



Summary of Feedback and Response

Draft Capture Fisheries Standard 2.0.0

Version 1.0.0

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Fair Trade USA



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1. Introduction

Fair Trade USA is the leading third-party certifier of Fair Trade products in the United States. We enable consumers to make a difference with their dollar. We help people and the planet work in tandem so both are healthy and sustained. We provide farmers in developing nations the tools to thrive as international business people. Instead of creating dependency on aid, we use a market-based approach that gives farmers fair prices, workers safe conditions, and entire communities' resources for fair, healthy and sustainable lives. We seek to inspire the rise of the conscious consumer and eliminate exploitation. Learn more at FairTradeCertified.org.

Since the end of 2019, we have been in the process of revising our Capture Fisheries Standard (CFS) to help us better achieve our mission and vision of change. After going through multiple phases of consultation and drafting, we are excited to be sharing the final version of the CFS 2.0.0. This revision would not have been possible without the input and support from all the different stakeholder who participated in the process. We would like to thank everyone who provided feedback to create a stronger and improved CFS.

This document contains a summary of the key themes from the feedback we received on the draft of the CFS as well as Fair Trade USA's responses to the comments made. The document begins with a summary and response to higher level feedback and comments that are more general in nature. Then, we document the key themes from each module of the Standard. We also received many detailed comments not captured in these key themes and we have made many small edits not reflected in this summary in order to create an even more effective and clear Standard. Please review the Summary of Changes to the CFS 2.0.0 available on our [revision website](#).

2. HIGH-LEVEL FEEDBACK FOR FAIR TRADE USA

There were several changes made in the draft CFS 2.0.0 that sought to not only innovate the program, but also to clarify applicability and overall, make the standard more streamlined.

2.1. General Comments

A FTUSA field coordinator commented the CFS is comprehensive but could be harder to implement than the current one. Therefore, the Certificate Holder (CH) may need to have dedicated staff to its implementation.

Fair Trade USA response: We understand the changes made to the CFS may seem as if they increased the complexity of the Standard, however, most of the largest changes come from alignments with the APS, therefore from experience and existing supporting documents, we believe the implementation will be easier. That said, we are aware the successful rollout of the CFS 2.0.0 will require extensive and strong training and support for auditors, FTUSA staff and Certificate Holders to ensure proper implementation.

2.2. Scope of Certification

Internal and external stakeholders highlighted the lack of clarity on who are the groups the CFS is aiming to serve. It was pointed out that the issues faced by fishers can be very different to those of land-based



facility workers, therefore the current scope of the CFS could be too broad and might be making the implementation and growth of the program harder. It was suggested that we broke down the CFS into two separate Standards, one focused on land-based operations, and another one focused on at-sea operations.

With regards to not allowing third parties to be the Certificate Holder, the feedback was mostly aligned. Even though stakeholders saw the value of having a third party supporting with implementation, auditing cost, etc. they did not see why they would hold the Certificate when they had no direct participation in the supply chain. It was highlighted that allowing a third party to be the Certificate Holder could potentially increase the difficulties in implementation as there is no leverage to other market players.

Fair Trade USA response: Even though we support the idea of dividing the CFS into two standards, one for at-sea operations and one for land-operations, at this time, this division is out of scope of the revision. That said, the changes and division of Modules and criteria within the CFS will make it easy to transition in that direction in the future. Additionally, in order to narrow down the scope at this time, we will align with the APS scope. This means that any entity owned or managed by the Certificate Holder would fall under the Scope of the CFS Certificate. In cases where the Fishing Association is the Certificate Holder, and they do not own or manage the processing facility, then the processing facility would fall out of the scope of the CFS and under the Trade Standard.

Based on the feedback, we decided to no longer allow third parties to be Certificate Holders. Only entities directly involved in the supply chain will be able to hold the Certificate. Third parties will be encouraged as implementation partners and support to the Certificate Holders, especially when the Certificate is held by a Fishing Association.

2.3. Intermediaries

Multiple individuals commented on the importance of incorporating intermediaries into the CFS. Auditors commented the important role intermediaries play in providing loans and pre-financing for fishers. One of the suggestions was to have a more in-depth description and understanding of the flow of product and understanding of the supply chain at the point of application. A trader commented the scope of the program should focus on small-scale operations and focus efforts to the production itself. Including more complex supply chains incorporates more externalities and difficulties in implementation.

Moreover, there was some conflicting feedback with regards to including middlemen within the scope of the CFS. A Certificate Holder pointed out the difficulties of implementing the program at the intermediary level given that they were owned and managed by a separate entity and did not see the value of participating in the Fair Trade program. They suggested categorizing them as sub-contractors. On the other hand, an NGO pointed out that middlemen oftentimes are individuals with limited resources, therefore they could benefit greatly by including them as Premium Participants. However, in other cases middlemen can create negative power dynamics if included as Premium Participants.

Fair Trade USA response: We understand the changes made to the CFS may seem as if they increased the complexity of the Standard, however, there are many alignments with the APS, therefore from experience and existing supporting documents, we believe the implementation will be easier. That said, we will require extensive trainings as implementation begins to ensure outcomes are being met and the requirements are easily understood and adopted.

With regards to intermediaries/middlemen, given that these entities take ownership of the product, they cannot be considered as sub-contractors. Moving forward, we will include a request to 'map out the supply chain' at the moment of application. This will help define whether they



would have to fall under the scope of the CFS or the Trade Standard depending on the role they play in the supply chain. Moreover, we will be developing a Premium Participants guidance, similar to the one of the Agricultural Production Standard, which will help differentiate intermediaries which would and would not fall under the Premium Participants.

2.4. Critical and progress criteria

One of the major changes in the draft CFS 2.0.0 was the introduction of a progress point system. While the previous version of the standard did have requirements that progressed over time, the new model offers flexibility in the choice of certain requirements to determine a timeline that can be adapted for different operations. This model has been applied in the FTUSA Agricultural Production Standard (APS) since 2017 and has largely been viewed as a strong model, therefore it was adapted into the CFS.

