

Oversight Committee Minutes

Extraordinary meeting 27: 15 July 2022 Teleconference meeting

Present:

OC members: Martin Boon, Martin de la Harpe, Marike de Pena, Richard Kwarteng, Sugumar Raman, Iresha Sanjeevanie, John Young (Chair)

Excused: Theresa Glammert-Kuhr

Fairtrade International Standards & Pricing: Eleonora Gutwein, Oksana Forkutsa, Gudrun Schloepker, Blanca Loaiza

Contributing Observers: Michael Kitetu (Fairtrade Africa (FTA)), Manoj Sankethi (Network of Asia & Pacific Producers (NAPP))

Disclaimer:

The Fairtrade International (FI) Oversight Committee (OC) aims to reach consensus, but decisions may not always reflect the opinions of all members.

Item 1 – Opening

The chair opened the meeting and stated that the quorum was met.

Agenda: The agenda was agreed upon unanimously.

Conflict of interest: A conflict of interest was identified, Martin de la Harpe did not vote.

Ground Rules:

The chair reminded the OC about the ground rules for the meeting:

- All confidential information shared within the committee is kept confidential and should not be circulated or disclosed outside the committee. This does not apply to public minutes.
- All decisions will be based on consensus whenever possible.

Item 2 – Exception to use Red HML material

Some hazardous materials have been moved from the Orange List of the Hazardous Materials List (HML) (restricted usage under special conditions possible) to the Red List of the HML (usage prohibited) as of June 30, 2022, and therefore cannot be used for Fairtrade certified crops anymore. During this meeting the OC decided on the exceptions submitted by Producer Networks (PNs) on behalf of Fairtrade certified producers for the use of materials listed on the Red List of the HML. The Oversight Committee was asked to decide on each exception individually according to the Fairtrade International Exceptions Policy v2.0.

Background and introduction to the topic

In July 2016 the Prohibited Material Lists (PML) was revised and the Standards Committee (SC) approved a new set of criteria and revised the HML which was published in January 2018. This list encompasses materials that are 'prohibited' by Fairtrade (red list materials), materials that can be used under restricted conditions (orange list materials) and materials that should be used with extreme caution (yellow list materials). The range of hazard criteria considered by the new HML is wider than the range of criteria taken in account in the former PML. The Hazardous Materials List includes materials that are identified as "highly hazardous" as defined in the Code of Conduct on Pesticide Management adopted by the FAO and WHO in 2013 plus active ingredients considered highly hazardous pesticides by the Pesticide Action Network (PAN). The Red List is a 'prohibited' list and includes highly hazardous pesticides that must not be used on Fairtrade products. In April 2020, following the monitoring review the SC approved a list of materials to be phased out and moved to the orange or red list.

Derogations for the use of hazardous materials were only possible until 2016. During the review of the Exceptions Policy in 2020 – 2021 it was found that it should be possible to allow and grant exceptions for the use of prohibited materials in exceptional and particular circumstances in a given case that make the full application of a Fairtrade Standard requirement or requirements contrary to the intention of the Standard or the mission of Fairtrade.

The Exceptions Policy mandates the Oversight Committee to decide on exceptions for the use of a Red List prohibited material, which can only be granted if certain criteria are met.

Exceptions and their evaluation

Phasing out hazardous chemical materials could result being expensive and put crop production at risk. The list of materials that were phased out as of July 1, 2022 includes chemicals that are difficult for producers to replace and phase out due to one of the following reasons: unavailability of effective alternatives, including alternative chemical solutions; specific climatic conditions; alternative solutions are economically not viable. The risks associated with phasing out some of the chemicals can be numerous, such as harvest loss, major risk to business in an unstable social-economical context already threatened by the Covid-19 pandemic and a very volatile market.

The Standards & Pricing Unit (S&P) has gone through and evaluated all the exception applications. The details of the applicants, the materials and summary of whether all the conditions of the exceptions were met were submitted to the OC before the meeting.

The applications are grouped into decisions from 1 to 6 on the use of individual materials, because the different materials would have different justification for the exception within the same organisation or product category.

The decision 1-6 include the following materials:

- Thiametoxam – Insecticide
- Abamectin – Insecticide
- Chlorothalonil – Fungicide
- Imidacloprid – Insecticide
- Lambda – cyhalothrin – Insecticide
- Glyphosate - Herbicide

During the meeting, the project manager explained each decision (1-6) indicating the characteristics of the materials, in which crops the materials are used, the reason why they are used, legislation about the materials in different regions such as UK and EU, the consequences in case of approval, the most common challenges to phase them out, the recommendations from PAN UK, etc.

