

COMMENTS FAIR FOR LIFE PROGRAMME

2. CONSULTATION DRAFT NOV 2010

and their consideration for Final Fair for Life Programme Feb. 2011

Comments received from:

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Todd Larsen	TL	Green America	20.12.2010
Gary Hannam	GH	Olivado Kenya (EPZ) Limited	22.12.2010
Esther Wangari	EW	Olivado Kenya (EPZ) Limited	20.12.2010
Monika Firl	MF	Coop Coffees	22.12.2010
Rob Everts	RE	Equal Exchange	10.01.2011
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Consideration of comments text added by Florentine Meinshausen, January 2011

1. GENERAL COMMENTS

Implementation FFL, General aspects	Comment – Details	Who	Final Version Feb 2011
Rating System	It is suggested to replace the rating '2 n.a.' by individually eliminating not applicable CPs from the total score and TNP count of a chapter.	WOK	Done. Summary assessment: only applicable CP are counted.
Rating System	In the current draft, there are only two summary rating figures given below each chapter: MAX and TNP. There is no room for the actual scoring. If the programme is to be general (and here it may differ from the checklists), the TNP cannot really be calculated because	WOK	It was decided to add explanatory text on dealing with not applicable CP in guidance block of each module and leave

	<p>– if we apply the new system – there are different TNP and MAX for each company in each section. In addition, the last line also indicates 'MAX/TNP/Effective Points, which is confusing if no field for effective points is available. Suggestion below this section of the table.</p>		<p>table structure, as it still lists the standard maximum number of MAX and TNP.</p>
General	<p>It is suggested to include a CP applicable to all kinds of operators regarding the need that they are accurately informed about the main issues of the requested certification (and that they are able to document such level of information). This mean that they need to have an updated version of most important regulatory documents applicable in the country, for example: the national labour law.</p> <p>This should be a Must in order that IMO can be sure that the operator really knows her/his duties and commitments are not just easy words.</p>	TB, 10.01.11	<p>A related CP was included in module 1</p>
General	<p>In the same line of the first comment, a documented Risk evaluation done (by the operator) on crucial SFT issues should be performed by each operator, before beginning with the certification (or the certification can be granted). This RE should be:</p> <ul style="list-style-type: none"> - done with the participation of key actors of the custody chain related to the operator activities, - the basis for the own SFT policy 	TB, 10.01.11	<p>New criteria and CP added in Module 1</p>
General	<p>Where do we include a criterion / instruction / question to the operator stating “who she/he is” and the obligation to clearly inform IMO about it? (incl. sensitive issues as who the owners are / or which big enterprise they are part of? (e.g. is the “small” company asking for the certification really as small as in the local context, or is it part of another big company, such as Nestle, Kraft or others? How important is the budget (locally, worldwide?)</p> <p>As a minimum, such clear request to the applicant has to be included in the Operator profile.</p>	TB, 10.01.11	<p>This is being considered in up-dated version of operator profile. Ownership structures also important for control procedures.</p>
General	<p>The scale used for explaining / applying the rating system should be equal throughout all documents / modules / chapters (in order to avoid confusions by the users). It is not the case now and we find some times it reaches from (0) to (3) and in other cases to (4). Wording is also slightly different with no apparent reason. In case we would need it to be different from one chapter to another, we should explain it (see difference between 1.1.10.2 audit procedures and 1.1.10.3 evaluation procedures).</p>	TB, 10.01.11	<p>Texts improved to be more consistent. There are still some CPs with MAX level 3 and some with level 4, depending on the content of the actual CP. Wherever level 4 could be clearly defined and made sense, a level 4 was written.</p>

2. FFL PROGRAMME

Topic: FFL Programme	Comment – Details	Who	Final Version Feb 2010
Objectives 0.1 and Scope and Cert 0.2	Love the scope of Domestic/regional FT (point 4) and point 6. Flexibility (For Life & Fair For Life) makes it more accessible to many companies/far reaching but also may have back lash that standards are being “watered down”	11/28/10 NB	---
Overall	<p>While the documents note that IMO would like to apply these standards to all types of organizations, I would caution you against casting the net too widely to effectively evaluate them all. It was noted in an FTRN webinar that the producers do not hold the Fair For Life certificate, but a producer cooperative that buys directly from farmers and markets their products would be subject to Module 3 and/or 4, as could a North American trading organization with a production arm. It is unclear, therefore, who is evaluated under which expectations and to whom the certification primarily belongs.</p> <p>IMO’s worthwhile focus on the entire trading chain should be noted, but I would recommend steps to promote greater clarity and consistency in the expectations to address these situations.</p>	20 Dec. 10; CKI	Detailed reply per email. It is clear whether an operation is a producer operation (which can be company contracting smallholder producers) or a handler further up. Procedures will be communicated and explained in application process. We hope final version is even clearer is defining control requirements of all actors
Fair for Life certification Program 1.2.1	As suggested before: include an instruction regarding the necessity of the initial risk assessment by all operators (it can be included in the operator profile, but I think that is very sound to explicitly indicate it as a step (a minimum requirement))	TB, 10.01.11	Initial self-assessment was now included in general control requirements in Module 1
Fair for Life certification Program 1.2.2	Steps 1 and 2 indicated under 1.2.1 for FFL and FL producers are not mentioned here. I think it is better to include them, in order to avoid confusions (“handlers” also have to submit their application for certification, and to prepare themselves!)	TB, 10.01.11	Requirements for both producer operations (1.2.1) and handler operations (1.2.2) streamlined and clarified

3. LABELLING AND CONTROL

Module 1	Comment - Details	Who	Final Version Feb 2011
1.1.4 1.1.11.2	Thank you for laying out the expectations for Fair for Life Handlers, buyers and brand holders, as well as the steps that are taken for products with many ingredients. However, we continue to question who along the chain of custody should hold the Fair for Life certificate. (Referring to the point Florentine made in an FTRN webinar, that the producers do not hold the Fair For Life certificate)	EO	This seems to be a misunderstanding. Every fair for life certified operation receives a fair for life operation certificate. As in organic, a group of smallholder producers receives a group certificate, not an

	As it is required that all suppliers, producers, and contractors along the chain of custody for each certified ingredient be audited annually for compliance to the Fair For Life system, then each party should also hold the Fair for Life Certificate, not just the brand holder/operator. At minimum the initial/primary producer group should hold the Fair for Life certificate.		individual certificate for each small producer. Detailed explanation to Green America 5.1.2011
1.1.1 & 1.1.4	Is there a logo that can differentiate between 100% Fair Trade and products using fair trade ingredients? Not just text? Easier to differentiate... 1.1.4 (a) Also why is use of seal optional for those certified? Should this not be standard practice?	11/30/10 NB	In addition to the already existing strong labelling restrictions in this category we have now introduced the requirement that the indication "FairTrade content XX% must be indicated visually close to the seal. Several companies apply the FFL programme as backup of their own internal fair-trade programme and hence do not wish to use the seal (but rather promote their own FT brand) and we have decided to permit this.
1.1.10.2 Audit Procedures; 8 th dot, p. 19	In case of <u>smallholder groups</u> , farmers are visited to verify the actual production situation with regard to social issues (and environmental issues if not certified organic) and to confirm / obtain information on group involvement and group management. I would write "...with regard to social and environmental issues and to confirm..." because even if they are certified organic they are still audited acc. to the environmental points in 13.3.	TA, 28.12.10	Text changed
1.1.10.2 Audit Procedures; 12 th dot, p. 19	Formal consultation of stakeholders if operation very large. Do we have a guideline on how to perform the consultation?	TA, 28.12.10	IMO will develop internal policy for this. Envisaged to be analogue to FSC procedures.
Control Procedures 1.2	Very thorough audit system – are companies willing to do this?	11/28/10 NB	yes
1.1.1d	Happy to see that "use of the seal is optional."	RE Dec. 14	Use of seal remains optional.
1.1.3.3g	This sounds like a reasonable attempt to respect various stakeholders' needs. Still, if a certified manufacturer is making a product for a retailer (a private label or own label situation), there will be occasions where it will not be in the interest of the certified manufacturer to have its name listed. At least as common would be the desire of the retailer not to have the manufacturer listed. So again, this is not unreasonable but may prove impractical more often than not.	RE Dec. 14	Considering to permit use of an IMO Fair for Life control number instead of manufacturer name. Interested consumer can look this up on Fair for Life website, but it would still somewhat protect the manufacturer. Text in standard not changed.

