

System Overview



ISEAL Community Member System Overview

Organisation Name	Fairtrade International
Year	2023
Version	1
1) The STRATEGIES our system employs to meet its sustainability objectives	
<p>Our global strategy is based on the premise that social and environmental justice are at the heart of sustainability, and relies on three key tenets: (1) Decent livelihoods are a human right, (2) Social justice drives sustainability, and (3) Radical collaboration powers deep impact. These tenets support four main areas of our strategy:</p> <p>Strategy 1 – Empowered farmers and workers by shifting the balance of power to farmers and workers, so they can build resilience to climate change, secure decent and sustainable livelihoods, and support women and young people.</p> <p>Strategy 2 – Growth and innovation through tailored solutions, new services, and expansion into untapped markets.</p> <p>Strategy 3 – Advocacy and citizenship engagement that unites with partners to drive policy action on power imbalances in supply chains, inequality, human rights risks, and climate change.</p> <p>Strategy 4 – Digitalisation for fairer supply chains, including maximizing physical traceability in our supply chains, as well as ensuring fair access to information for producers – and the ability to make use of it.</p> <p>We also look to the Sustainable Development Goals (SDGs), with a target date of 2030, as part of how we measure our contributions to achieving a sustainable world. By aligning our indicators with the SDGs, we unite our actions to a global movement that directly addresses inequality, and social and environmental justice.</p>	

Further details on our strategy are available in our [Fairtrade Global Strategy 2021-2025 presentation](#).

2) A description of the **STANDARD** that our system has developed

The Fairtrade Standards ensure fairer terms of trade between farmers and buyers, protect workers' rights, and provide the framework for producers to build thriving farms and organisations. They include a range of economic, environmental and social criteria that must be met by producers and traders in order to acquire or retain Fairtrade certification.

Economic criteria include the Fairtrade Minimum Price which aims at providing producers with a safety net against falling prices and allow long-term planning, along with a fixed Fairtrade Premium that provides farmers and workers with additional money to invest in improving the quality of their businesses and communities. Fairtrade also emphasises long-term trading partnerships and requires buyers to provide pre-financing to producers who request it, opening access to capital to help stabilise their operations.

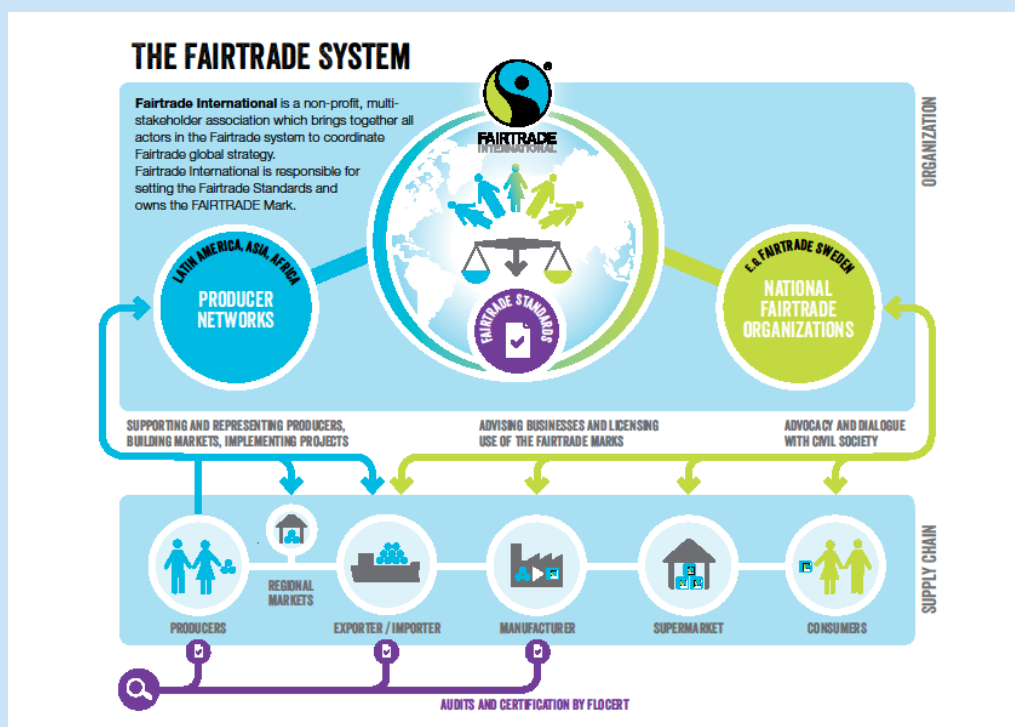
Environmental criteria emphasise ecologically and agriculturally sound practices, including responsible water and waste management, preserving biodiversity and soil fertility, and minimal use of pesticides and agrochemicals. Fairtrade prohibits the use of several hazardous materials and all genetically modified organisms (GMOs). Fairtrade does not require organic certification, but organic production is promoted and rewarded by higher Fairtrade Minimum Prices for organically grown products.

Social criteria for small-scale producers include requirements on democratic self-organisation (typically in cooperatives), participatory decision-making, transparency, and non-discrimination (including gender equity). In plantation-type settings where hired labour is the norm, our standards require companies to operate with non-discriminatory employment practices, pay rates equal to or higher than the legal or regional minimum wages, freedom of association and collective bargaining rights for the workforce, safeguards for worker safety and health, and facilities to allow workers to manage the Fairtrade Premium. Forced labour and child labour are prohibited under the Fairtrade Standards.

Product-specific standards are designed to address topics and issues relevant for production and trade of relevant products. Fairtrade also has a Trader Standard aimed at ensuring that businesses buying products from Fairtrade producers treat these suppliers fairly.