Largely there was support for this new model. Those familiar with the APS were in support of the alignment of programs. There was some concern that in choosing progress points ahead of time, there is a risk that they do not work out favorably in an audit and this could be problematic.

Fair Trade USA response: Regardless of whether or not requirements are worth points or are critical according to a specified timeline, there is a risk of non-compliance. The corrective action plan as part of the audit process is key and still applies to progress criteria.

There was additional feedback that wanted to see more progress criteria, especially in specific modules.

Fair Trade USA response: FTUSA sees the value in this progress model and the flexibility it offers, and therefore, some changes will be made where possible to leverage the progress model on certain topics. Other topics were kept as critical that had more specific cadence.

There was some feedback that there is a need to clarify how progress requirements will be audited where there are legal requirements on those same topics.

Fair Trade USA response: This is the case for all of FTUSA's standards and we focus a lot of attention on training auditors for this specific reason. Largely, where the law is explicitly called out, the expectation is that these requirements, even if progress, are verified against the law.

2.5. Applicability, responsibility, and defining individuals in Certificate scope

A major goal of the draft CFS 2.0.0 was to clarify applicability and responsibility of compliance throughout the standard, specifically when it comes to different kind of labor breakdowns. It is the goal of FTUSA to have a standard that is applicable in both a smallholder and hired-labor arrangement, and the standard was structured in such a way to clarify responsibility and applicability in each of these different arrangements.

There was support that the framing of the standard does clarify applicability better, including support for the color-coding. There are some arrangements however, that were not initially considered. For the smallholder context, the definition of a Registered Fisher assumes that they own / operate their own vessel. This, however, may not always be true, even in a smallholder context. There are situations where a Fishing Association may own vessels as a group and loan those out to Fishing Association members. In this case, there is a need to clarify responsibility and whether or not Fishing Association members who do not own the vessels should be considered Registered Fishers or crew members.

Fair Trade USA response: A detailed scope guidance document will be published following finalization of the CFS 2.0.0 to offer support in defining individuals within scope. The main idea is that at the very least, the vessels are identifiable as those operated by Registered Fishers, and that they are registered lawfully. FTUSA has yet to run into this situation yet and will offer



guidance and support if this situation does arise, however the contents of the standard can be adapted for this context and no changes were made to the standard.

2.6. Operation size breakdowns

In addition to the progress point model, size definitions were determined for the different types of operation to allow for unique timelines that were more appropriate for different realities. Size definitions were determined for Registered Fisher crew sizes, fishing trip length, and number of employed workers. The crew size was in accordance with what was existing in the previous version of the CFS, the fishing trip length was determined based on research, and the size for employed workers mirrored the categories of FTUSA's APS.

There was mixed feedback on the operation sizes determined for the Draft CFS 2.0.0.

Crew size: Although there was mixed feedback with some support for this distinction, generally there were quite a few questions about the rationale on the crew size determination for smallholder vessels. In the current version of the CFS, there were only two requirements applicable in this context that specified a distinction where there were a significant number of crew members, which was namely to have written contracts versus verbal. The feedback that called for a difference was mixed between those who wanted to see more buckets of size differentiation in this section, different thresholds within the buckets, and those questioning the purpose of this distinction. Additional feedback suggested that the only critical requirement that differed in timeline between the two crew sizes could and should have the same timeline anyways.

Fair Trade USA response: As there is only one requirement that was of critical nature with a different timeline, based on crew size, and in the interest of simplifying, FTUSA decided to remove any size differentiation for crew and have the requirements apply universally regardless of crew size. Written payment-share agreements will now be required by everyone by year 1 at the latest and progress points allocated for crew with payment shares observing weighing of seafood will be for 5 progress points.

Pertaining to crew size, FTUSA asked stakeholder how common it might be to have different crew sizes within the scope of the same certificate. We questioned whether or not fishers targeting the same species with the same gear in the same region would range in crew sizes between small and large. Once again, there was mixed feedback, even within stakeholder groups there wasn't really consensus.

Fair Trade USA response: As mentioned in the response above, FTUSA is removing size differentiation for crew size as it was only applicable to very few requirements, only one of which was critical. Hired-labor fishers size differentiation is determined according to the aggregate number and is therefore not affected by this change.

Fishing trip length: Feedback was mixed on with regards to the fishing trip length, even within stakeholder groups. Some stakeholders suggested that the two buckets for fishing trip size was not enough and that there should be more, including one option for three buckets and one for four buckets.

Fair Trade USA response: This was one of the most common suggestions from those who provided feedback, however with a good number of respondents in support of the size differentiation, we are going to proceed with this classification for the time being. We also feel this reflects the type of criteria where it is applicable and suits the operations that are currently in the program well. In recognition of this being a new definition, we will revisit this categorization after a year of implementation to see how it is working and whether or not make revisions to this in the future.



Many of the suggested alternatives proposed the inclusion of other variables, multiple of whom suggested hold size / catch volume and number of crew on board. Stakeholders suggested that hold size and crew size would be two very good indicators of a vessels actual size, which would be an important factor when thinking about occupational health and safety requirements.

Fair Trade USA response: Initial research did consider both catch volume and the number of crew on board as potential options for size classification. The issue with these factors is that depending on the level of mechanization, gear, region, etc., there is an increased likelihood of mis categorization and inconsistency of applicability. Ratio of daily catch per fisher was considered as an alternative. The decision to go with fishing trip length was based on the fact that, as it pertains to occupational health and safety, how long they are at sea would be the biggest risk factor. The major differences between these two in terms of compliance really stem from a vessels ability to host fishers for an overnight trip. The issue in considering catch volume / hold size and the number of fishers is that it doesn't give us an indication of whether or not accommodations need to be made for overnight trips. As mentioned above, FTUSA will actively monitor this differentiation in the first year of implementation to see how it is working in application. We believe the current breakdown suits our currently certified operations well and will move forward for the time being with the proposed breakdown.