	Our preference would be to not require this. Our hope is that it would be sufficient that IMO as the certifier knows that the product has met all specs short of social responsibility conditions at a retailer and still permit the retailer to reflect FFL on its label.		
Note on Complaint Process	In section 1.1.13.1 the complaints process is introduced but then refers me to section 1.3.6.1 which we could not find. We are particularly interested in how workers and producers would file a complaint. It is important that workers have a means of filing a complaint safely and conveniently, especially for workers in remote areas with limited or no internet access. There must be a way to include these workers in the complaint process.	EO, 12/20/2010	New section in Module 1 on grievance procedures for workers and external stakeholders
Workers complaint process	We need clear process to support justified workers complaints, and procedures to handle the received information that are practical and do not result in misuse and unjustifiable costs.	KH, 28.12.2010	New section 1.3.7.1 on grievance procedures for workers and external stakeholders added
Audit Forms	On all control points it helps to have a scoring option for NA.	LJ, 12/22/10	Auditor shall make clear compliance statement, n.a. shall be the exception. In new system it is possible to rate any CP as n.a. with due explanation.
1.1.3.4	- under (j) and the sentence that begins with "if a company markets a FFL final consumer product...": I think the way this is worded would lead a retailer to believe they must be audited, so maybe add a statement, unless that product was already finally packaged and labelled before this company took custody" or something like that?	KH, 27.12.2010	Sentence rephrased and information added on retail of ready packed products.
1.1.4	-(c)- Maybe it should say "Only certified FFL operations and those exempted and otherwise registered"..? 1.1.6-(c)- again, I think the wording under the second paragraph under "c" maybe confusing, because can't registered handlers use the seal if they were a handler/brand holder that were exempted, e.g. because they were very small? So maybe this needs some slight rewording?	KH, 27.12.2010	No. Only certified operations may refer to their certification. But added section on exempt operation who are permitted to label products – in 1.1.4 - (a)
1.1.4	Should there be a clarification here if a company carries FFL products and is also fully certified under the social resp. criteria, that they too can use the "For Life" seal on their company materials? So, when we do the audit, we not only give them a FFL certificate, but also a "For Life" one as well? I think this could be a good idea that would clarify the both and give the company extra power to use the whole certification, as they will also be able to say they are a "For Life" company, or fully "FT company" or some other such claim?	KH, 27.12.2010	Fair for Life operations with SR certification have right to use For life seal – now included in labelling guidance in Modules 1, 1.1.4
1.3.1.3	Second Paragraph- Right now we have allowed certain operations to be exempted from	KH, 27.12.2010	Added sentence that operation has right to

-	listing on the website. Will we continue this allowance, and if we do we need to reword here, as we do not currently publish all of them.		request that rating not published, but stated that name and products always public.
1.3.4.1	-I recently had one company we were beginning to certify request to talk to me about the procedure of annual audit, as they were worried that the way that we have our documentation currently, they might be obliged legally to continue certification every year even if they wanted to stop. So, maybe a statement here about how we will prepare an offer every year and that an operation can decide to continue certification at any point or to stop.		This is written in certification contract. Sentence added in 1.3.6.3 (annual audit and continuation of certification)
Module 1 Table with Rules for FFL ingredients reference, box Use of label ...(page 6)	It says: (m) reference is restricted The equivalent requirement for For Life certification states "... is strongly restricted" (page 14). It is understood that labelling is less rigorous for FL than for FFL certification, which is not correct, right? Also under FL there is one requirement more than for FFL! (number 4)	TB, 10.01.11	Wording streamlined in the FFL product labelling sections
Module 1 Certification procedures 1.1.7.2 quality assurance	IMO reserves the right to refuse ... in case there es evidence of missuse ... It is suggested to change evidence by "founded suspiscion" (or similar), since it would not be easy to find evidences at the very initial steps of application or screening of basic information	TB, 10.01.11	Wording corrected as suggested.

Annex 1	Comment - Details	Who	Final Version Feb 2011
Origin of raw material (under Labelling for products made with FFL and with SR ingredients)	First of all, it is suggested to include this annex in the Program, not in Module, because of 2 reasons: - applicability is not a subject explained in this module (it can be linked to this module because of eligibility issue, but it is a quite weak link), - the reference to this annex seems to be incorrect. It appears: "Products made with Fair for Life ingredients contain a substantial percentage of ingredients that are Fair for Life certified or from <u>other certified fair trade origin</u> (see Annex 1) (we think that "other certified origin" should refer here to other certification schemes, not to other countries! Therefore here fits better Annex 2) Annex 1 List of industrialised countries: is this an "IMO made" list? In that case, on which basis, only with the "less than 20% of the population living under the national poverty line Paraguay is really there? And Brasil? Or Mexico? This will mean also that in case that we have potential SFT clients in Mexico (for instance), they will have to demonstrate that they are "eligible"? Is quite strange, really! (therefore I suggest also to review the list, or the criteria	TB, 10.01.11	References to all annexes corrected. Decided to keep annexes in Module 1 as it relates to control procedures, also Annex 2 is referenced in Module 1. Also the FFL programme shall be kept on a general rather than technical level. Methodology for Annex 1 country list was reviewed and changed to World Bank lists for high and upper middle income countries.

	for its “election” ... meaning the election of the list!)		
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Annex 2 Equivalent schemes	Comment - Details	Who	Final Version Feb 2011
Part 1, Annex 2	We are concerned about the inclusion UTZ certified as an equivalent social responsibility certification scheme, especially in the case of cocoa from West Africa. It is our opinion that UTZ is neither a thorough or rigorous system for addressing the worst forms of child labour in cocoa production. We hope IMO will give careful attention to any businesses applying for “For Life” certification that use UTZ certified for cocoa.	EO, 12/20/2010	We compared child labour requirements between UTZ and FLO and FFL and found them equivalent. Control procedures are equivalent if not higher than FLO because ICS required. Detailed answer per Email 6.1.11
4.1.3 c and Annex 2 / List of Equivalent Schemes / Control Module 4 Applicability	It would be useful to understand the manner in which some of these systems were seen as equivalent to Fair Trade, particularly FSC, UTZ, and others. While these systems may evaluate for other responsible practices, they have not yet included an evaluation for the basic premises of Fair Trade to my knowledge.	20 Dec. 10; CKI	The mentioned schemes are only accepted as Social Responsibility schemes (they confirm decent working conditions). All schemes’ labour related criteria were reviewed again and FSC removed from list.
List of equivalent schemes	Maybe there should be explanation what equivalence means, because if a handler is certified UTZ, that doesn’t mean that they can waive their SR audit requirements by us? So, I think this needs clarification.	KH 27.12.2010	Specified in list that equivalence only for producer certification.

Annex 3 Composition Food	Comment - Details	Who	Final Version Feb 2011
	No new comments. See comments for first draft.		

Annex 4 Composition Cosmetics	Comment - Details	Who	Final Version Feb 2011
	No new comments. See comments for first draft.		

Annex 5 Composition other products	Comment - Details	Who	Final Version Feb 2011
Annex 5	-if we assume in (a) that the material should be from natural origin, then this would prevent for example, plastic toys being certified, correct?	KH	Yes, this is the intention.

4. MODULE 2: HIRED LABOUR OPERATIONS

4.1 CORE LABOUR RIGHTS

Module 2 Core Labour Rights	Comment - Details	Who	Final Version Feb 2011
2.1.1 Forced Labour – Control point 4	We propose that IMO considers a “must” control point that employers do not withhold worker salaries. In addition to being a generally unethical employer practice, this is one of the practices that perpetuate forced labour, because one barrier to the escape of trafficked children is that they do not have the money to get home.	AF, 2/1/2011	Changed to a MUST requirement
2.1.2	In the section that addresses freedom of association we suggest adding language that explicitly mandates union neutrality. In particular, the following should be followed throughout the chain of custody: <ul style="list-style-type: none"> • Ban the hiring of an outside union-avoidance consultant • Ban one-on-one anti-union meetings between employees and management • Ban any violations of National Labor Law • Provide employees with a free training on labor rights and unions • Mandate card-check recognition • Mandate bargaining in good faith 	EO, 12/20/2010	Detailed response per email. The key suggestions in slightly adapted way have been incorporated as guidance texts what is expected of companies with regard to respecting their workers rights to organise.
2.1.2 – 13 & 14	CP 13 and 14: Intimidation can be included (is a problem in some contexts).	TB, 10.01.11	Added as suggested
2.1.2 Freedom of Association	As an FFL inspector I am sharing my concern regarding the increased control points, Minimum requirements and strong language in section 2.1 of Hired Labour. I have stated specific concerns below about wording and new minimum requirement, but my main concerns are: <ol style="list-style-type: none"> 1) The language is very black & white and leaves little to no room for alternative internal worker associations. I believe if the language stays as it is, it will backfire and be a barrier for companies interested in FFL certification or already certified FFL. The standards may apply in the origin countries but does not easily fit organizations in the US that are not large corporations. 2) The Social Responsibility section is not weighed as heavily as freedom of association and has only a few control points that apply to management’s efforts towards ensuring workers rights. 3) The SFT programme is intended to reward management/organisations for their internal commitment to social responsibility and supporting workers, however it seems the new standards penalize companies that do not have unions. Without any suggestions on how to create an internal workers association or what is acceptable to IMO in addition to a required SFT audit, this could be a deterrent to companies given the sensitivity about unions 	LJ, 12/22/10	Well working workers organisations are generally considered to be key for good working conditions for workers and to give workers a voice in raising their concerns. We tried to further work on the language that it is even more clear that workers shall be free to have organisation of their own liking, which may also be internal organisation. Otherwise we agree with the intention that companies shall be awarded for good labour practices – but all these are evaluated.

