FAIRTRADE INTERNATIONAL – STANDARDS & PRICING

Draft Project Assignment

Fairtrade Standard for Contract Production (2023)

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

The project will be carried out according to the Standard Operating Procedures for the Development

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:

https://files.fairtrade.net/SOP Development Fairtrade Standards.pdf

Rationale for and justification of need for the project:

The full review of the Fairtrade Standard for Contract Production is due since 2016. The last revision of the standard took place in 2011. Currently, the standard is not fully serving its purpose to enable the producers to organize into autonomous producer organizations that are over time able to comply with the Fairtrade Standard for Small Producer Organizations.

There is an need to update and align key areas, such as Human Rights and Environmental Due Diligence with other recently updated Fairtrade Standards. Further there is a need to align with the most recent version of the SPO standard and to take into account findings from research.

Risk assessment:

1. If this project is not carried out, producers may not be able to progress and achieve their full potential, e.g., transition to an SPO.

Mitigation: The project needs to determine how to best support producers.

2. At the moment there is no alignment in the Fairtrade system about the intent of the standard. If this guestion is not solved, producers will not receive targeted support.

Mitigation: Listen to concerns of all stakeholders, analyze, and understand, then come up with proposals.

Project Start Event: Draft Project Assignment will be uploaded to the FI website for comments by stakeholders	Project Start Date: Q1 2023
Project End Event: Publication of the revised Standard for Contract Production	Project End Date: Q2 2024



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Project Goal and Objectives:

Goal:

The revision of the Contract Production Standard is a key instrument to align the standard with the market needs and producer realities. As the standard has not been reviewed since 2011, there is a need to update and align it with the Standard for Small-scale Producer Organizations wherever possible, strengthening many areas in the standard for the benefit of the producers.

Objectives:

- · Address topics from the Monitoring Log of the CP standard
- Alignment with the SPO standard where possible
- Implementation of product strategies, such as e.g., cotton through the standard
- Address findings in studies related to Contract Production set ups
- Introduce requirements on Human Rights and Environmental Due Diligence
- Strengthen especially the chapter on Labor Conditions
- Develop clear transitioning timelines and other requirements for CP set ups to become SPOs
- To ensure requirements are credibly implementable
- Ensure consistency in standards by aligning changes in all related standards
- Improve standard language for better clarity and simplicity

Connection with Theory of Change (ToC):

This project is connected to the Fairtrade Goals which are to foster sustainable livelihoods, empower small producers, and make trade fair and build Fairtrade markets.

For more information on Fairtrade's ToC see this <u>link</u>.

Project scope:

The project covers all regions and products where the <u>Fairtrade Standard for Contract Production</u> applies.

For more information on Fairtrade Standards click this *link*.

Out of scope:

Premium and Price review Contract Production Product Standard Review Review of other Fairtrade generic standards



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Project timelines and information on opportunities to contribute:

Scoping: Q1 2023
Research: Q2 2023
Consultation: Q3 2023
Analysis of results: Q4 2023

SC decision: Q1 2024

Publication of decision: Q2 2024

Drafting Final proposal: Q4 2023

* More information will be provided closer to the consultation period on our <u>website</u>. 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):

Nora Gutwein, interim Head of Standards

Project Managers (contact point for the project):

Kerstin Cron (Senior Project Manager Standards)

k.cron@fairtrade.net

Project Team (Unit):

Oksana Forkutsa
Amit Das, Napp
Manoj Kumar, NAPP
Subba Reddy, NAPP
Sarah Anum, NAPP
Sarah Lagente, FT
ANZ
Maria Steenpass, FT
GER
Subindu Garkhel,
FTF UK
Tytti Nahi, HREDD
CoE
Theresa Glammert-
Kuhr
Neetu Pankaj Singh

Project Environment (stakeholder groups not part of the project team):

- Certified producer organizations under the Fairtrade Standard for Contract Production
- Certified traders
- Senior Advisor Social Compliance and Development
- Senior Advisor Sustainable Livelihoods
- Senior Advisor Climate Change
- PNs
- NFOs
- Global Impact unit (Jesse Hastings)
- NAPP: Ranjith Kumar (RGM), Sonia Dominica (Social Compliance)