Another stakeholder pointed out that there was an absence of situations where there is no vessel involved. Module 5 was written very much with vessels in mind, and although it covers shore fishing, many of the requirements are not written clearly for this scenario.

Fair Trade USA response: FTUSA will be rewording part of Module 5 to be clear on the occupational health and safety expectations for fishing from shore. Largely we would consider these Short Fishing Trips and the Certificate Holder will be responsible to follow requirements for employer-provided housing for when shore fishing takes place over multiple days in remote areas.

One industry stakeholder mentioned how this definition is somewhat excluding some kinds of artisanal fisheries, more specifically those that go out for multi-day trips that aren't necessarily equipped as the standards demands, for example, artisanal fishers going out on canoes for multiple days. Additionally, another industry stakeholder needed clarity on what we are defining as a fishing trip and how trip length is determined, as this was not clear in the original definition.

Fair Trade USA response: We have clarified that fishing trips are to be determined based on continuous time at sea, not the time out and into the same landing site. We believe this distinction will help classify artisanal fisheries appropriately and clarifies how we are determining overall trip length.

Multiple stakeholders also questioned the rationale for the scope restriction and the consideration of vessels at sea for greater than 30 days as 'industrial'. Commentary also noted that there would be a lot of larger vessels that would have a mix of short and long fishing trips, and even those deemed out of scope would occasionally fall within the long fishing trip category. This commentary primarily was questioning the assumption that larger vessels are out at sea for longer, which isn't always the case.

Fair Trade USA response: As mentioned above, many of the requirements FTUSA was concerned about in this section were pertaining to the capacity for the vessel to host fishers for overnight trips, however that is not the only factor that determined how these requirements are laid out, and this commentary on the classifications is valid. Similar to what was mentioned above, FTUSA will closely monitor this breakdown to determine if it is helping to achieve desired outcomes



and will research the size differentiation further as the program develops and new types of fisheries in new regions are onboarded.

Number of employed individuals: This categorization is applicable to workers at land-based facilities in scope of the Certificate and operations with hired-labor fishers, rather than self-employed fishers. This differentiation is applied in Modules 4 and 6 of the CFS. We largely aligned this definition with what we had existing in FTUSA's Agricultural Production Standard as we felt it might be well suited. Hired-labor fishers are counted in aggregate, and for land-based facilities it is determined by site.

Almost all feedback was in favor of this categorization for employed workers. An auditor pointed out some key questions about the size differentiation, namely curious about how this is an indicator of fishery size and what to do in cases where not all fishers are Fair Trade fishers.

Fair Trade USA response: While good clarifying questions, this comment does not change our approach to operation size for employed individuals. For employed individuals, the criteria for which this is applicable are not based on "fishery" size. When thinking about size of operations, we considered what was more important for compliance, and for employed individuals, this centers around contracts and benefits. The other section this is applicable to is for occupational health and safety at land-based facilities, facilities which we find closely compare to those we have seen in the agriculture program, for which this classification has been largely appropriate. Additionally, in a hired-labor fisher operation, all fishers employed by the Certificate Holder must be within scope of the Certificate, therefore there is no situation where there is a mix of fishers that are not Fair Trade fishers. We feel that our justification for categorization according to the most relevant topic covered in this section are well suited for the categorization we have put in place based on the other overwhelming feedback and will be moving forward with this size classification for employed individuals in the final CFS 2.0.0.

2.7. Trainings

Throughout the CFS, there are a number of trainings required for different individuals within scope of the Certificate on topics ranging from general capacity building for smallholders, to occupational health and safety, to fisheries management. While these were present in the CFS 1.1.0 and have always been integral to the program, there were many new ones added. There was a question about what a Certificate Holder is to do if a fisher is not interested in the training and chooses not to join.

Fair Trade USA response: This is a particular concern for Registered Fishers, i.e. those who are part of the Fishing Association, as the hired-labor fishers should be trained during work hours and would paid regular pay rates for these trainings. For Registered Fishers who have no employee-employer relationship with the Certificate Holder, there may be a situation where Registered Fishers decline to join trainings, especially as they would not be compensated as the hired-labor fishers would. For capacity building trainings, language in the CFS has been updated to emphasize that trainings must be made accessible and reasonable effort shall be made to host trainings at times convenient for Registered Fishers. There will not be a non-compliance issued if Registered Fishers opt out of the capacity building trainings. For other required trainings, there must also be reasonable effort made to make the trainings accessible.

2.8. Women's Empowerment

A trader commented the importance on including gender disparity into the Needs Assessment, however raised concerns on requiring an assessment of this as it is a tricky topic, and it can have cultural restrictions. Multiple auditors suggested including a progress criterion to involve women in the fishing



process more officially, another suggested having a progress criterion to evaluate how to integrate women in the post-fishing activities. Also, the auditor suggested including women as premium participants.

Another auditor suggested creating a separate association for women, composed of fishers' wives, daughters, sisters and family in general. These women who carry out processing, fixing of fishing gear, or even a more active role in fishing activities could have a more organized structure to formalize their activities. Another auditor suggested having an analysis to understand the number of women hired, and the tasks they performed which were usually performed by men. A trader suggested doing outreach to women who could be interested in doing apprenticeships or obtain trainings on work associated with fisheries and commercial activities. Another auditor suggested including women in leadership roles in the Fishing Association.

An NGO mentioned the importance of having anti-harassment policies, as well as trainings and creating spaces for women to share grievances. Another NGO mentioned the importance of including maternity leave and child care, and segregated accommodation facilities. An NGO had multiple suggestions to increase women's empowerment. For instance, it was suggested to have gender transformative policies and research programs in place when women participate in fisheries. Also having routine data collection of gender disaggregated data. Also including women in the SET and granting them equal access to opportunities regardless of gender. Moreover, it was commented the importance of making sure women have access to social protections when they are unregistered workers, the temporary nature of their contracts of their participation in informal workforce to be evaluated, especially given higher vulnerability of women to health risks and food and livelihood insecurity.