	<p>in the US.</p> <p>I believe companies should inform their employees of their right to organize (maybe in employee handbook) but the expectations in the revised version are too steep and I am concerned that companies will shy away from certification because of it. There should be more leeway and sensitivity to the criteria and possibly opening a line of communication with IMO for employees to contact year round.</p>		
2.1.2 n.6	<p>“Management...(2=M from year 2) attends worker meetings only if invited by the workers.” Implies that a workers association (union) exists or is required to meet minimum requirement. This is in existing criteria but not a M.</p>	LJ, 12/22/10	If there is no workers organisation this CP will in future not be applicable.
2.1.2 n.9	<p>“Where the right to freedom of association and collective bargaining is <u>restricted by law</u> (0) the management does not facilitate (2=M) facilitates and does not obstruct the formation of a workers representation elected by the workers or other alternate means of association and joint negotiations (3) company supports development of an active workers association with help of competent NGO’s or facilitators.” This needs clarification. 1. What if freedom of association is not restricted by law, is the M still required? 2. Language penalizes companies not facilitating unionization of workers without alternate internal workers association with internal position representing workers. My concern with new M requirements applied to small companies is with the strong language specifically related to freedom of association and collective bargaining. It leaves little leeway for company/management to have alternatives to unions, while opening the doors to unions looking for membership.</p>	LJ, 12/22/10	Changed that the CP always applies but only becomes an M if freedom of association is restricted by law, e.g. as in China
2.1.2	<p>-A general comment on the CPs: This section seems to be written in a way that penalizes companies for not having a union or other worker organization. I wonder if there is a way to similarly reward companies that have very open communication between management and workers, as we are rewarding for having these workers associations (esp. In small companies)?</p> <p>-Another comment—I do think we should revise these CPs to assert that the employer should be ‘neutral’ to unions, and as such it seems we want the employer to be ‘pro-union’.</p> <p>-CP2 – this seems a little redundant to the CP1, as we are already saying as a minimum level the employer must put in writing the right to organize.</p> <p>-CP3- Maybe there should be extra wording added: If no union was ever invited or interested to come to visit, then 2.</p> <p>-CP4, why would we give a “1” for finding that the employer controls obstructs or controls? Shouldn’t we also have a “If no union exists, then “2”?”</p>	KH 27.12.2010	<p>In new system some CPs may be not applicable and would not count at all and thus the company would not per se have that much of a better rating</p> <p>Wording in (b) changed to “neutral”</p> <p>Changed the recognise in writing part to CP 2- Changed place of these 2 CPs analogue to criteria</p> <p>This may be n.a.</p> <p>Changed rating to (0) and added (1) no representative.</p>

	<p>-CP7- I don't understand how this is written. Shouldn't we give at least a "1" for 'open communication between workers and management (without a union or organization)?</p> <p>-CP8- Shouldn't we add a "If no union or organization exists, then "2"?"</p> <p>-CP12- Don't we need wording that states, If year 1 and no written procedures, Then "2"? Maybe also similar wording on CP13?</p>		<p>May also be internal representative- if there is none at all this is not exactly as indeed in FFL....</p> <p>Done</p> <p>This would be n.a.</p> <p>No- this is rating 0 which results in condition and right so because from year 2 this is M</p>
2.1.3 Child Labour (a)	In order to be consistent with international law, and consumer expectations that Fair Trade products are not produced with child labour, it should be a requirement that child labour must be eliminated as a precondition for certification rather than within a year.	AF, 2/1/2011	The remediation clause shall ensure that companies do not simply dismiss all working children from one day to the other to obtain certification as this has much worse effects for the children in most cases. Added clause that in all severe cases certification will not be granted until all child labour has been responsibly phased out.
Module 2, hired labour ...2.1.3 child labour	Policy and CP 5: I suggest to limitate max. hours for young workers to 8 hours, noy to 10 (it is too much! And doesn't follow ILO's position: 6 hours, with maximum 8 hours. CP 3 should be a MUST.	TB, 10.01.11	Done. Followed ISEAL suggestions
Principle 2.1.3: working hours	The maximum working hours for young workers should not exceed <u>8 hours per day!</u> Why are we allowing until 10 hours? (I see it was also in the past version like this, but I think it would be better to correct it now). In case it is really necessary to allow more than the OIT states as "normal", I suggest to clearly indicate that it would be allowed "in exceptional situations, and duly justified".	TB, 10.01.11	ILO requirement is max 10 hours per day including travel and school, max 8 if not at school. Have taken now the wording from ISEAL recommendation
FFL 2 Hired Labour – 2.1.3	If no young workers, sometimes there is the possibility to get 2 points and sometimes 3 points (if not applicable), why is there a difference??	27.12.20 10, HVS	Now all CPs can be n.a.
FFL 2 Hired Labour – 2.1.4,	Norm point 2 not clear. It would be clearer: (2) are not practiced or no deductions.....	27.12.20 10, HVS	Wording improved

CP 4			
Principle 2.1.5	Include pregnant women.	24.12.2010, HVS	extra CP. CP 1 uses original ILO wording.

4.2 EMPLOYMENT CONDITIONS

Module 2 Employment conditions	Comment - Details	Who	Final Version Feb 2011
2.2.2 Wages (a)	We absolutely support the rights of workers to earn a living wage, and we commend IMO for using living wage rather than minimum wage as a key measure. However, we are concerned that it is not adequate for workers to earn half a living wage. The reality is that a very large percentage of households are headed by a single parent and this will leave a large number of workers and their children living in poverty even if they work for IMO Fair Trade certified operations.	AF, 2/1/2011	This is an important remark. We added guidance regarding ensuring basic needs can be met with regard to socio-economic situations of workers and added specifically in guidance and the CP that special consideration shall be given to single parent families.
2.2.2 Wages (7) and (8)	We would encourage IMO to consider some revisions to this section. (i) In order for the certification to be credible in the eyes of consumers, they should be able to expect that workers can meet their most essential basic needs, including food, housing, and safe water. This should be a minimum requirement for certification. (ii) We also believe that there is an unnecessarily long time horizon to move workers to meeting all their basic human needs plus discretionary income. This time horizon should be shortened.	AF, 2/1/2011	Minimum wages are ensured at any time and in many situations they are sufficient to cover basic needs. It depends how much the difference is between local minimum price and "basic needs wages". Wage increases can be very critical and companies must have chance to have some fair trade sales to raise their employment conditions above regulatory obligations if this required. In practice "from year 2 onwards" means only 1 year period to implement salary increase during which period fair trade sales may only have

			started.
2.2.2 Wages, CP 9	Ratio between wages: I would make a normal CP not just voluntary	TA, 28.12.10	done
2.2.4 Working hours, Explanation text (b) p. 17	<p>Overtime during night, Sundays or public holidays must be time-compensated at the applicable premium ratio.</p> <p>Why should this kind of overtime have to be time compensated? Maybe the workers prefer monetary compensation. Acc. to CP it may be either.</p>	TA, 28.12.10	Time compensation is optional. There may be a situation where workers actually prefer time compensation as an option and then it must be clear that working on Sunday etc. working hours must be compensated times premium factor.

4.3 SOCIAL RESPONSIBILITY

2.3 Social Responsibility	Comment - Details	Who	Final Version Feb 2011
Principle 2.3.1: commitment to fair ...	In general a very good new chapter! We only suggest to include a sentence referring to risk assessment (policy based on risk assessment).	TB, 10.01.11	Risk assessment according to all requirements included into procedures (Module 1)
Principle 2.3.2: ... positive role in the sustainable development ...	This would be the ideal place for including the public consultation! It could be for instance a point c) The operation openly presents its activities to the community and society which it operates (public consultation).	TB, 10.01.11	Added CP
Principle 2.3.4: Animal rights	Species listed in CITES Annexes II and III shall be trafficked according to the CITES regulations. Traffic has somehow a negative connotation. It is suggested to use a different wording (handled?)	TB, 10.01.11	Wording changed to "traded"

4.4 ENVIRONMENTAL RESPONSIBILITY

2.4 Environmental Responsibility	Comment - Details	Who	Final Version Feb 2011
2.4	<p>We are concerned by the fact that the Fair For Life standard fails to include responsible use of pesticides in the environmental responsibility section. It is important that only safe chemicals and pesticides be used in farming activities, to both protect the health of the farmer and the ground water for nearby communities. Pesticide Action Network is a good resource for determining which pesticides are safe, which should be avoided, and how to safely use pesticides.</p> <p>www.pan-international.org</p>	TL, 12/20/2010	This is a misunderstanding. If an operating does not have any other baseline certification confirming safe use of pesticides, Module 9 applies. Introduction text improved to make this clearer.

