilot monitoring data in Toladata on behalf of the project manager.

4. **Embrace digitization in project monitoring**. Digitize your project monitoring where possible. Use online/offline, GDPR compliance data collection tools such as Kobo Toolbox to enhance data collection and accuracy.

5. **Ensure compliance with Fairtrade and EU frameworks for personal data protection, data collection ethics, and social compliance** by complying with GDPR regulations, following Fairtrade's Research Ethics Policy and Act to Protect Policy.

6. **Ensure regular and effectively timed data collection.** While Pilots will only be for a few years, nevertheless collection of baseline data helps to define a reference point for measuring progress and set project end targets. Monitoring data should gathered regularly (at least annually) during project execution to assess progress, inform decision-making, and allow timely adjustments.

7. **Ensure coordinated data collection**. Monitoring activities should be coordinated at the country and regional levels to align with other Fairtrade programmes and external stakeholders (e.g. certification schemes, traders, governmental agencies). The Project/Programme MEL Task Force (organized out of Global Impact) can help to coordinate timelines and data collection schedules to improve efficiency and avoid duplication of efforts.

8. **Ensure monitoring data is fed back for learning.** Monitoring results should be fed back to those stakeholders involved in the pilot and especially those contributing to the data collection (commercial partners, donors, Producer Organisations, etc.) to foster buy in, transparency and informed decision-making. It is recommended to upload monitoring reports to the Impact Map for accessibility of other Fairtrade stakeholders and analysis.

9. **Ensure monitoring data is used for adaptive management**. Regularly review data to identify trends and inform real-time decision-making on the shape and direction of the pilot. The OC is the decision-maker on pilots. To the extent possible and if required based on an OC decision, adjust pilot strategies based on findings to enhance effectiveness and efficiency. Document lessons learned and best practices for future Fairtrade work and communicate on the learnings via webinars.

10. **Make use of MEL resources within the Fairtrade system**. The aforementioned Project/Programme MEL Task Force is a place for knowledge sharing, consistency, and system-wide alignment of Fairtrade projects, including Pilots.

Global Impact can provide direct project monitoring support in the following cases: (1) Where data to underpin claims needs to be an integral part of the solution, (2) Where there is the use of global monitoring tools to collect the data (i.e., FairInsight) or (3) Where there is in any other way an expected long term involvement of GI in the model as exemplified by the pilot.

By embedding robust monitoring practices into Fairtrade pilots, stakeholders can ensure greater accountability, learning, and impact. Effective monitoring not only supports pilot's success but also strengthens the Fairtrade system's ability to drive positive change for farmers, workers, and communities.