Fair Trade USA response: We are very excited to see that many of the suggestions are already incorporated into the new version of the Standard. In order to strengthen women's empowerment, while being mindful of the potential cultural implications, we have added language to recommend the inclusion of women as part of the leadership of the Fishing Association. We have also included language to the workforce analysis, recommending employers to use the results in order to increase diversification and inclusion in the workforce, and its leadership. Moreover, we are now requiring the Needs Assessment data to be analyzed in a disaggregated manner, focusing on gender and workforce demographics more broadly. Finally, we included language to broaden the availability of trainings to include spouses, and more broadly other members of the community.

2.9. Worker and Fisher Surveys

Through the surveys to fishers and workers, it was asked whether individuals considered workers at processing facilities had good jobs. From the 19 individuals who responded to this question, they all agreed workers do have good jobs. From the 19, 17 thought workers make enough money to live, while 2 disagreed.

When asked whether workers at landing sites have good jobs, the majority of individuals (17 out of 22) responded they thought workers did have good jobs at landing sites, 6 others said they did not know. Their perception of whether workers at landing sites received enough money, 3 said they did not think they earned enough money, 14 said yes, they made enough money, and 6 did not know.



3. MODULE 1 – Empowerment

3.1. The Fair Trade Committee Meetings

Requirements around the FTC function were adapted to be more general to account for both self-employed and hired-labor fisher contexts. Many comments from partners highlighted some of the inconsistencies that needed added clarification to make sense in all contexts, particularly requirements that are the responsibility of the Certificate Holder versus those that are the responsibility of the Fishing Association.

Fair Trade USA response: Requirements in Module 1 about the Fair Trade Committee have been updated to clarify responsibilities between the Certificate Holder and the Fishing Association where the distinction was clear.

3.2. Grievance Mechanisms and the Fishing Association

The Fishing Association: During the public consultation, it was pointed out the importance of not only having grievance mechanisms between the Certificate Holder and the Fishing Association, but also include intermediaries and other entities that directly interact with the Fishing Association. A trader, a Certificate Holder, an environmental NGO, and a social NGO pointed out that it is very common for the Fishing Association to have issues with intermediaries as it is their immediate buyer, and not as common to have these situations with the Certificate Holder. They also highlighted the importance of having agreements and grievance mechanisms in place with all entities in the supply chain.

Moreover, multiple NGOs, and auditors pointed out that the most effective grievance mechanisms are developed through collaboration of the parties involved. Given that it is not common for Fishing Associations to have grievance mechanisms in place, it was recommended to push back the timeline for implementation of the grievance mechanism between the Fishing Association and the Certificate Holder.

An auditor, and an NGO pointed out the importance of having grievance mechanisms within the Fishing Association, especially when the captains and their crew members are part of the same Fishing Association. Given the potential novelty of this concept within the Fishing Associations, it was suggested this could be included as a progressive system.

Fair Trade USA response: The Fishing Association: Even though during the pre-consultation phase we received feedback that it was not FTUSA's place to include requirements on the way grievances between members of the Fishing Association should be handled, during the public consultation multiple stakeholders highlighted the importance for the Fishing Association to have a process to address grievances. We decided to include a requirement for the Fishing Association to incorporate a grievance mechanism into their internal rules by Year 3. This way the Fishing Association members will have flexibility to define the ways to raise grievances, what types of grievances to address, and process to address them. Additionally, we added a requirement to maintain records of their grievances and have a system to provide feedback on the grievance mechanism itself.

With regards to the grievance policy between the Fishing Association and other entities, even though we acknowledge the importance for the Fishing Association to have a mechanism to raise and address grievances with all the entities they interact with through the supply chain, we decided we can only mandate for the scope of this policy to include the Certificate Holder and the Fishing Association itself. However, we encourage the inclusion of other entities (e.g. intermediaries).



3.3. Bank Account and Legal Entity

All outreach on these topics was targeted at internal stakeholders. We received a lot of feedback that there were issues with setting up the bank account and having joint signatories, questions about the conditions under which a legal entity must be established.

Fair Trade USA response: The expectations of where the FTC needs to be at in the process of establishing a bank account remained the same as before in the CFS, namely that progress must be documented and this is required by Year 1 at the latest. Joint signatories are still required, however there is clarification about expectations if this is not possible in certain contexts. The conditions of the legal entity have been changed as well. In the CFS, there is now a Premium threshold that acts as a trigger for the establishment of a legal entity in order to protect not only communal assets purchased by the FTC, but the Premium earnings itself. Requirements pertaining to the legal entity and their responsibilities have also been strengthened and a supporting policy has been developed to clarify expectations under different arrangements and an accompanying compliance criterion against with non-compliances can be issued pertaining to the legal entity function.

4. MODULE 2 – Fundamental Rights at Work

4.1. General Changes to Module 2

Feedback was solicited from auditors, Certificate Holders, and the Certification team at FTUSA regarding policies and procedures pertaining to elements in Module 2. This was of particular interest for the future as we develop the Internal Management System, but was also revealed as an important element of remote auditing, which was needed during COVID, and may be leveraged in the future. Feedback was solicited on what the expectations should be for these policies and procedures at the Fishing Association level, and whether or not it was feasible at this level. Feedback was largely in favor of having these policies at the Fishing Association level, just with a staggered timeline to give the Fishing Association time to get organized.

Fair Trade USA response: As feedback was in support of this addition, we added one requirement to cover all policies and procedures that cover topics in Module 2 of the Standard. Sites with employed individuals must have this by Year 0, whereas the Fishing Association has until Year 1 to develop these.