Module 2.4.3 ecosystem ...	I suggest to include a CP regarding documented information by the operator: she/he should have the lists of species to be protected.	TB, 6.1.2010	It was decided not to include this requirements explicitly for all operations
2.4 Environmental Responsibility	I don't think it's a good idea to accept UTZ and GlobalGAP without restrictions. In some cases these standards are not very high.	TA, 01.11.10	Just accepted for GAP – the environmental criteria here still apply.
2.4 Environmental Responsibility	Rating to reach certification: 100% should be reached after 3 years as for the other chapters	TA, 01.11.10	100% TNP across all chapters must be reached from 2011 onwards
2.4.1, CP 2	M from year 2 not year 3	TA, 01.11.10	corrected
2.4.2, CP 3	Biofuels, i.e biodiesel shouldn't be mentioned because of their negative ecological and social impacts during production.	TA, 01.11.10	corrected
2.4.2, CP 5	Eco-fuels, i.e. biodiesel shouldn't be mentioned because of their negative ecological and social impacts during production, same as with biofuels.	TA, 01.11.10	corrected
2.4.3, Explanation text (b)	Land clearing before certification: the time frame should be increased from 5 to 10 years.	TA, 01.11.10	Discussed in technical committee and set to 10 years
2.4.3, Explanation text (b)	The 10 years should also apply for aquatic ecosystems	TA, 01.11.10	Discussed in committee and not changed
2.4.3, CP 3	Protection of threatened or endangered species of flora and fauna and threatened habitats. Add fungi, i.e. Protection of threatened or endangered species of flora, fauna and fungi and threatened habitats.	TA, 01.11.10	done
2.4.3, CP 6	(2) carried out in accordance with national/local legal requirements; Add behind requirements "and with the assistance of an environmental expert. Compensation payments are made.	TA, 01.11.10	Was added, but with restriction that these provisions only apply to substantial land clearing
2.4.3, CP 7	M should be that GMOs are not allowed in the entire production system	TA, 01.11.10	This is very difficult to verify with regard to inputs. Committee decided to maintain CP as is.
2.4.3, CP 9	Biodiversity (diversity of habitats, flora, fauna and microorganisms) Add fungi (they constitute an extra kingdom with systematics and are often forgotten.	TA, 01.11.10	done
2.4.4, CP 3	Should be M from year 2 not 3	TA, 01.11.10	done
2.4.4, CP 3	Add as last sentence of (2): "The final or semi-final waste deposit areas on the land of an operation must have been identified and designed in a way that is technically suitable for the final deposit or processing of both organic and inorganic waste through an evaluation of site characteristics, the volume and type of waste to be eliminated or treated and potential impacts".	TA, 01.11.10	This was added in guidance text in last revision version to help inspector assessing whether practices are responsible enough

4.5 FAIRTRADE CRITERIA

2.5 FairTrade Criteria	Comment - Details	Who	Final Version Feb 2011
Fair Trade Criteria for Hired Labour operations 2.5	Agree with the criteria for use and documentation of use of premium.	11/28/10 NB	---
2.5 Fair Trade	<p>Because Global Exchange's Fair Trade Campaign has reservations about the applicability of Fair Trade certification to hired labour operations, and we also have a lack of technical expertise in this area, we have not done a thorough analysis of the Fair Trade policies enumerated here.</p> <p>We do have concerns that there may not be adequate provisions in this section to guarantee that workers have a real voice, and preferably a controlling voice, in all decisions from the articulation of the operations' Fair Trade policy to the choice of representatives and decisions on use of Fair Trade premiums. Please also refer to our comments under 3.6.3 Premiums for producer groups, for more details.</p>	2/1/2011 AF	One important difference to other systems is that FFL includes an analysis of marginalisation and in many cases the FT target may be outside the immediate workers group and more focussing on the local community needs – therefore balanced and mixed premium decision are important in many project settings. Requirement was added that intended beneficiaries shall hold majority of votes after max 3 years.
Principle 2.5.2: The trading relationship .. (Same observation for Principle 3.4.6)	<p>(b) FairTrade producer companies are accountable trade partners for their buyers and work continuously on meeting the quality standards requested by their buyers.</p> <p>In order to keep fair, we strongly suggest to include a similar obligation for the buyer! (accountability must be asked from both sides, otherwise it is not fair).</p> <p>TB personal comment: Many FLO producers often claim that they are expected to respect rules on transparency, and controlled about it, but that they never get information on how the figures on the buyers side are! Since one of the IMO FFL objectives states that "Fair for Life goes beyond traditional fair trade by applying FairTrade principles also to relevant domestic or regional trade and by requiring ethical working conditions along the entire trade chain – FairTrade shall be "fair for all", I think that we must continuously work on this issue- This is one key place to enhance explanation on the principle, in order to be able to include concrete CPs in the corresponding modules.</p>	TB, 10.01.11	<p>In FFL the buyers have various obligations towards their FT suppliers. They are not obliged to open up their detailed pricing information per se, but must inform producers on market price developments and give sufficient information for informed price negotiations.</p> <p>Kept in mind when reviewing buyers obligations.</p>
2.5.3 (a), 2 nd	...the processing factory should undergo Fair for Life	TA,	Corrected to SR as long as under

dot, explanation text in italics, p. 30	handler certification, see criteria in module 4... Why shouldn't the factory be audited acc. to the hired labour standards without the FT points?	28.12.10	control of same company – as defined also in Module 1
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5. MODULE 3: PRODUCER GROUPS

5.1 ORGANISATION OF THE GROUP

Topic: Content – Module 3	Comment – Details	Who	Final Version Feb 2011
Organisation of the Group 3.1	Agree to emphasizing the voice/rights of producer group in representation and decision making	11/28/10 NB	--
3.1.1 Administration and Relations with Producers CP Point 3	We believe this section should favour small producers. Also, this section can be confusing for compliance because it combines multiple objectives. IMO may also wish to note that the maximum points in the column do not match the text.	AF, 2/1/2011	CP3- Changed that NORM 2 = that smallholders are given preference Max points corrected
3.1.1.1 Additional Requirements for Organized Groups - Control Point 1	Set-up phase should only be allowed at the beginning of Year 1, rather than extending all the way into Year 2 or 3.	AF, 2/1/2011	Decided by standard committee to allow the time frame for setting up the organisation – as this will need time if done participatory and shall not be just enforced by e.g. group operator
3.1.1.2 Additional Requirements for Contract Groups	(i) We have a number of concerns with the inclusion of contract groups here. Contract groups do not provide the level of technical and negotiating expertise, protection and participation for producers that organized groups /cooperatives do, yet they are considered in this module to have equal merit as organized groups. We encourage IMO to strengthen the protections for producers throughout this contract group section, since this group of producers do not own a cooperative with staff that are trained to ensure the producers are not exploited. (ii) We would encourage IMO to consider drafting the standards here to provide incentives, such as extra points, for the initiation of new farmer cooperatives. When talking to Fair Trade farmers, they stress the critical importance of cooperatives as the key provider of technical, financial, economic, and social services. If contract situations will be allowed, this section would be strengthened by encouraging the development of cooperatives.	AF, 2/1/2011	The rating system of Module 3 and the requirements do favour organised groups and give them much more flexibility than contract production settings with regard to minimum requirements. We agree that group operations becoming full cooperatives should be rewarded as it is a very positive development. We have adapted the rating slightly in this respect. In many project settings producers do not wish to take over more responsibility nor want to organise with fellow farmers.
3.1.1.2 Addi-	We are concerned about the language indicat-	AF;	Guidance strength-

