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| **Consultation document for Fairtrade Stakeholders:**Review of the Fairtrade Standard for Flowers and Plants for Hired Labour and Traders |
| Consultation Period | 01.09.2016 – 30.09.2016 |
| Project Manager | Jebet Winnie Yegon, Project Manager, Standards, j.yegon@fairtrade.net |

**PART 1 Introduction**

**1. General Introduction**

Fairtrade Standards support the sustainable development of small-scale producers and workers in the Global South. Producers and traders must meet applicable Fairtrade Standards for their products to be certified as Fairtrade. Within Fairtrade International, Standard & Pricing (S&P) is responsible for developing Fairtrade Standards. The procedure followed, as outlined in the Standard Operating Procedure for the Development of Fairtrade Standards is designed in compliance with all requirements of the ISEAL Code of Good Practice for Setting Social and Environmental Standards. This involves wide consultation with stakeholders to ensure that new and revised standards reflect Fairtrade International’s strategic objectives, are based on producers’ and traders’ realities and meet consumers’ expectations.

You are kindly invited to participate in this consultation reviewing the Fairtrade Standard for Flowers and Plants for hired labour and traders. For this purpose, we kindly ask you to comment on the proposals suggested in this document and encourage you to give explanations, analysis and examples underlying your statements. All information we receive from respondents will be treated with care and kept confidential.

**Please submit your comments to the Project Manager, Jebet Winnie Yegon at: j.yegon@fairtrade.net by 30.09.2016.** If you have any questions regarding the draft standard or the consultation process, please contact the Project Manager by email or call: +49-228-94923-100

Following the consultation round we will prepare a paper compiling the comments made, which will be emailed to all participants and also be available on our Fairtrade International website. Next steps of the project are presented in section four.

**2. Background**

The Fairtrade Standard for Flowers and Plants was introduced over 10 years ago. Since then Fairtrade flowers have grown to become one of the top seven Fairtrade products, with 48,500 workers employed on Fairtrade certified flower farms in 2015.

In 2016 the standard is due for a full review as part of the monitoring and review cycle. The review topics were gathered through the monitoring log as well as from internal and external stakeholders. The topics were also discussed during an internal expert flower group meeting. Through this, Standards & Pricing identified the topics to explore and consult specifically to further facilitate trade and increase the benefits of workers in Fairtrade certified farms.

This review will have two consultation phases. During the first round of consultation, the review will focus on options for including floor wages (lower wage limits) and assessing market enhancement opportunities such as Fairtrade eligible (explained further below). It will also look at premium reporting options, and the inclusion of additional environmental, gender and payment requirements. The second round of consultation will address any outstanding issues from the first round or include other topics as needed.

**3. Objectives**

* Assessment of options for market enhancement opportunities (Offer to Business, Fairtrade eligible, etc.)
* Assess options for inclusion of floor wages
* Consider options for compulsory premium reporting
* Consider inclusion of additional environmental requirements
* Review and analyse feedback from stakeholders on the standards since the last review
* Alignment with the revised Trade Standard
* Improve clarity and ensure consistency throughout the standard, apply new design

**4. Project and Process Information**

The project started in June 2016 and the [project assignment](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2016-07-06_EN_PA_Flower-_review-final.pdf) is available on the Fairtrade International website.

The current [Fairtrade Standard for Flowers and Plants for Hired Labour](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/Flowers_and_Plants_HL_EN.pdf) is also available on the Fairtrade International website.

The progress to date and next steps are described below

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|  | **Timeline** | **Activity**  |
| **2016** | June | * Define scope and project planning
* Contact with key stakeholders (NFOs, PNs) to define the objectives of the project
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| July – August  | * Desk Research
* Compilation and analysis of information
* Preparation of proposals for the consultation
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| September | * First public consultation round, all stakeholders
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| October | * Compilation of responses from the consultation process
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| November | * Second public consultation round, all stakeholders
 |
| **2017** | December –January  | * Compilation of responses from the consultation process
* Preparation of a final proposal for SC decision
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| February | * Final proposals presented to Fairtrade International SC for approval
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| March | * Publication of new/revised standards and other revisions
* Proposed date (tbc) of validity of the new standard
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**5. Acronyms and definitions**

CBA: Collective Bargaining Agreement

FMP: Fairtrade Minimum Price

FP: Fairtrade Premium

FPC: Fairtrade Premium Committee

GPM: Global Product Management

HL: Hired Labour

LW: Remuneration received for a standard work week by a worker in a particular place

 sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.