5. MODULES 3 and 4 – Working Agreements & Conditions of Employment

5.1. Living Wage

In regard to what approach stakeholders would recommend Fair Trade USA take to improve hired-labor fishers and workers income, a majority of participating stakeholders were evenly split between recommending employers have a plan to move towards living wage, and increasing requirements around producer-buyer contracts to support increases in wages. There was some support for employers being responsible for, or local nonprofit/advocacy groups encouraging improved access to essential goods and services. Only one academic researcher suggested the single best option was to require that employers must pay a living wage outright.



Most stakeholders did not see any significant challenges with implementation of living wage requirements, though a couple mentioned the availability of approved benchmarks being a concern, and some questions as to how it might apply to workers in different roles or from different areas. Multiple environmental and social NGOs also stated the importance of supporting tools and trainings to facilitate implementation. There was very limited feedback on applying the living wage requirements to small operations specifically. Only one environmental NGO commented that it should be feasible as a Progress criterion as long as employers don't have to calculate the living wage benchmark themselves. Unfortunately, we did not receive any feedback on living wage requirements from Certificate Holders or employers, the entities that would be responsible for implementing such requirements.

Stakeholders were split as to the inclusion of fishers paid by payment-share systems in living wage requirements, with some supporting the inclusion and others worried it would be very difficult. Many offered ideas for how the wage calculation could be done and options for improving fishers pay in a payment-share system. One particularly interesting idea suggested was linking strategies for income improvement to improvement of the fishery stock, as this could increase catch and/or reduce the effort required. Others suggested living wage could be addressed in payment-share systems in a similar way that minimum wage is addressed, using a guaranteed base salary with catch bonuses.

Fair Trade USA response: As there was generally support from stakeholders for FTUSA's current approach of requiring employers to develop a plan to move towards living wage, we will maintain this concept. FTUSA also plans to continue to create resources for supporting conversations between Certificate Holders and buyers to support living wage improvement, and in the future consider requirements to be included in the Trade Standard for buyers. In the absence of significant feedback on the application of these requirements to small operations, and based on learnings from audits and broader discussions around requirements for small landing sites and middlemen, we have decided to make the living wage requirement Best Practice for small sites. These types of entities generally have more challenges with official documentation of wages and hours, and would face significant challenges in implementing the wage comparison analysis. After internal discussions we have also adjusted how the Living Wage Improvement Plan is to be developed and monitored, to allow more flexibility in the level of engagement of workers and hired labor-fishers. Internal staff were concerned that requiring the employer to jointly develop the plan with hired-labor fishers and worker representatives could potentially create conflicts with unions, and/or require employers to share confidential business information. We have thus changed the language such that employers must consult with hired-labor fishers and workers and inform them of the Living Wage Improvement Plan along with annual updates of progress or changes.

6. MODULES 5 and 6 – Working Hours and Occupational Health & Safety on Vessels and on Land-Based Facilities

6.1. Occupational Health & Safety

Fishers who responded to the survey mentioned they felt safe on board of vessels. With regards to safety at processing facilities, we asked workers if they knew what to do in case of fire or an emergency at work, or in case a co-worker had an accident. 100% of workers responded they did know what to do in either case. With regards to trainings, 90% of workers mentioned receiving trainings on health and safety at work, while 10% of workers responded they did not receive trainings.



In the existing CFS 1.1.0, occupational health and safety is covered under a sub-section, however, there is one requirement WWS-OH 1.1 which establishes “Work processes, workplaces (including any vessels, docks, landing sites, and processing facilities in the scope of the Certificate), machinery and equipment, and worker transportation are maintained to be safe, and equipped with adequate safety devices.”. Given that this compliance criterion had proven to be difficult and inconsistent to audit, we expanded the language for this requirement, and during the public consultation, we asked what topics should be covered under health and safety on aboard of vessels or at land-based facilities.

Multiple stakeholders suggested requiring all sites to have first aid kits, additionally, it was suggested to have PPE at docks when cranes were used to unload catches at landing sites, and suggested having anti-slippery surfaces. An auditor mentioned at a minimum, a first-aid kit, and lifejackets. An NGO added the importance of having flares, life rafts, general PPE, etc. available on vessels. An NGO, and auditor, and a trader suggested all individuals to have access to potable water and making sure there is an inspection system for the water quality. An auditor also mentioned the importance of including fire extinguishers, ventilation, lighting at landing sites, bedrooms and lunchrooms. Another auditor mentioned the importance of clarifying what is considered “safe” and what are the expectations around maintenance, improvement, and repair systems in all sites. An NGO and an auditor suggested carrying out a risk assessment to identify what are the risks on vessels, as well as providing trainings for crew before embarking on a fishing trip. Moreover, an auditor suggested including a mention of legally-required vessel inspections which can be also used to prove compliance for vessels which may be at sea during the audits.

Multiple stakeholders mentioned the importance of having appropriate storage areas for potentially hazardous materials. Moreover, it was suggested including rest areas at landing sites, and fire extinguishers.

Multiple stakeholders commented the language “machines and vessels are safe” needed clarification for its proper implementation. An NGO suggested making sure ventilation, sanitation in sleeping quarters, when applicable, and other elements included in ILO 188 should be included in the CFS.

Fair Trade USA response: With regards to access to potable water, this is already covered under Objective 5.2.2 for fishers, and Objective 6.2.3 for workers. First aid supplies are covered under 5.3.1.a, requiring adequate first aid supplies and access to medical services. The majority of the suggestions made are requirements which already exist within the Standard in different objectives. We are glad to know the expansion and clarification of our requirements did not raise any flags with stakeholders. The repetitiveness of the stakeholder’s comments in comparison to the requirements in the CFS suggest the question posed during the public consultation might have been misleading. We will have a strong emphasis on what topics are covered under occupational health and safety when carrying out trainings and general rollout of the new CFS2.0.0. With regards to the multiple mentions of lack of specificity in what is understood as “safe”, we added additional clarification in the relevant criteria.