<p>tional Requirements for Contract Groups (e)</p>	<p>ing that producers can delegate responsibility to the group operator. There do not seem to be adequate protections here that the group operator will not make the decision to usurp this responsibility without a democratic decision from the producers. Likewise, the language in this section that indicates that producers may explicitly not want democratic representation lacks adequate safeguards to determine whether the producers do not want democratic representation; as currently written, the decision could be made by owners or managers of the contracting organization. The protections are slightly stronger in 3.1.1.1 (d), but not strong enough even there.</p>	<p>2/1/2011</p>	<p>ened with regard to delegation of responsibilities and that this is then counterchecked in producer interviews. We always visit many producers in a group and discuss their actual trading conditions and voice in the group – so we trust we would see such a case.</p>
<p>3.1.2 Relation to farmers contract production</p>	<p>I do not agree that creating democratically elected farmer groups necessarily creates a better relationship between company and suppliers. Depending on the country/circumstance there can be an attitude that higher prices are required regardless of circumstance or quality and this creates needless tension. We canvass feedback from farmers in training sessions that include discussion/comment on pricing. However, we have found that some farmers have been disruptive and unreasonably demanding to the extent that other farmers ask that they leave the programme. To me it is better that the programmes are individual and voluntary and one builds individual self reliance to achieve goals. Our training programmes have 90 % attendance because farmers want to learn spending money on a farm</p>	<p>GH</p>	<p>In FairTrade there still should be well established means of communication between the group operator and the single farmers and a farmers representation organisation does help regular exchange and may even help to go deeper in discussion and have improved increased understanding of both sides.</p>
<p>3.1.2 Pricing and Producer payments (d)</p>	<p>Using the calculation of a minimum wage for each family member may not be adequate, depending on the local minimum wage. We prefer to see the living wage, as favoured in the hired labour context, as the standard. Moreover, it should be clarified that the wage must be in addition to, not instead of, the other costs of production.</p>	<p>AF; 2/1/2011</p>	<p>Some improvement in text to refer to basic needs wages, which does in fact include discretionary income. In more detail floor pricing of FT producer is in 3.6</p>
<p>3.1.2 #7 and 4.2.2 #1-2, #7</p>	<p>Once the systems for pricing have been clarified, we strongly recommend requiring that the prices paid to farmers be expected to be fair from the beginning by eliminating the two year grace period (3.1.2 #7 and 4.2.2 #1-2, #7).</p>	<p>20 Dec. 10; CKI</p>	<p>Included M from year 1 that prices may not be evidently below costs of production</p>
<p>3.1.2 #2, 4.1.1 #6</p>	<p>I would also encourage you to clarify when prompt payment is expected: within two weeks of delivery per 3.1.2 #2 or net 30 (4.1.1 #6).</p>	<p>20 Dec. 10; CKI</p>	<p>Reduced to 1 week</p>
<p>Chapter 3.1, sub-section 3.1.1, CP1, rating 3 Section 3.1.1.1 CP 3</p>	<p>These sections over-expose the producer. I suppose that it should be enough if the operator is able to demonstrate that the producers are getting a fair price and that any premiums paid are passed over to them. The producers may not have enough understanding of how businesses are operated and how profits are ploughed back in to the business e.g. for R&D. The producers may have unreasonably high expectations.</p>	<p>20th Dec 2010 EW</p>	<p>Producer representation organisation and producer empowerment is important in fair trade. In practice producer representation committees etc are also good to better learn from each other and even to have better,</p>

			more informed discussion on pricing. This requirement is not new, it always existed and was not changed.
3.1.4, CP 1	Is it logical to have MAX 3 instead of 2?	TA 04.01.11	Yes, rating 3 added
3.1.4, CP 6b	Why not an inspection each year? Most operations are organic certified and there has to be an inspection each year anyway	TA 29.12.10	Decided to increase control frequency to annual.

5.2 WORKING CONDITIONS ON PRODUCER FARMS

3.2 Working conditions farms	Comment - Details	Who	Final Version Feb 2011
3.2.1 Young workers	<p>Overall, this section is not completely in compliance with relevant international law. Under this section, illegal child labour should be completely prohibited from the date of certification, without exceptions.</p> <p>Also, children working on their own family farms or helping parents who are contract workers are not protected by these control points against hazardous work, being kept out of school, minimum age violations, etc, as required by international law.</p> <p>It is also somewhat confusing because multiple issues are addressed in individual control points.</p> <p>We also believe the standard should include requirements such as consequences for individual producers found to be using child or forced labour (expulsion?) and remediation for child and forced labourers who are discovered.</p> <p>Another widely recognized key component of a robust child labour monitoring system is to ensure that products are traceable to the farm level, and standards should ensure that this is the case.</p> <p>IMO might consider restructuring this section so that there is one “must” control point for <u>each</u> of the following stipulations outlined under international law, <u>AND</u> make it clear that all of these stipulations apply to ALL young workers, whether they are working on their own family farm, a neighbour’s farm, a contract worker, the child of a contract worker, or any other child present on the farm: (1) no workers are under the minimum age (2) young workers do not work more than the maximum number of hours</p>	AF; 2/1/2011	<p>After a 3 year search projects on social standards in agriculture according to all major social standards ISEAL SASA project resulted in recommendations for standard setting in agricultural small-holder settings – and Fair for Life followed these guidelines. Therefore, there is a clear distinction between children being contracted as workers, and children helping on their own family farms. However while the first is clearly prohibited, in the second case of course all conditions apply that you mention (only limited time, no hazardous work, not compromising school attendance.</p> <p>We have tried to revise the control points for better clarity and have set it as Minimum requirement that there are no substantial cases of child labour</p> <p>Products traceable to farm level – this is</p>

	for their age group (3) work is not hazardous and (4) work does not interfere with schooling.		guaranteed under FFL under the traceability requirement.
3.2.1 Young workers – Control point 1	This control point has a loophole that IMO might re-evaluate. The “must” control point that no contract workers under 12 are permitted can be undermined by giving producers the opportunity to make a plan with no end date instead. Instead, this should be a “must” control point from the date of certification.	AF; 2/1/2011	Child labour on family farms in a group situation is very challenging as no group wants or should be forced to immediately exclude the poorest producers who often do have child labour at least on their family farm. Changing mentality of thousands of farmers is not done overnight. The CPs were set to M level, but it is still acknowledged that progress to eliminate child labour completely may be gradual in order not to harm the position of working children and their families. We have now included a time frame for this improvement process.
3.2.1 Young workers – Control point 2	(i) We believe that the preamble to the section is stronger than the control point. The control point indicates that 14 year-olds may work 7 hours a day, but the preamble indicates that 7 hours a day is only permitted during school holidays. We support the policy in the preamble as stronger. (ii) The last phrase gives producers the opportunity to make a plan if they are in noncompliance. We propose that this option should be eliminated, and that certification should not be granted until the producers are in compliance with international child labour law.	AF; 2/1/2011	Wording in CP corrected according to guidance text. Improvement plan still permitted, but max. timeframe for gradual improvement set (2 years)
3.2.1. Young workers – Control point 3	Children of contract workers helping their parents should also be protected with “must” control points against hazardous work, interference with school, etc. Because control point 2 singles out contracted children for these protections, it may be misinterpreted in the field to offer these protections only to contracted children and not to the children of contracted workers.	AF; 2/1/2011	This CP was made an M as suggested.
3.2.1 Young workers – Control point 4	This control point needs “must” requirements in order to be in compliance with international law.	AF; 2/1/2011	Was made an M
3.2.1 Young workers – Control points 6, 7, and 8	To be in compliance with international law, hazards to young workers must also be prohibited, even if working on their own family farm. ILO’s Minimum Age Convention refers to work by children, not only employed children, so	AF; 2/1/2011	Was made M, refers now to young workers on both contracted and on own family farmers

	these protections are not limited to contracted children.		
3.2.2 Working conditions	We see that the forced labour requirement is not explained as thoroughly in the producer module as it is in the hired labour module, and has fewer control points. In the area of cocoa, forced labour is prevalent in the small- to medium-sized producer sector. IMO might consider copying the forced labour provisions from the hired labour section and including them here.	AF; 2/1/2011	Our auditors are of course trained to detect forced labour. Added a bit more explanatory text in the CP, analogue to Hired Labour
3.2.2 Working conditions - Control point 13	We encourage IMO to change the language and control points to encourage a living wage, consistent with IMO's policies for hired labour operations.	AF; 2/1/2011	This is for small or medium farmers paying their workers. We consider their position too weak to always guarantee living wages to their workers. However farm workers are explicitly also target group for FaiTrade premium projects.

5.3 LABOUR CONDITIONS ON GROUP

3.3 Working conditions farms	Comment - Details	Who	Final Version Feb 2011
3.3.2 Producer group staff – control points 3 and 4	We encourage IMO to change the language and control points to encourage a living wage, consistent with the IMO's policies for hired labour operations.	AF; 2/1/2011	Standard committee decided to leave requirements as normally producer groups have too little economic power to ensure in all cases living wages beyond minimum wage for all their workers. For any larger processing unit with higher number of workers, module 2 Hired Labour applies which requires living wages.

5.4 SOCIAL RESPONSIBILITY AND COMMUNITY RELATION

3.4 Community Relation	Comment - Details	Who	Final Version Feb 2011
	No new comments.		

5.5 ENVIRONMENTAL ASPECTS

3.5 Environmental Aspects	Comment - Details	Who	Final Version Feb 2011
3.4 & 3.5	Agree with social resp. and community relations environmental criteria	11/28/10 NB	-
3.5.2, CP 7	Should be a MUST	TA	Committee agreed,

		29.12.10	changed to M
3.5.2, CP 9	MUST should be (3)	TA 29.12.10	done
3.5.3, CP 5	Should be (1) most energy used is from high /medium emission sources... because renewables are low emission sources.	TA 29.12.10	corrected
3.5.3, CP 4	Use of biodiesel as fuel should be removed. This subject is very contradictive. In most cases energy plants are planted especially for this use on areas which have been cleared from forests, are needed for the production of food crops or on areas which are needed as barren land. We really should avoid to actively call for more use of biodiesel. Environmental NGOs will rightly criticise it.	TA 29.12.10	Removed as suggested
3.5.3, CP 5	Biogas: depends on the source. It's not good if the organic matter is bought in because the sources might be detrimental, i.e. valuable ecosystems are destroyed to produce organic matter for energy	TA 29.12.10	removed
3.5.3, CP 9	Should be a MUST	TA 29.12.10	Committee agreed, changed to M
3.5.3, CP 11	Should also include plants	TA 29.12.10	Corrected as proposed

