

Fairtrade Executive Team's (FET) HREDD Workshop, 7 October 2021

Notes by Tytti Nahi, Lead of Fairtrade's HREDD CoE

Participants: Xiomara, Marike and Aida/CLAC; Sanjeet/NAPP; Julie/FTCA; Dieter/FTDE; Karin/FTF; Peter d'A/FTNL; Sugumar, Tyler, Katharina/Flocert; Melissa, Andreas and Gudrun/FI; Janne and Tytti/HREDD CoE.

Melissa, welcoming words: The work on our strategic HREDD ambitions is at a point where we need deep listening and respectful understanding. Then, I ask that we move to action. We need to empower the people who'll do the detailed work.

Martin Farrell, external facilitator: I held preparatory calls with almost every participant and I heard high willingness to collaborate. HREDD-work is difficult, as tensions between North and South are deep and the distance between farmers and retailers is long. But you all want HREDD work to progress.

Key points widely supported by workshop participants:

- HREDD work is mission critical. In our Strategy, even a time commitment has been made, that new HREDD solutions will be piloted within three years of approving the strategy.

Mapping the risks and needs

- We need to study the risks and needs at both ends of the supply chain.
- Together with producers and their networks, we need to support identification of risks and root causes (such as poor purchasing practices) and articulate producer needs and responses: What are the typical HREDD issues for example in Latin American coffee and bananas, Asian cotton and tea, African cocoa and flowers? What do producers and supply chain partners need to start/continue the work of addressing those issues? This is done in our ongoing HER Mapping project.
- We also need to increasingly reach out to licensees, to learn about their needs and expectations, create more awareness of the causal links between purchasing practices and the risks identified by producers, and call for co-investment in the issues and solutions identified by producer. We must reduce the distance and build bridges between licensees and farmers.
- The financial and human resources available for this mapping and awareness raising efforts at PNs, NFOs and the CoE naturally influence the timeframes. Partnerships should be explored. We will maintain the focus of including and highlighting on the ground producer perspectives.

Services

- Risk assessment services need to be part of our HREDD services – and it is essential that they lead to action and co-investment, partnership and further mutual capacity building to reduce and remediate the risks. So licensees gain information about the risks and producers gain co-investment in addressing those risks. The core of our O2B must be the **response** to risks.
- O2B pilots should be done with committed supply chain partners. For example, we can pilot a risk assessment service with a company that agrees to invest at least 50k in mitigating the risks at the bottom of the supply chain.
- We want to start piloting new services, to learn from these pilots. There's no reason to hold back or delay. The energy is high among licensees right now. Pilots need to include capacity building for all participants, including producers and commercial partners.
- We need a package of offers to talk about with licensees and a description of Fairtrade's HREDD approach, to train licensees on producer perspectives and expectations, and influence what risks companies recognize and how they address these risks.

Standards

- Trader Standard review (just starting) is essential. We want to reach a balance between pressure on POs and traders and require fairer trading practices and more corporate accountability of certified traders, beyond traceability and premium payment. HREDD legislation can help us to strengthen the trader standard and tackle unfair trading practices – as we've always wanted to do.
- From SPOs and HLOs we already require some DD steps. This can be streamlined and adapted to DD wording. In upcoming standard reviews we need to shift the focus from compliance to outcome. This can motivate producers and traders to become more transparent about their challenges and willing to work with other supply chain actors.

- Our Standards will be an ally for POs and support them to stay fit for future and competition. In cocoa, the Africa Regional Standard forces us to consider additional DD requirements.
- Can some Standard requirements – eg remediation, which POs cannot and have no responsibility to do alone – be conditional on funding?
- Tools for appropriate standard implementation also need to be in place. These include, for example, producer support and auditor training.

General

- We need short, mid and long-term solutions to funding HREDD work by POs. Suggested solutions include: Licensees to fund O2B pilots and projects. Setting up HREDD fund, building on lessons learnt from our Covid fund, to attract public and private funding. Integrating HREDD costs into the cost of sustainable production. In preparation, we need to assess the resources that an SPO/HLO needs for DD process.
- Fairtrade exists to change trade – which also makes us well placed to work on HREDD. Poor purchasing practices are the main cause behind human rights violations in supply chains. So, changing purchasing practices in and beyond Fairtrade needs to be the focus of our action.
- We should tell stakeholders more about what we do on mitigation, prevention and remediation.
- It can help to overcome differences if we stop using abstract and dividing language (e.g., bottom up/top down) and start using concrete language.
- Let's explore partnerships proactively, so we can move forward faster – while recognizing the unique strength of our PNs.
- We want to become more agile. Piloting, for example, is important to learn and develop new solutions. We can't have all the answers before piloting. We want to become a learning organization. The key questions: "What's good enough for now, safe enough to try?"
- Nevertheless, as rightsholder engagement is central in our HREDD approach, we have to take producers' timeframes and realities into account and set realistic goals.
- We need to re-mandate and re-energize the HREDD WG and CoE. CoE leads and coordinates this work and the WG, seeking support from FET as needed. At minimum, CoE reports to FET twice a year.
- In the end, many workshop participants expressed being hopeful, seeing increasing alignment, feeling that we are moving forward. PN representatives expressed "Hope that next year we do concrete things" and readiness to "Go for it and learn".

Next steps:

- Update to and guidance from **CEO Forum on 18 Oct**

Expert work continues at HREDD WG:

- **Risk Mapping** Task Force met on 5 Oct and meets again in November. Key issues include the identification of needs by product and region, and the articulation of those needs via an online Fairtrade Risk Map.
- **HREDD O2B** Subgroup meets on 14 October.
- **HREDD Standards Task Force** meets on 29 October. Key issues include:
 - Create a fund for monitoring and remediation?
 - How can we estimate the level of effort and costs of requirements?
 - How can we best use outcome-based logic?
 - How can we sequence? Can we revise (existing) HREDD elements in all reviews?
 - Can we agree on a Roadmap for HREDD in Standards?

Other

- **Resources:** Standards unit resources are stable, HREDD CoE resources are decided by Fairtrade members and FET in coming months.
- **FET guides** HREDD work by receiving and commenting on biannual progress reports. Next progress report in January 2022?
- Marike will update Oscar/FTA.