NFO: National Fairtrade Organization, Fairtrade country organizations in the

 consumer markets

PML Prohibited Material List

PN: Producer networks, regional Fairtrade organizations in the producer

 markets

SC: Fairtrade International Standards Committee

S&P: Standards &Pricing

WHO World Health Organisation

**PART 2 Draft Standard Consultations**

This consultation is divided into the following sections:

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[1. Inclusion of floor wages 6](#_Toc460317252)

[2. Allowing Fairtrade eligible for flowers and plants 8](#_Toc460317253)

[3. Compulsory premium reporting 9](#_Toc460317254)

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[8. Pesticide use in flower production 17](#_Toc460317259)

[9. Stakeholders’ Comments/ General stakeholder feedback on the flower standard 18](#_Toc460317260)

The target groups of this consultation are:

* Flower producers already certified or interested in becoming certified under the Fairtrade Standard for Flowers and Plants for Hired labour.
* Licensees and traders certified / interested in becoming certified under the Fairtrade Trader Standard and the Fairtrade Standard for Flowers and Plants.
* Producer Networks, National Fairtrade Organisations, Fairtrade International, FLOCERT, NGO´s, researchers, etc.

Each section first introduces the background information to the specific issue. Where relevant the proposed changes to the standard are then presented and then you are asked for your opinions and feedback.

**Please take as much space as you need to respond to the questions.**

# Information about your organization

Please complete the information below:

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| **Q0.1** **Please provide us with information about your organization so that we can analyse the data precisely and contact you for clarifications if needed. The results of the survey will only be presented in an aggregated form and all respondents’ information will be kept confidential.**Name of your organisation      Name of contact person      Click here to enter text.Email of contact person      Country      Click here to enter text.FLO ID Click here to enter text. |
|  **Q0.2 What is your responsibility in the supply chain? Please tick all that apply**[ ] Producer[ ] Exporter[ ] Importer[ ] Processor[ ] Licensee[ ] Other (please specify)Click here to enter text. |

# Inclusion of floor wages

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|  In the Fairtrade Hired Labour Standard (HL), and applicable to Fairtrade certified flower farmers, requirement **3.5.1** requires that a *“company sets wages for workers and other conditions of employment according to legal or CBA regulations where they exist, or at regional average wages or at official minimum wages for similar occupations; whichever is the highest, with the intention of continually increasing salaries.”* The increase, as indicated in requirement **3.5.4** “*If remuneration (wages and benefits) is below the living wage benchmarks as approved by Fairtrade International, your company ensures that real wages are increased annually to continuously close the gap with living wage. The incremental steps and timeline toward the applicable living wage are negotiated with trade union/elected worker representatives*” is intended to reach living wages, in the case that remuneration is below the living wage benchmarkWages in Fairtrade flower farms continue to be an issue especially in countries with no applicable legal minimum wage or CBA rate to comply with. A new requirement in the Flower Standard would:1. Help lift wages in low wage countries, thereby contributing to livelihoods of workers and their families.
2. Contribute to a level playing field in terms of costs of production
3. Reduce reputational risk for Fairtrade.

The proposal presented in this consultation is to ensure that wages paid by employers do not fall below the global extreme poverty line set by the World Bank as a first step and not below the global poverty line as a second step .The **$3.10/day** poverty line (updated from the $2/day poverty line in 2015) forms the average of national poverty lines of a large set of developing countries. The previous global extreme poverty line of $1.25/day has also been updated in 2015 to $1.90/day corrected for purchasing power parity (<http://www.worldbank.org/en/topic/poverty/brief/global-poverty-line-faq>). Using the poverty line as a wage floor for hired labour in certified flower farms would also mean requiring plantations to make a meaningful step towards providing a Living Wage Given that in some Fairtrade flower producing countries, there is no applicable legal minimum wage or CBA rate to comply with, company management only needs to negotiate with workers on wages and stay ahead of inflation. There is no regulation that a living wage will be reached. Without this, workers will continue receiving less wages remain at poverty level and will have little negotiating power. There is also a perception that Fairtrade is greatly exposed to reputational damage if wage requirements for certified flower companies are not made more stringent. Including a transition period, the proposal is that by year 0 there is a safety net of $1.90 (World Bank extreme poverty line – other benefits would be in addition to this wage) and by year 3 wages are **increased to $3.10/day**. The requirement would look like this in the standard:**Core Year 0** Your company ensures that wages paid do not fall below the global extreme poverty line **($1.90/day**) set by the World Bank noting that this amount could increase depending on the world bank adjustments**1.1 Do you agree with the proposal that the wages paid by employers will be increased to at least $1.90/day by year 0 in cases where there is no CBA or minimum wage? Companies already certified would have a one year transition period to fulfil this requirement.**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text.**Core year 3** Your company ensures that wages paid do not fall below the global poverty line **($3.10/day)** set by the world bank noting that this amount could increase depending on the world bank adjustments.**Q1.2 Do you agree with the proposal that the wages paid by employers does not fall below $3.10 by the third year? Companies would have a three years transition period to fulfil this requirement.**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text.**Q1.3** **Do you agree with the proposal that companies can meet this requirement ($3.10/per day) by year 1 if they are already paying a wage close to $3.10?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text. |