5.6 FAIRTRADE ASPECTS

3.6 Fairtrade Aspects	Comment - Details	Who	Final Version Feb 2011
3.6.2 (d), 4.2.2	<p>Please ensure that there is a distinction between the collective agreements in relation to FT Premium accounts and the producers who contract directly with farmers in regard to FY Premium Accounts. Our company has 800 farmers over a wide geographic area with 10-15% of a village being in our programme. Village/community projects using FT Premium accounts are not appropriate. Our farmers prefer to be contracted directly with the FT Premium being part of their price.</p> <p>The ability to deal with small farmers individually was the reason we chose IMO. The imposition of collective price arrangements and farmer groups is also an ideological approach which should also have an alternative: dealing with farmers in a fair and co-operative individual basis. Representation will not improve this.</p> <p>Flexibility is also required for establishing fair prices with an appreciation that as investors in difficult and sometimes dangerous locations, companies have to see a return on capital and a measure for risk. It is a partnership between</p>	GH	There is no obligation for collective pricing, but for transparent pricing and for having a farmers representation organisation, which IMO does consider important. If producers themselves are not interested to organise, the organisation may be at a reasonably low level, with mainly being active with regard to premium use etc. If producers decide and are happy with the premium being paid as additional higher price to them, then this is permissible in group settings, but it must be justified and will

	<p>farmers and capital, but much of the guidelines are based on the assumption that farmers are taken advantage of. It can also be the case in the opposite. As foreigners we always have to fight to get a 'normal' price that is not inflated many times.</p> <p>How prices are set depends upon the market situation, the season, the quality; there are many ways of structuring a premium. We pay a premium to encourage loyalty to the organic and FT programme so that farmers are encouraged to participate. There are limits to what can be paid when the cost of production is higher in Kenya for example, than New Zealand, because of the farmer training and all the social capital costs.</p>		<p>be cross-verified during the audit.</p>
<p>Fair Trade Policy and use of Social Premium.</p>	<p><i>Concern paraphrased by Laura Johnson, inspector and approved by Monika Firl of Coop Coffees:</i></p> <p>"The decision of how the premium is applied should be up to the cooperative since they know their needs better than anyone. There should not be limitations for use <u>only</u> in social programs (i.e. clinics, schools) if that is not what is needed. Using the premium to invest in machinery or improvements in production or disperse among members of the cooperative may be the best use, but the language in the standard states that the premium should not be used for business purposes."</p> <p>In a recent audit Monika and I had a conversation about the wording of in the Fair Trade Policy, under the Fair Trade Buyer criteria. She felt very strongly about restrictions applied to the use of the social premium and I paraphrased the issue, with her approval. Separating the premium in a different account was acceptable, but her issue was with not being able to use it for business purposes, if that is needed most by the cooperative, or disperse it among the farmers.</p>	<p>MF 12/22/2010</p>	<p>The guidance text in 3.6.3 (a) explicitly permits organised producer groups to use the premium for business investments but this is not normally permitted for contract production operators unless the purchase asset is then owned by the Fairtrade Funds entity and hence the farmers.</p>
<p>3.6.2 FairTrade pricing (a)</p>	<p>(i) We believe that a fixed floor price is important because producers are at a bargaining disadvantage. We are pleased that IMO does not allow a floor price below the FLO price for commodities that are certified by FLO, however, we would prefer to see a fixed floor price for all commodities. We also do not believe that there should be an exception allowing the price to fall below the FLO price. (ii) We do not believe that it is suitable to use the assumption that 100% of production will be sold at Fair Trade prices, because it is so far from the reality. Not a single Fair Trade cooperative we have visited or heard of sells more than a fraction of their produce at Fair Trade prices. This policy can leave Fair Trade producers mired in pov-</p>	<p>AF; 2/1/2011</p>	<p>Presentation and calculation of Floor price was revised and changed considerably with more guidance given – and a calculation template will be provided. Since the programme is generic and also uniform global price setting highly controversial, the setting of the floor price does remain project specific</p>

	erty, rather than giving them a pathway out of poverty, which is the vision of Fair Trade. While we recognize the challenges in this particular provision, we wonder if there might be a better solution that takes into account real-world scenarios.		There is no longer the explicit assumption that 100% of sales are under FT conditions (although under Fair for Life this is not uncommon)
3.6.2 Fair Trade Pricing - Preamble and control points	We do not believe that it should be possible to adjust the price downward during times of low market prices. There is no more important time for Fair Trade prices than times of low market prices, when Fair Trade prices are truly a life-line for producers. Even during times of low market prices, the standards should require that the price cover the full price of production and enable farmers to meet basic needs.	AF; 2/1/2011	There is a strong argument of many producers against global minimum prices as in low price situations, they may sell so much less products, and in fact they would be so much better off if selling their entire production under slightly lower prices – if the overall income from sales is distinctly higher. Many producer groups are much in favour of a freer price negotiation.
3.6.3 Premium	(i) We are concerned that a requirement of 50% producer/worker is only recommended rather than required, and that it is not a higher percentage. While we have not made direct observations in the field in this area, we have seen field research critiques that demonstrate that there is a risk of abuse of power in Fair Trade premium committees. It seems to us that majority control should be in the hands of beneficiaries, as a requirement. (ii) Another critique of premium committees is that the producers/workers may be hand-picked by operators/owners to represent their interests with undue influence, that there may not be adequate representation of women even though they may be a significant percentage or majority of workers and/or producers. We would prefer to see stronger protections in this regard.	AF; 2/1/2011	Changed as proposed
FT Prices	We strongly believe that covering the basic costs of production, and providing enough to allow farmers to continue production, should be included as a MUST in the standard from Day 1, not after 2 years of operating within the Fair for Life system. Additionally, covering the “basic costs of production” is not a high enough aim for wages in a Fair Trade relationship. A Fair Trade payment should cover more than the typical cost for land, farming materials, inputs, and farm labor. Discretionary income must be included to allow for farmers to care for families and increase their economic well-being.	EO, 12/20/2010	It was added that from year 1 onwards the prices may not fall evidently below costs of production. Detailed calculation of costs of production and setting of floor price may take some time however.

3.6.2	<p>We are coming to believe that certifications should leave out pricing as it is too complex to effectively regulate. There are so many variables including what per cent of a farmer's income is derived from farming. Of that, what per cent is derived from the crop being certified, how much of that crop did he or she manage to sell into the fair trade market, etc.</p> <p>That being said, if this is to govern prices at all, the revisions look reasonable.</p> <p>The premium piece, however, is too complex and requires the operator group to show buyers all of their sales to calculate premiums, something that is not necessarily desirable. It also puts a burden on buyers to acquire lots of sales/financial data from operator group to determine the premium price. We would prefer a simpler model.</p>	RE Dec 14	<p>Texts on Premium revised to provide more clarity – also more guidance given on calculating the price.</p> <p>It was changed that producers must only inform their buyer ON REQUEST what they have done with the premium received from that buyer and must no longer inform their buyers on the total of premium received. But they must present this information in a premium report to IMO.</p>
3.6.4	<p>The introduction of 50% advance payment into IMO's expectations is a welcome addition. It was unclear, however, how these expectations relate to 3.1.2.2 #2 indicating a best practice of a 20% advance, as well as the caveat that the request for advance payment needs to be "justified" by the producers (3.1.2.2 #2). Any clarification would be appreciated.</p>	20 Dec. 10; CKI	<p>This requirement was the same in Version 2008. Pre-payment is by Fairtrade buyer to e.g. the cooperative with main aim to enable the group to purchase the products from producers and pay on time. 3.1.2.2 relates to payments of group operation to individual farmers – there prepayment of goods before they are even delivered is less common and socially not necessarily good as it gets producers into a debts situation.</p>
3.6.2, FairTrade Quality Including Premium	<p>Sometimes, like e.g. in Ethiopia it makes more sense to have an FT Premium Including because if it is paid extra the government will want taxes on that which will lead to less money for the beneficiaries. So, FT Premium Including should be allowed even if the group is not totally FT dedicated.</p>	TA 29.12.10	<p>Premium can be specified in accompanying documents, not necessarily in invoice- and coops do only need to account it internally – not on separate bank account. But the agreements should still specify the premium</p>