Discussion:

There was a concern raised on why Glyphosate needed to be used for banana crops in just one country but not in the rest of the continent. It was explained that this country needs this material because of specific country climate conditions and that the Producer Organisation (PO) had done a good job looking for alternatives with external support but alternatives had not been found. The phase out plan and its monitoring was also discussed. The PO can use the phase out forms available on Fairtrade International's website to support this process. Also, as indicated in the Exceptions Policy, the Producer Networks (PN) would need to work together with the POs to support and monitor the phasing out of the materials in question. It was also raised by the committee that the progress made against the phase out plan should be audited, to ensure POs meet the deadline of the granted exception. The OC agreed to introduce a reporting requirement for the POs as a condition to the exception. POs would need to submit a biannual report to the assurance provider and the PNs. The progress would be checked during a scheduled audit and in case the progress is not in line with the phase out plan, PNs and S&P would be informed.

The committee agreed to grant exceptions for most of the chemicals for a 2 year period but no longer than 1st of July 2024 as presented by S&P, except for glyphosate, for which only a 1 year period, but no longer than 1st July 2023 was approved for weed control. It was also agreed to take a reactive approach in the approval process for upcoming applications, and the OC to delegate the decision making to S&P following the principles agreed in this meeting. The OC will be informed and in case of any issue, the OC members can raise a concern within 5 days after the decision is shared by S&P.

Decision 1:

The OC approved the exception for the use of the **Thiamethoxam** material as recommended by the S&P Unit for 1 organisation and declined the exception for 1 organisation (reason: incomplete application, can re-apply) according to the restricted conditions of the orange list (Group B).

Under the condition: Producer Organization to submit progress report every 6 months to respective Producer Network (PN). FLOCERT to check the latest progress report during a scheduled audit and inform PNs and S&P in case of not sufficient progress made.

The exception is valid until 1st of July 2024

The OC unanimously approved decision 1.

Decision 2:

The OC approved the exception for the use of the **Abamectin** material as recommended by the S&P Unit for 2 organisations and declined the exception for 1 organisation (reason: incomplete application, can re-apply) as according to the restricted conditions of the orange list.

Under the condition: Producer Organization to submit progress report every 6 months to respective PN. FLOCERT to check the latest progress report during a scheduled audit and inform PNs and S&P in case of not sufficient progress made.

The exception is valid until 1st of July 2024

The OC unanimously approved decision 2.

Decisions in block:

Decision 3: The OC declined the exception request for the use of the **Chlorothalonil** material as recommended by S&P for 1 organisation (reason: incomplete application, can re-apply).

Decision 4: The OC approved the exception for the use of the **Imidacloprid** material as recommended by S&P for 2 organisations according to the restricted conditions of the orange list.

Under the condition: Producer Organizations to submit progress report every 6 months to respective PN. FLOCERT to check the latest progress report during a scheduled audit and inform PNs and S&P in case of not sufficient progress made.

Decision 5: The OC approved the exception for the use of the **Lambda-Cyhalothrin** material as recommended by S&P for 3 organisations and declined the exception for 2 organisations (reason: incomplete application, can re-apply) according to the restricted conditions of the orange list.

Under the condition: Producer Organization to submit progress report every 6 months to respective PN. FLOCERT to check the latest progress report during a scheduled audit and inform PNs and S&P in case of not sufficient progress made.

The exceptions are valid until 1st of July 2024

The OC unanimously approved decisions 3, 4, and 5.

Decision 6:

The OC approved the exception for the use of the **Glyphosate** material as recommended by S&P for 13 organisations, and declined the exception for 2 organisations (reason: incomplete application, can re-apply) according to the restricted conditions of the orange list.

Under the condition: Producer Organizations to submit progress report every 6 months to respective PN. FLOCERT to check the latest progress report during a scheduled audit and inform PNs and S&P in case of not sufficient progress made.

The exception for weed control is granted for: 1 year (deadline: 1st of July 2023)

The OC approved decision 6 (5 votes in favour, 1 against)

The exception for devitalizing is granted for: 2 years (deadline: 1st of July 2024)

The OC unanimously approved decision 6.

Next steps:

- Report the decisions to the Standards Committee
- July - Aug 2022 - S&P to inform PNs about the outcome of the OC decisions
- July - Aug 2022 - S&P to inform FLOCERT about the exceptions
- Q4 2022 - PNs to develop transparent communication with the Producer Organisations (PN) about the exceptions granted
- Q4 2022 - PNs to work with Producer Organisations on a monitoring plan for the phasing out of the materials

- Improve application form (exceptions policy)
- PNs will act as filter and verify new incoming applications for completeness

To note:

- The process of granting exceptions to the Red List is different to the former derogation procedure (in place until 2016) and follows a strict process outlined in the exceptions policy.
- Exceptions will only be granted in special cases.

Next Meeting

The next OC meeting is scheduled for September 28, 2022 in Bonn, Germany.

The meeting was formally closed.