6.2. Working Hours

Multiple auditors pointed out the lack of clarity on what is understood as ‘working hours’ at sea. The activities done during fishing trips vary significantly depending on the fishing gear, and there should be considerations of hours of transportation to and from the fishing grounds.

Multiple internal and external stakeholders suggested keeping logbooks of working hours on the vessel. Additionally, it was also mentioned the inclusion of dedicated rest areas on vessels for individuals to take breaks. An NGO pointed out that rest breaks and work schedule should be incorporated into agreements between the crew members and captains. Another suggestion was to ensure the size of the crew was appropriate to ensure fishers can rest appropriately. Auditors also highlighted the difficulty in implementing



the 24 hours of consecutive rest every 18 days of work on the vessels. Many fisheries have trips that last longer than 18 days and shortening the trips would increase the cost of fishing significantly.

Fair Trade USA response: With respect to the clarification on the definition of 'working hours', we included definitions of 'working hours', and 'fishing trip'. Additionally, we included as best practice to have a designated rest area on vessels that fall under the category of Medium Fishing Trip (between 48 hours and 30 days at sea). In addition, language about hours worked on vessels was more focused on rest period minimums rather than designated working hours. Even though we recognize the importance of having an appropriate rest area, we believe more research is needed in order to define a requirement on vessels given the differences of vessels that fall under the Medium Fishing Trip category. Additionally, we included a new progress requirement for captains to maintain records of the number of working hours during each fishing trip. This requirement will be best practice for short fishing trip vessels.

Finally, in the CFS 1.1.0 (WWS-CE 6.2), and in the draft CFS 2.0.0 (5.1.1.a), the working hours requirement for vessels established that "even under exceptional circumstances, hired-labor fishers and crew members receive at least 24 consecutive hours of rest after 18 days". Given that the scope of the program allows for vessels to be at sea for up to 30 consecutive days, we removed this language from the intent and clarification as it created confusion and was contradictory with the overarching scope of the program. This, however, was kept for workers at land-based facilities.

7. MODULE 7 – Resource Management

7.1. Data Collection

All the fishers who filled out the survey responded they collected data, understood the reason why they were collecting the data, and knew what the data was being used for. In response to what effort data should be collected under 7.2.2.b, an NGO recommended recording the number of days fished, number of sets (for example trap hauls, meters of net, number of hooks), time fished, catch per unit effort (CPUE) based on volume of catch per recorded effort. They also mentioned that effort might be a poor proxy for fishing mortality, particularly when comparing the impact of small scale and large-scale fisheries. Multiple stakeholders suggested recording CPUE, length frequency analysis, catch composition and information on total number of vessels and catch quantities. Other NGOs suggested recording effective time fishing, time at sea (days at sea), vessels fishing per day, species captured, weight on each species (at least an approximate), geographic locations of fishing grounds, and number of active vessels. An NGO mentioned that fishing effort by itself is not sufficient indicator for overfishing. They recommended using the PSA. However, they also suggested capturing days at sea, number of vessels, number of gears at sea, vessel distribution, spatial overlap of fleet with stock distribution. A trader mentioned that certified fishers are a subset of the total group therefore data of the wider group may be available, and it could be compared to the data collected by the certified fishers. Another trader raised a concern with regards to how to involve fishers that are not required by the government or are being remunerated, to report on catch data. They also raised the concern that without stock data, it is not possible to determine overfishing. Another NGO pointed out that effort metrics are usually very specific to each fishery, they suggested to keep the language broad, and mention more general metrics of effort (hours/days fished by number of vessels or crew etc.).

Fair Trade USA response: With regards to collection of effort data, given the range of fisheries Fair Trade USA works with, we believe the best approach is to keep the language in the compliance criterion broad and develop a separate guidance document to support fishers in



how to define their effort. The guidance document will be published during the transition period of the CFS 2.0.0.

With regards to fishery independent data collection, a trader mentioned the probability of obtaining positive results on data collection would depend on availability of compensation for fishers. An auditor and an NGO suggested leveraging collaborations with NGOs in order to collect fishery independent data. A FTUSA staff member pointed out that for some products, this might be challenging to implement unless there is a co-management system in place to support the data collection (e.g. government or academia supporting in data collection). An NGO considered unrealistic to expect a CH to effectively influence fishery-independent data collection from fishers outside the scope of the certificate. They suggested including a requirement for there to be fishery-independent data collection for the unit of certification and a requirement to encourage others to engage in similar activities (for example, through national policy or engaging in regional fishery management organizations). Certification of fisheries that have developed fishery-independent data collection processes (among other effective fishery management tools) may incentivize others to adopt similar practices. An NGO suggested the current approach to fishery independent data collection was not the right one. They considered fishery independent data to be a complementary source of data when a stock assessment needs to be refined.

A FTUSA staff member pointed out that requiring a citizen science program might be too hard for Premium Participants to implement, and it would only work if there are experts compiling data and analyzing it. An NGO and an academic also agreed that even though citizen science can bring in valuable data, requiring Premium Participants to account for the establishment of a program outside of their control is not appropriate. They suggested including citizen science in the potential activities that a community engages in once they have certification and a price premium fund for investing back into the community and environment.

Another NGO agreed with the value of a citizen science program, however, pointed out that in order for it to be effective, there has to be training to fishers on the importance of a program like this, and the value of their knowledge. If kept, they suggested leveraging the citizen science program to engage with other fishers and communities and share the value of the certification program. MSC suggested including citizen science as one of the options to collect fishery independent data. With regards to fresh water fisheries, an NGO pointed out that citizen science can depend heavily on the region and complexity of data collection, for example, remote areas, and levels of illiteracy could directly impact the possibility to carry out citizen science. Finally, another NGO pointed out that obtaining reliable fishery independent data from citizen science is challenging and would require extensive training.