6. HANDLING OPERATIONS

Topic: Content – Module 4	Comment – Details	Who	Final Version Feb 2011
4 Standards for handling operations	Like seeing criteria for all aspects of supply chain	11/28/10NB	--
Introduction, paragraph 2 (also appearing on p4 of consultation draft)	“Fair for Life goes beyond traditional fair trade...” Using the catchphrase “going beyond fair trade” has become widespread in the commodities field, even though the catchphrase usually applies to only one or two characteristics of the certification scheme that are different than others. We have often found that many stakeholders, especially consumers, find this phrase misleading and confusing. This is especially of concern since many Fair Trade organizations do not see systems that include hired labour operations as going as far as Fair Trade at all. It would be more accurate to say that Fair for Life is different from some other Fair Trade certification systems or that it includes new areas of Fair Trade evaluation.	AF, 2/1/2011	We acknowledge this and have revised the sentence slightly to make evident in what aspects the standards exceeds present practice.
4.2.2 (pricing)	I am interested in how the fair price is ascertained. I notice that in 3.1.2 producer groups are required to pay individual producers prices that exceed cost of production. However, this is not made clear in the pricing discussion in 4.2.2. I understand it is inferred, I would recommend that it is made explicit in 4.2.2. This, to me, would solve the tension between not having a standardized minimum and having one that is arbitrary (see FLO)	ME 12/22/10	More guidance included now in Module 3 Annex I. Detailed answer to explain requirements also per e-mail.
4.2.2 Pricing (c)	(i) The language in this section is not entirely consistent with the language in the pricing section in the standards for producers, which may cause confusion and open the door to lower pricing. (ii) Handling operations are given several options to set pricing, however there should be a requirement that regardless of method of calculation, the pricing must, at a minimum, cover the costs of production/expenses and be adequate for both producers and workers to meet their basic needs and have some discretionary income. (iii) Clarifying this policy section is especially important because Control point 5 refers to it for clarification rather than internally explaining the requirements.	AF, 2/1/2011	Explanation replaced by reference to more detailed Annex 1 in Module 3
4.2.2 Pricing (e)	We do not believe that an exception should be allowed for the Fair Trade premium. Moreover, it is not clearly	AF, 2/1/2011	Premium calculation outlined in more detail in Annex 1 of Module 3.

	outlined what unusual circumstances would allow an exception, which creates a loophole that should be closed.		Exception only applies if market prices are very high and if overall very substantial premium amounts are being received -compare to FLO premiums which are not percentages, they are fixed amounts.
4.2.2 Pricing – Control Point 1	Fair prices must be required from the date of certification. Otherwise, the first two years of production, the Fair Trade label is misleading to the consumer, who expects producers to be receiving a fair price.	AF, 2/1/2011	M=1 now that at the very least in first year no indication that prices are below costs of production, and even in first year prices paid to each producer must be well above normal market prices, so they are fair prices.
4.3.0	Does this include workers in developed countries also?	11/28/10 NB	Yes.
4.4	In the case of a coffee roaster, would each warehouse and trucking company used have to be certified by IMO FFL? Seems like this would be unlikely, but is not clear to me.	M.E. 12/22/10	Detailed answer per e-mail to explain the situation 6.1.11
4.4.2 Requirements for registered handlers (b) point 6	The risk level system seems good idea	12/29/10 NB	
4.4.2 Explanatory text, (b) 3, p. 17	Is the acceptance of BSCI really OK? As far as I know are companies like Lidl also BSCI certified but the working conditions there are not that good.	TA 30.12.10	Took out explicit reference to BSCI as we lack practical examples for report quality.
4.1.1.	I wonder if there should be a control point here that asks the buyer to have transparency or require transparency from their suppliers (esp. In the case of FLO re-labelling and the fact that some FLO sellers we find keep the producer identification secret?)	KH, 30.12.2010	This is covered by the content in purchase agreements – no additional control point needed. Up to FFL traders to agree on this at their own terms with their suppliers.
4.2.2	-(c) - I wonder if the producer would not like to “have to” be completely transparent in the way this requires, esp for new buyers. Maybe we should add an exemption that producers can share with IMO only the Floor Price calculations, in the case of newer buyers or until the relationship develops further? I am not sure what the wording could best be here, but I think there will be push back by suppliers to do this in all cases	KH, 30.12.2010	Additional guidance text added to give producers more flexibility
4.3	Maybe there should be a statement added here that says something like that if IMO is under the impression that an operator is trying to opt for an easier audit by choosing an ‘alternative proof’ for SR, then we can refuse certi-	KH, 30.12.2010	It shall remain acceptable as FFL trader to choose lower minimum labour standards than SR as long as they are still effectively ensuring

	<p>fication or require additional proofs of SR? I am just thinking that we will begin finding cases of this as the certification grows, where larger companies/mandators, will to a cost/benefit and difficulty analysis of the perfect combinations they can put together that we would accept, which might allow them, for example, to be anti-union for their own company. Or some other such behaviour.</p>		<p>decent working conditions. The different social minimum standard applied will be displayed on their trader certificate.</p>
4.4.1	<p>Shall there be a statement that explains that registration of contracted processors or handlers may be covered within the certification/audit of the FFL Buyer or certain other Handlers?</p>	<p>KH, 30.12.2010</p>	<p>Included in guidance text in criteria b</p>
Introduction	<p>Great wording! I like it very much.</p>	<p>WOK</p>	
Page 6, CP8	<p>As this section refers to all handlers, including retailers with own brands, it may not be just to require such short trade chains and make them a control point (I know, it is also a control point in the current standard, but it has been debated frequently). Suggestion: (1) 2 or more intermediaries; no effort to minimize number of intermediaries (2) as few intermediaries as possible, depending on the position of handler within the supply chain This way, brand holders can achieve at least the norm if they try to minimize intermediaries.</p>	<p>WOK</p>	<p>Changed as proposed</p>
Page 7, 4.1.2, Introduction	<p>Rewording suggested to avoid the doubling of 'inform/information': 'They <u>provide</u> their customers with information ...' Same section: I suppose 'must' was not intended here (they may provide the name if they wish to, don't they?); therefore, the following wording is suggested: 'This <u>does not need to</u> include the supplier's names ...'</p>	<p>WOK</p>	<p>corrected</p>
Page 7, 4.1.2, CP1 (2)	<p>I do not know if 'if this is agreed in writing' is really necessary and useful in all circumstances. I would suggest saying instead 'if this is mutually agreed'. I think it would be acceptable if a) it really works in a trustful relationship and b) both parties agree, even if it is not in writing.</p>	<p>WOK</p>	<p>Changed as proposed</p>
Page 10, Introduction	<p>The sentence 'Typically the primary buyer is the importer who has the demand for the FairTrade product and negotiates the FairTrade Price and FairTrade Development Premium.' should be deleted. It is questionable if this is really the typical situation and</p>	<p>WOK</p>	<p>Sentence changed but example was kept in – as it seems important to better understand the term "fairtrade buyer"</p>

	even if it was, this sentence does not provide any additional information or guidance – it could rather be confusing to FT buyers which are not importers.		
Page 10, bottom (bullet point 3 of 5)	The term 'FLO social premium' is introduced. Is this identical to the FLO Fairtrade Premium indicated above (and also in bullet point 4)? If so, different terms for the same aspect should be avoided.	WOK	corrected
Page 11, top page, point d	The sentence 'Instead of defined all required aspects in each sales contract, some general requirements may also be agreed in writing in a Memorandum of Understanding (MoU) to which the individual contracts refer.' is unclear. Suggested change: 'Instead of <u>including</u> all required aspects in each sales contract, some general requirements may also be agreed in writing in a Memorandum of Understanding (MoU) to which the individual contracts refer.'	WOK	Sentence shortened, but I consider it important to name importer as example as the FT buyer – as defined in FFL and as relevant in this section is only the one buying directly from the producer operation. This is commonly the importer and it should not be confused with e.g. the processing company buying products directly from smallholder producers.
Page 11, top page, point e	The sentence 'The terms of pre-financing must be equal or better than the terms the FairTrade handler would receive if financing the money himself.' is unclear to me.	WOK	Improved wording. As also defined in other FT standards, interest rates may be charged for providing pre-finance, but these must be less or equal to the rates that e.g. the buyer would pay if borrowing the money from the bank in his own country.
Page 11, point g	I suggest deleting the sentence 'In evaluation of above aspects, the bargaining powers of both sides will be considered to some extent, i.e. in case a small scale FairTrade buyer purchasing from a large very socially committed hired labour producer, less "protection of the producer" by the buyer will be expected than in case of a FairTrade handler in Europe buying directly from a organized smallholder producer group in a remote area in the developing world.' as it is confusing.	WOK	Shortened the section considerably.