# Allowing Fairtrade eligible for flowers and plants

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| Buying under a Fairtrade eligible contract means that the product is potentially Fairtrade, but conveyors may not know at the time of purchase from the producer, if the product can be sold on as Fairtrade to the next buyer. This means that a Fairtrade eligible product is produced and traded according to Fairtrade Standards, but initially the market price is paid and then the price differential (if applicable) and Fairtrade Premium are paid to the producer, only if the conveyor sells the product as Fairtrade to the next buyer.Some Fairtrade products e.g. cotton, cereals, tea and bananas already have similar arrangements (“retro-certification” in tea and “consignment sales” in bananas). Possible opportunities* Introducing Fairtrade eligible in flowers would help increase sales and add flexibility in trade.
* It can be seen as a way of sharing risks with the producer.

Possible risks* Producers have the risk of not receiving the Fairtrade Premium and price differential for their Fairtrade eligible product, even though they have invested in certification complied with the standards. For this reason, a threshold of 15% maximum Fairtrade eligible is suggested
* Flowers are usually packed at the origin including adding the Fairtrade Mark. If the flowers are not in end sold as Fairtrade, they will be sold as conventional, but with a Fairtrade packaging. This might end up creating some confusion among consumers.

In this consultation, we would like to therefore understand stakeholders’ views on the perceived benefits and risks of introducing Fairtrade eligible to the flowers and plant standard and possible suggestions on how to mitigate them. For this standard, we suggest a threshold of 15% maximum Fairtrade eligible for flowers and plants.The requirement would look like this in the standard :Core Year 0 If you buy flowers and plants from producers as Fairtrade eligible;* you ensure the producer is in agreement by signing a purchase contract with the producer that is clearly identified as a ‘Fairtrade eligible contract’;
* you provide information to the producer on the prospects for selling the flowers and plants as Fairtrade; and
* you report to the producer upon confirmation of any Fairtrade sales.
* the volume amounts to a maximum of 15% of the contract volume

**Q2.1 Do you agree that Fairtrade eligible should be introduced to the flower and plant standard?**[ ]  Yes[ ]  No[ ]  I am unsurePlease explain your rationale Click here to enter text. **Q2.2** **Do you agree that up to 15% of the volume can be sold as Fairtrade eligible?** [ ]  Yes[ ]  No[ ]  I am unsurePlease explain your rationale Click here to enter text. **Q2.3 in your opinion what other possible risks do you think could arise if Fairtrade eligible is introduced in the flower and plant standard?**Click here to enter text. **Q 2.4 How would be able to mitigate the risks mentioned above?**Click here to enter text.  |  |

# Compulsory premium reporting

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| Another suggestion was to make reporting on premium use compulsory similar to the banana standard [(**4.3.4**)](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/FreshFruit_HL_EN.pdf) so as to improve information on impact. The proposal is that report about the Fairtrade Premium use should be sent at least once a year and should include the following information:1. Target group reached
2. Number of beneficiaries within each target group reached
3. Total budget spent
4. To what degree and why the purpose and objectives have been achieved
5. Learnings from the project
6. Approved by
7. Date of approval

This has been important for bananas because Fairtrade International (GPM) receives the reports directly from producers and has therefore enabled them to better track premium use. We however have to be careful so as not to over burden the producers. A reporting template is provided in **annex 1.** The requirement would look like this in the standard:**Core Year 0** You report the use of Fairtrade Premium at least once a year with the following indicators:* Name and description of project (purpose and objectives; project partners)
* Target group(s) (e.g. men-women or all members of cooperative; migrant workers; family members; community)
* Estimated number of beneficiaries within each target group
* Project budget (total / annual)
* Project start and end date
* Date of approval of project and who approved it