Fair Trade USA response: Due to the importance of data collected independently from fishing activities, we will keep the requirement on collection of fishery-independent data as a progress criterion. Additionally, we included a definition of what is meant by fishery-independent data, add clarification of the flexibility of who can carry out this data collection. This included clarifying this task can be done by the Registered Fishers and crew themselves, and it does not have to represent a loss in income for producers.

With regards to the citizen science program, given the strong feedback on the level of difficulty this requirement will pose, we will keep the existing requirement, but turn it into a Best Practice requirement. This will allow us to introduce the concept into the Standard, train and educate individuals on its benefits, while continuing to allow certification of fishing groups who are not ready to develop a citizen science program.



7.2. Approach to Bait

The previous version of the standard classified all bait as secondary species. This approach is aligned with our goals when it's the fishers in scope of the Certificate catching the bait, but was not effective for the situations where bait is purchased and resource management responsibilities were not defined by anyone within scope of the Certificate. Stakeholders reflected this sentiment, agreeing that it is important to monitor and track bait, however classifying them as secondary species when purchased from a source coming from elsewhere, it was not feasible to implement these requirements. We decided to keep bait classified as secondary species in fisheries where bait is caught by fishers in scope of the Certificate, and introduced new progress requirements for bait that is purchased from elsewhere. These requirements focus on determining key characteristics of the bait, including the species, origin, and production type (wild capture or farmed), and then see that the sustainability of the bait being used is evaluated, and fishers switch to more sustainable options. There were no stakeholders opposed to this approach, however some mentioned that switching to alternative, more sustainable options will be very fishery dependent. There was also one stakeholder suggesting a more rigid timeline for tracking of the key characteristics.

Fair Trade USA response: We have decided to proceed with the approach proposed in the draft CFS 2.0.0 in the final version. We will maintain these as progress requirements as the difficulty of meeting these requirements will be very fishery-specific, but we want to encourage these requirements to be met as early as possible. Some guidance has been added to clarify expectations around switching to alternative, more sustainable bait options.

7.3. Overfishing & Stock Health

Largely, there was support for the new method of shifting to a model that was more focused on responsible fishing practices rather than the overfishing status of fishers within scope of the certificate. While these requirements remained in the draft version, stakeholders agreed that this was nearly impossible to adequately measure, and that they support evaluating the fishing methods and responsible practices as a proxy.

Fair Trade USA response: FTUSA largely agrees with these comments, and upon further discussion internally and externally, we decided to delete the requirements that there was no overfishing of primary/secondary species by fishers within scope of the Certificate in recognition that this was not an effective indicator given the scope of the Certificate.

FTUSA posed several questions in relation to the altered approach with respects to holding fishers accountable to responsible fishing practices, and what that looks for a group of individuals who are not the only group impacting the stock. A specific requirement sees fishers' harvest control measures evaluated according to whether or not the stock was improving. Largely the feedback questioned the fairness of having fishers evaluated on the stock if they are only having a small impact and are fishing responsibly in comparison to others on the stock. Many alternative options were proposed, such as exempting fisheries that represent a specific, small proportion of the fishing pressure from these requirements.

Fair Trade USA response: FTUSA largely agrees with this feedback, and in order to better accommodate the reality of the fisheries, clarification was added. In the absence of a clear method for determining whether or not a subset of fishing pressure on a stock is healthy relative to others fishing on the stock, the flexibility added requires fisheries to document the reasons for which they believe their harvest control measures may not be working and illustrate how others fishing activity on the stock may be hindering overall recovery, despite their efforts. We hope over time methods can be developed to better assess a subgroup's effect on the stock,



but in the meantime, we want to encourage fisheries to be aware of possible reasons for which their efforts may not be working, and to make this a focus of co-management efforts.

During the consultation, FTUSA also solicited feedback on the timelines between primary and secondary species, specifically how the draft aligned the timelines around the requirements for determining overfishing status and implementation of harvest control measures. There was a lot of mixed feedback with some in agreement with this approach, but several stakeholders were concerned with varying accessibility of data for secondary species and how, specifically, fulfilling requirements to determine overfishing status in a data-limited fishery with a large number of secondary species could be limiting.

Fair Trade USA response: In response to the feedback above, we decided to make some key changes that we feel balance our expectations around secondary species. Specifically, we shifted the requirement to determine overfishing status of all secondary species to be a progress criterion so that in fisheries where this is easier, they can do it earlier on and for those that find it more difficult, they have the full 6-year certification cycle to come into compliance. However, as we do want to ensure there is some indicator of secondary stock status, we have separated out a new requirement that at a minimum, a Productivity Susceptibility Analysis must be completed for secondary species by Year 1. This was also reflected for primary species, however the overfishing status is a critical requirement that must be met by Year 3. Although there were some concerns about the harvest control measures for secondary species as well, we think is manageable by Year 3. These measures may change following once a more formal overfishing status has been determined if the stock is better or worse than revealed in the Productivity Susceptibility Analysis.

7.4. Ghost Fishing Gear

The Draft CFS 2.0.0 included changes to the criteria related to ghost fishing gear, with the goal to align with the collaborators of the Certifications & Ratings. We received confirmation from stakeholders that there is alignment with other Standards with respect to ghost fishing gear, SFW commented there is alignment between the two standards. The CFS's stepwise approach of preventing, mitigating and recovering ghost fishing gear, all based on the Global Ghost Gear Initiative, aligns with the other relevant Standards. This alignment between standards was also present for the ETP designations.

Fair Trade USA response: We are glad to hear stakeholders found the clear alignments with other Certification & Ratings collaborators on this topic. We hope the stronger alignment will facilitate implementation and

7.5. Waste Management

From the fishers who responded to the survey, 50% of them mentioned seeing trash in the water while fishing, or at the beach, while 50% of them said they don't see trash.