7. PROCESSING AND ARTISAN GROUPS

Topic: Module 5	Comment – Details	Who	Revision Feb 2011
Module 5	Unfortunately, much of what is laid out for agri-	EO,	There are already

	cultural producers does not translate into the artisanal context. In particular, the structure for calculating payment would not apply nor would most artisanal producers have access to 80% FFL inputs, indicating that most groups would have to negotiate exemptions from this clause.	12/20/2010	several processing groups under FFL – and in some simple products FFL certification also of handicrafts may be possible. We agree that it is a high standard and may be too high for many handicraft groups. But it is voluntary and from product labelling point of view origin of raw materials cannot be excluded entirely – we try to find adapted way and permit adapted labelling e.g. as “produced in a Fair for Life FairTrade certified workshop”
5.2 Sourcing of raw Materials	Should this read: “For a product to be certified FFL, all (not also) raw material.....”	12/29/10 NB	It was not meant to read as “all raw material”, but text is now revised.
5.2.1	Like 5.2.1 – very thorough	12/29/10 NB	
Page 5, top page, first bullet-point	Suggestion to apply stricter limits of maximum workers: ‘Simplified labour standards apply as defined in Module 3, chapter 3.3 for <u>up to 50 producers (including workers)</u> on site.	WOK	Decided to set max size for simplified requirements to 80 workers. Slightly higher maximum numbers are justified considering that the members fully own the production site and hence are “their own boss”
Page 4 and 5, performance indicators	The general concept and introduction to the chapter sounds fine. However, all important aspects described in sections 5.1 and 5.2 should be listed verifiable control points / performance indicators with normal rating system. They should also be part of the module checklist for artisan and processor groups.	WOK	Control points developed

8. WILD COLLECTION OPERATIONS

Topic: Module 6	Comment – Details	Who	Final Version Feb 2011
Page 4, CP1	Benefit sharing may not always be relevant or applicable, therefore an alternative wording is suggested: ‘...including adequate consideration of	WOK	Changed as suggested

	benefit sharing aspects’.		
Page 7, bottom, CP4 and CP5	This only refers to discrimination of women. It suggested formulating it more comprehensively (gender discrimination) so that it includes also potential discrimination of men. In wild collection, women are mostly more involved than are men – therefore it is important that both genders and their potential discrimination are equally considered. Same is relevant for CP5, because this is relevant to all collecting family members or a registered collector.	WOK	Wording adapted as suggested
Page 9, ICS, CP9	This is a major deficiency in many collection operations, but it is crucial for traceability. It should be an M indicator, at least from year 2.	WOK	Set as M
Page 13, CP8	Under (1) ‘not dangerous, partly unsafe’ is confusing wording. Suggest deleting ‘not dangerous’.	WOK	done
Page 14, CP15	It is unclear what ‘regular’ workers means – basically all year is too vague, I think. Suggestion: ‘working for more than 8 months per year’.	WOK	This is not done. Such workers are considered permanent workers in all CPs, but this section is about continuous employment. If workers are employed only for 8 month per year in many countries they cannot even have permanent status. Wording adjusted
Page 17, 6.4.3, introduction	I would suggest adding ‘genetic’ resources, because this is the most debated aspect in ABS and risks of biopiracy.	WOK	done
Page 19, CP2, explanation (1)	Contradictory explanation: either the collection area is not really known or well known but it can’t be both. Suggest deleting the first part (see edited attachment).	WOK	corrected
Page 20, CP9 Page 21, CP10	This CP must be an M indicator from year 1. Such land clearing cannot be allowed for any responsible operation.	WOK	done
Page 21, CP8	In a wild collection operation there is always a land ecosystem at least adjacent (even in the only aquatic wild collection I can think of – algae – these are littoral occupants, so collection has an effect on land ecosystems too. Therefore, I suggest deleting the last sentence.	WOK	done
Page 23, Eligibility criteria	I am still not very convinced how useful these criteria are for collection situations. With very few exceptions (I have seen one this year, but that is a rare exception) wild collectors are always marginalized groups of society and are eligible for FT. In addition, in almost all of Southeast Europe, Caucasus and Central Asia there is not such a thing as community land. It is almost entirely state land and collectors are no farmers but just workers who are	WOK	Still suggest to maintain the eligibility criteria, e.g. for wild collection in Switzerland a FT concept would be pre-requirement. Wording adapted better to Wild Collection situation

	contracted by collection operators or sub-group managers (sometimes intermediate traders). The wording of the eligibility criteria should at least be in a way as not to exclude them from FT. A slight change has been suggested (see attachment).		
Page 27, middle	I do not think that it is useful to allow premium investment in economic investment that has nothing to do with collection but farming – therefore I would strongly suggest deleting aspects like livestock purchase and fertilizer production – this can often be really detrimental to wild collection as well, so it should definitely not be encouraged. As mentioned earlier, collectors are often no farmers or only have small-scale home gardens. The situation in wild coffee is really an exception and in fact it is not 100% wild collection anyways.	WOK	done

9. MINING OPERATIONS

Topic: Content – Module 7 Mining	Comment – Details	Who	Final Version Feb 2011
Module 7	Love this addition!!	12/30/10 NB	--

10. TOURISTIC SERVICES

Topic: Content – Module 8 Touristic	Comment – Details	Who	Final Version Feb 2011
7.2.3	Emphasis on health & safety and environment good	12/30/10 NB	
Module 8 touristic services ... 8.1.4 protection on sexual explanation	Training of personnel: (0) No training of personnel conducted at all; (1) basic training of personnel; (2) good training conducted for personnel regarding the prevention of sexual exploitation; (3) exceptionally good training. I suggest a small change in wording: Training of personnel regarding the prevention of sexual exploitation: (0) No training of personnel conducted at all; (1) basic training; (2) good training; (3) exceptionally good training.	TB, 10.01.11	Changed as proposed.
Module 8 touristic services ... 8.3.2 community and 8.3.3	I suggest to include a CP related to the need to avoid that local community will lose its free access to natural resources because they are “reserved” for the tourists (e.g. to the beach, as it already happens for instance in many Caribbean islands)	TB, 10.01.11	Done; new CPs included in both sections.
Module 8 touristic services ... 8.3.4	CP 10 seems dangerous: they should NEVER keep endangered species (not even	TB, 10.01.11	Not changed.

animal welfare	with training of personnel)!		
Module 8 touristic services ... 8.4.3 ecosystem management	CP regarding location / construction of hotel: should be a must from the very beginning, since this is a very sensitive issue, causing conflicts for local community and landscape!	TB, 10.01.11	Changed.
Page 4, CP1	The word '(commercial)' should be deleted, because operators should take care that no sexual exploitation whatsoever occurs. This may need to include training of personnel (CP4 – see below). In some areas sexual exploitation especially of children is not necessarily commercial; they may be encouraged by their families or their environment to earn some extra money for their families by prostitution e.g. in hotels or through hotel guests with whom they get contact during their work in the hotel (e.g. Vietnam; Kenya, etc.).	WOK	Done.
Page 4, CP4	Training of personnel should be made compulsory. Therefore I would suggest making this an M indicator, at least as from Year 2.	WOK	Done. M indicator from year 2.
Page 7, 8.3.3	I think this section will need to be adapted in this module. E.g. TK as a control point is irrelevant in the case of tourism but other aspects such as efforts to hire people from local communities or indigenous groups is quite relevant.	WOK	TK taken out. Other aspects already covered.
Page 7, 8.3.4, Animal Rights	A separate CP should be included which details that operators must take care of the health of their animals, must assign animal treatment and care-taking to defined people, must train these in proper treatment of the species in captivity and must make sure that animal health is regularly checked by a vet and that adequate veterinary emergency treatment is made available when necessary.	WOK	Included as proposed.
Page 7, CP7, Animal Rights	This CP should be made an M indicator.	WOK	Changed.
Page 8, CP6, Guest Relations	Suggest including appropriate follow-up.	WOK	Done.
Page 9, CP3/4	Suggest deleting use of biogas / biodiesel due to controversial debate on production of these resources and resulting shortage of production of food supply / destruction of ecosystems.	WOK	Done.
Page 11, middle	I do not understand the sentence '... (not detailed project for use, rather overall scope of possible projects)'. Suggest deleting it.	WOK	Deleted.
Sourcing of raw materials missing	I think in e.g. fair for life Hotel we must look at their sourcing practices e.g. for local fish etc and ensure sourcing is as responsible and fair as possible.	FL	Adapted section added, similar to sourcing chapter in Module 5.

11. INTEGRATED PRODUCTION CRITERIA

Topic: Content – Module 9 Integrated Production	Comment - Details	Who	Final Version Feb 2011
Module 9	Good option to have this section	12/30/10 NB	
9.1.1, CP 4	MUST should be year 2, 4 years is too long to phase out such chemicals	TA 05.01.11	changed
9.1.2, CP 10	Why should areal spraying be tolerated for 3 years?	TA 05.01.11	changed
9.2.1, CP 3	MUST should be year 2, 3 years is too long to phase out such chemicals	TA 05.01.11	corrected
9.2.1, CP 5	Should be M=1, so that CP 6 doesn't need to become a M. Unlimited use of herbicides is not "fair for life"	TA 05.01.11	Changed as proposed
9.2.4, CP1	Operations should have an incentive to keep animals in a good way. Therefore these points should be either yes or no. If the keeping conditions are better than in the local context but still not as good as they should be but the operation gets 3 points then there is no incentive to make them better.	TA 05.01.11	Removed reference to local context
Animal Welfare	Is it sufficient to apply these control points for animals under FFL, e.g. Merino sheep, or do we need detailed criteria for certification	FL & WOK, 8.1.2011	Wording slightly changed that criteria will be evaluated in adequate detail using animal welfare specific organic standard principles in case of doubts

Summary prepared and comments added by Florentine Meinshausen, January 2011.