**Q 3.1 Do you agree that premium reporting at least once a year should be made compulsory for Fairtrade flower and plants producers?** [ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text.**Q 3.2 would you like to comment on the reporting template in annex one e.g. any additional indicators?**[ ]  **Yes**[ ]  **NO**[ ]  **I am not sure****Please enter your comment**Click here to enter text. |

# Efficient water use

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| Fairtrade encourages sustainable management of water usage. However, rising incidences of drought, depletion of water reserves and water pollution has led to a growing demand for efficient water use, especially in the flower sector because they are seen as luxury good and is a water intensive product. This review therefore also intends to ensure that the standard focuses on improvements in water efficiency and sustainable water use over time. In addition to the requirements on sustainable water sources included in the Hired Labour standard (**4.3.8**- **4.3.13**), circumstances around water use in flower and plant production make a strong case for more stringent measures to in the flower and plant standard regarding efficient water use.It is proposed that every effort should be made to reduce water use (recycling, drip irrigation, rainwater harvesting etc.). Further, it is proposed to add a clause stating that the producer has to cooperate with surrounding communities and consult them with regards to perceived risks of water pollution because of the presence of the flower farm in the area, and then work on mitigating these perceived risks. The requirements would look like this in the standard :**Core Year 1** Your company understands and act to minimise water use through procedures including recycling, drip irrigation and rain water harvesting**Q 4.1 In addition to the 4.3.10 in the Standard for Hired Labour “*Your company implements procedures to make efficient and rational use of water sources. These procedures include prediction of volumes of water needed to irrigate the crop, measuring (or estimating) volumes of water extracted from sources and volumes actually used in irrigation and processing, providing maintenance to the water distribution system and adopting, as applicable, methods to recirculate, reuse and/or recycle water”*, do you agree that to include this additional requirement??**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text.**Core Year 0** Your company consults with surrounding communities regarding real and perceived risks of water pollution because of the presence of the flower farm in the area, and then work to mitigate the risks.**Q 4.2 Do you agree that the standard requirement above should be included in the flower and plant standard?** [ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text. |

# Sexual harassment and gender equality

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| The flower industry employs a largely female workforce who generally have low economic status and education levels and are therefore considered 'vulnerable workers'. There is therefore a need to strengthen Fairtrade’s approach to gender issues and to make sexual harassment an explicit part of the flower and plants standard. It is proposed in this consultation to include a clause in the flower and plants standard requiring sexual harassment trainings for workers and management. In this consultation, we will also look into ways to promote women’s empowerment while at the same time noting that gender is not only about women, but the relationship between men and women.In the Hired Labour standard sexual harassment is addressed in **3.1.5** *Your company does not directly or indirectly tolerate behaviour, including gestures, language, and physical contact that is sexually intimidating, abusive or exploitative. This applies to management and workers alike.*In addition in **3.1.6** *Your company establishes and implements a policy that clearly prohibits sexual harassment. Workers are aware of this policy and its contents.*Providing sexual harassment training would help provide knowledge, techniques and tools to develop skills and changes in attitudes and behaviours. It would also raise awareness and encourage learning, knowledge-building towards sexual harassment for both workers and management .The requirements would look like this in the standard:**Core Year 0** Your company establishes and implements sexual harassment trainings for workers and management.**Q 5.1 Do you agree that the standard requirement mentioned above should be included in the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationaleClick here to enter text.**Q 5.2 The requirement 1.1.1 reads “***The management must regularly self-assess its effectiveness in implementing Fairtrade. The management must seek external support in case the implementation of the Fairtrade is not effective enough. The method, findings and recommendations of the self-assessment must be documented and made available to the certification body***”. In order to ensure stronger gender equality, the following additions to the guidance section is proposed** * **The elected worker representatives (especially participation of women)**
* **Other forms of worker’s representation [gender category representation in the Gender Committee] noting that gender is not just about women**