All [standards](#) are regularly reviewed to remain relevant to the impacts and outcomes intended. Via a strong inclusion of all stakeholders in standard reviews we ensure that their interests are continuously taken into consideration.

3) How we maintain **RESPONSIBILITY** for decisions taken about and by our system



Fairtrade International develops the internationally-agreed Fairtrade Standards, coordinates support for producers, and supports the international Fairtrade system. Members include three producer networks, representing the interest of producers in the Fairtrade system, and 25 Fairtrade organisations, which promote Fairtrade to business and consumers in the countries of sale. Fairtrade International owns the FAIRTRADE Certification Marks.

Members of the international Fairtrade system meet once a year at the General Assembly. This assembly combines 50 percent producer representation with 50 percent national Fairtrade organisation representation. There are also annual assemblies for each national Fairtrade organisation and the producer networks.

The Board of the international Fairtrade system, elected by the General Assembly and includes: (1) four board members nominated by the three producer networks, (2) four board members nominated by the national Fairtrade organisations, and (3) three independent board members.

Decisions about Fairtrade Standards are made by the Fairtrade International Standards Committee. Members are appointed and its [Terms of References](#) are approved by the Board of Directors. The Standards Committee ensures that decisions taken on standards take into account the views of all the relevant stakeholders and are in line with Fairtrade International's mission and policy statements. The standard setting process is managed by Fairtrade International's Standards and Pricing team, which publishes its annual workplan as part of good practice in standards setting.

The Oversight Committee, a subcommittee of Fairtrade International Standards Committee, is a multi-stakeholder group that meets regularly to define the assurance system and oversee the performance of certifiers and licensing bodies.

Please also refer to our executive summaries of the [Development of Fairtrade Standards](#), the [Development of Fairtrade Prices](#), and [Complaints against Fairtrade Standards](#).

4) How our system's design demonstrates a COMMITMENT TO IMPROVEMENT
<p>We are committed to keeping learning and improvement at the heart of our organisational development.</p> <p>Since 2014, Fairtrade has been systematically synthesising the results from research and monitoring to develop a better understanding of our impacts, and areas of relative strength and weakness. We integrate these results into our strategy, decision-making and planning processes. The Fairtrade monitoring, evaluation and learning (MEL) programme is key to understanding the outcomes and impact of Fairtrade and improving our approach. It is based on regular monitoring of certified producer organisations, combined with in-depth evaluations by external researchers.</p> <p>We regularly commission outcome and impact evaluations on various products and topics. These are led by independent research institutions with expertise in researching the effects of certification. We also collaborate in other ways with external research institutions to support research into topics of interest to us. Wherever possible, we publish the full results of evaluation research to support wider knowledge and understanding of the Fairtrade impacts and to hold ourselves accountable to where we need to improve.</p> <p>The Fairtrade MEL programme is guided by the Fairtrade MEL Working Group. This is a group of expert stakeholders drawn from across Fairtrade's member organisations, which has been meeting regularly since 2005. As part of Fairtrade's commitment to transparency and learning, we publish the results of our annual monitoring data collection, our commissioned evaluation research, and commodity briefings.</p> <p>Find full details of our approach in the following document: Fairtrade International Monitoring, Evaluation and Learning Programme.</p>
5) How our standard or tool is monitored and reviewed to ensure its RELEVANCE
<p>Fairtrade Standards are set in accordance with the ISEAL Code of Good Practice on Standard Setting. This means that the standards are set on the basis of consultations with the major stakeholders in the Fairtrade system. The standard setting process is managed by Fairtrade International's Standards and Pricing team, which publishes its annual workplan as part of good practice in standards setting.</p> <p>Our assurance system includes a set of rules for how certification and licensing must be done, a way to check compliance with the rules, and a committee with representation of all our stakeholders that decides if the certifiers and licensing bodies continue to meet Fairtrade's expectations.</p> <p>Fairtrade operates an assurance scheme with a limited number of assurance providers (FloCert being the main independent certifier of Fairtrade) all being either members or subsidiaries of Fairtrade International, ensuring alignment of mission. This model is the result of a strategic decision that for Fairtrade a mission-aligned scheme responds better to Fairtrade objectives, reduces risks and is more accessible for users.</p> <p>Stakeholders can participate in the assurance programme through their nominated representatives in the Oversight Committee. Stakeholders can also participate through the allegation and complaints system and via general feedback to the assurance programme through the email channel specified for it.</p> <p>For more information on our assurance system, please refer to the dedicated page on our website and to Fairtrade International Oversight Procedure.</p>
6) How the standard or tool is IMPLEMENTED

Fairtrade International is committed to support producer organisations in the implementation of the Fairtrade Standards, providing and piloting, notably through our three producer networks, the tools to support them do so.

Fairtrade uses third party audits as the basis for its assessment methodology. Independent certifiers audit producers, traders and companies to check compliance with The Fairtrade Standards, including that producers receive the Fairtrade Minimum Price and Premium. Most audits in the Fairtrade scheme are on-site, particularly all initial, renewal and unannounced audits are always on-site audits. Desk top audits may be used for surveillance and follow up of non-conformities. FloCERT is the largest certifier for Fairtrade, responsible for the certification of all producers and most traders.

Through our assurance system, we make sure our certification and licensing bodies operate effectively and independently to uphold the integrity of the FAIRTRADE Mark. For more information on our assurance system, please refer to [the dedicated page on our website](#) and to [Fairtrade International Oversight Procedure](#).

We use research and collect data to inform our work, enhance our standards and pricing system, and promote innovative solutions to the structural challenges that hurt farmers and workers in global supply chains. Find full details of our approach in the following document: [Fairtrade International Monitoring, Evaluation and Learning Programme](#).