**Do you agree that these changes (underlined in red) should be included in the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text.**Q 5.3 Including ‘gender inclusive’ in 2.1.1 in the flower and plant standard, would help strengthen the requirement because participation may be gender blind, and may not consider gender equality. it is also suggested to address gender constraints and therefore the following additional changes are proposed:****The FPC must regularly self- assess its effectiveness in operating a transparent, gender inclusive, participatory and democratic administration of Premium Money …..****In the guidance section****•In defining and executing the roles and responsibilities for transparent , gender inclusive, participatory and effective work of FPC****•Capacity to identify, manage and plan premium projects****•Sustainable and effective use of the premium for the community, including addressing gender constraints and needs****Do you agree that these changes (underlined in red) should be included in the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text.**Q 5.4 The requirement 3.5.4 states: “***The employer ensures that workers receive housing or have access to transportation free of charge where housing and infrastructure are not available in sufficient quantity and quality***” In order to ensure that women and men work in secure environments, the following additional wording in the guidance section is also proposed:*** **The employer should ensure workers have access to accommodation with adequate privacy, security and basic services, including potable water, sewage…**
* **Work plans specify the time frames to meet improved housing standards [ i.e. housing with access to basic services and adequate security and privacy for families and single workers who usually are women**

**Do you agree that these changes (underlined in red) should be included in the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text.**Q 5.5 in addition, the changes below in requirement 3.6.9 is also proposed :****3.6.9 The company must ensure employees are using proper tools, suitable and clean uniforms free of charge. [Special attention needs to be given to appropriateness of tools and clothing/working shoes for women, especially people with disabilities and pregnant women]****Do you agree that these changes (underlined in red) should be included in the flower and plant standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text. |

# Pricing and payment terms

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| Conveyors or/premium payers seem to be struggling with the 15 day timeline provided in the current standard because of the administration and the bank charges incurred each time. This review will also explore potential impact of extending the timeline for payment terms from 15 to 30 days, so as to facilitate business. The requirement would look like this in the standard :**Core Year 0** For contracts involving Fairtrade payments, producers and conveyors; conveyors must pay producers no later than **30 days** after receipt of payment from the Fairtrade payer.**Q 6.1 Do you agree that the standard can extend the timeline for payment terms from 15 to 30 days, so as to facilitate business.**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text. |

# FLO-ID on bunches and stems mandatory

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| In order to avoid unauthorised volumes through auctions and to facilitate sales through florists, it is proposed to make FLO–ID on bunches mandatory. This consultation will also look into labelling flowers in shipping sizes e.g. in 10 or 20 stems. Labelling each stem is a cost factor and often not practical for florists. The requirement would look like this in the standard :**Core Year 0** Your company labels flowers with the FLO -ID in shipping sizes of 20 stems**Q 7.1 Do you agree that FLO–ID on bunches should be made mandatory in the standard?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text.**Q 7.2 Do you agree that flowers should be labelled in shipping sizes of 20 stems rather than individually?** [ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text. |

# Pesticide use in flower production

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| One other feedback from stakeholders suggested to ensure that producers inform about the usage of pesticides in flower production (and especially the improvements therein) and to support producers to systematically evaluate their pesticide usage. The idea would be to report annually to Fairtrade the consolidated usage of synthetic and organic pesticides and beneficial organisms in flower production. The report would provide the whole production and for each variety the area of production (m2) and the total volume of each product applied, specifying at least the amount of active ingredient(s) and the WHO toxicity level.” The aim of getting these data is to be able to share with our market partners to which extent Fairtrade contributes to pesticide reduction (toxicity and/or volumes). Though monitoring of pesticides is addressed in the revised prohibited material list (PML), in the flower sector buyers tend to order fancy varieties that require a lot of pesticide protection. If producers can show the buyers the more resistant varieties they will maybe change their orders or at least know that a certain variety requires more pesticide applications. The requirements would look like this in the standard :**Core Year 0** Your company reports annually to Fairtrade the consolidated usage of synthetic and organic pesticides and beneficial organisms in your flower production between January 1st and December 31st .The report provides the whole production and for each variety the area of production (m2) and the total volume of each product applied, specifying at least the amount of active ingredient(s) and the WHO toxicity level**Q 8.1 Do you agree that reporting on pesticide usage should be made compulsory for flower farms?**[ ]  **Yes**[ ]  **No**[ ]  **I am unsure**Please explain your rationale Click here to enter text. |

# Stakeholders’ Comments/ General stakeholder feedback on the flower standard

In this section you are invited to comment on questions on this consultation document or any requirement in the Fairtrade Flower and Plants Standard. Please include the specific requirement number where possible and topic with your comments. We welcome alternative proposals, with rationale and analysis as detailed as possible.

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| **Topic/ requirement number** | **Comments/ feedback** |
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If you need some more information before commenting on this document do not hesitate to contact Jebet Winnie Yegon, Project Manager at Fairtrade International, j.yegon@fairtrade.net

**Annex 1 Premium reporting template for flowers**

Please open the premium reporting template [here](http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2016-08-31__Premium_report_template_Flowers.xlsx)