During consultation, we asked what could be implemented to reduce and eliminate waste being thrown overboard. An auditor considered the new requirements to be a positive improvement and adequate strategy to address waste management on vessels. An academic suggested requiring documentation of waste onboard, a trader suggested auditing the amount of waste that is returned to land. Multiple stakeholders suggested the creation of a waste disposal receptacles at landing sites for fishers to use when they land their catch. This would create accountability and encourage self-enforcement. An auditor suggested allowing use of Premium for smaller operations to develop a waste disposal area. Moreover, it was suggested to add areas where to gather the waste onboard.



Additionally, it was suggested by multiple stakeholders for the CH or FA to conduct educational programs on proper waste management, importance of waste management, environmental effects of poor waste management. An NGO mentioned their experience with the introduction of a rewards program to encourage the return of plastic to shore, they suggested creating a similar program to create visibility and incentives for fishers and vessels having proper disposal of waste.

Fair Trade USA response: Given the positive feedback received, we are excited to rollout and implement the new expanded requirements. In order to improve implementation, and address issues of waste being thrown overboard, we included of a new compliance criterion to require a designated area at landing sites to offload and properly dispose trash. With regards to the suggestion around education and trainings on waste management, we will incorporate more clarification to the relevant criteria and clarify the flexibility for the Certificate Holder or Fishing Association to carry out these trainings.

7.6. Climate Change

All of the stakeholders who provided feedback on this topic, including fishers and workers indicated there is a general expectation that the CFS should address climate change at some level. Multiple NGOs pointed out that many coastal communities are already experiencing the brunt of climate change impacts, and many of these have not contributed in any substantial way towards the problem. We received comments that including specific requirements on adaptation and resilience, might contribute to climate injustice by setting expectations on producers, which may be out of their hands, and result in blocking them from accessing markets. That said, we also received feedback from another NGO suggesting to include specific goals related to climate change and climate resilience, to be addressed through the Fishery Management Plan. It was suggested to incorporate existing tools to help define goals and develop concrete steps to address climate change and climate resilience.

Fair Trade USA response: We agree with the feedback received on the importance to incorporate this important topic into our Standards, and we appreciate the concerns raised on the potential to create climate injustice by incorporating specific requirements. In order to avoid this issue, we have decided to include the topic in a broad way, allowing for flexibility in its adaptation, and focusing on awareness, education and adaptation. We have incorporated the inclusion of climate change metrics, when relevant, within the ecosystem monitoring strategy. Moreover, we included a requirement for there to be defined goals dedicated to fisheries management, this allows for the inclusion of climate-related goals, while maintaining flexibility in implementation.

8. MODULE 8 – Transparency & Traceability

8.1. General Changes to Module 8

There was some feedback that questioned the reasoning for having the buyer submit estimates to the Fishing Association and that this may end up being unreliable. In the draft, this was also listed alongside the agreement which was misleading and could have been interpreted as more of a commitment rather than an estimate.

Fair Trade USA response: Initially the way the draft was written made it seem like this was meant to be very accurate estimates of the next season that would be included in the agreement, but was also indicated in a separate compliance criterion. As such, this was removed from the list required in the agreement in 8.2.2.a and is covered in 8.2.3.a completely separate from any binding agreements. This estimate is strictly for planning purposes and the estimates given are



not guaranteed to be fulfilled in the upcoming year. We also clarified that the estimate can be in the form of a percentage predicted to be purchased on Fair Trade terms, rather than a specific volume estimate, and can improve over time. This illustrates the purpose of this estimate further.

There was some confusion around how far the traceability system had to go, whether it was tracing each fish back to a specific fisher, a vessel in Certificate scope, or the Fishing Association.

Fair Trade USA response: FTUSA recognizes that the ability to trace back all the way to the fisher level may, in some cases, require very sophisticated technology that may not be accessible to all fisheries. As such, the main intent of this requirement is to trace back to a Fair Trade Fishing Association at a minimum, and recommends to trace back to an individual fisher. Additionally, if not tracing each final product back to an individual fisher, at the Fishing Association level, there would be records of how much each fisher supplied, even if they end up aggregated. The main intent, however, is to make sure that only product sourced from fishers within scope of the Certificate are sold at Fair Trade Certified™.

9. MODULE 9 – Internal Management System

The concept of an Internal Management System was in the CFS 1.1.0, however during the major revision, in alignment with other FTUSA categories, there was an entire section developed for Internal Management System requirements. Although at a high-level many of the concepts remained the same, the timeline was altered to sooner in the program and an exhaustive inspection process was included.

9.1. General Changes to Module 9

In general, there was a mix of feedback that pertained to the shift in timeline of the risk assessment to Year 0 and the introduction of an exhaustive internal inspection at Year 0 that includes a review of the entire standard. While there were many that were in support, even those in support did raise some concerns that it was a lot to ask so early on in the process.

Fair Trade USA response: While FTUSA recognizes this is a new, complex part of the standard, we also strongly feel it is in integral part. We largely see the elements of a risk assessment and internal inspections as steps that are already taken by applicants in order to prepare for an audit. We also strongly believe that this system is a mechanism to encourage organization of program management, which could lead to reduced audit costs, and is also integral to ensure ongoing monitoring between audits and on sites that may not be part of the audit sample.

Another area of concern was about implementing an IMS in a Fishing Association context, which a large number of vessels, owned and/or operated by fishers themselves. Requirements for internal inspection were of the main concern with respects to inspecting a large number of vessels and around roles and responsibilities between the Certificate Holder and the Fishing Association for these internal inspections. These sentiments were reflected by both internal and external stakeholders.

Fair Trade USA response: FTUSA agrees that this presents a lot of new challenges, and FTUSA is dedicated to providing clear guidance and supplemental materials to help partners visualize an IMS within their supply chains. As mentioned above, this is an integral element for monitoring compliance and setting up Certificate Holders and Fishing Associations for success. Additionally, in the CFS, procedures for the internal inspection procedure were pulled out into distinct requirements, one for sites with employed workers, one for sites for Registered Fishers to emphasize that the procedure may look very different for the different types of sites in scope of the Certificate. These requirements also list out important key elements relevant to the unique



procedures with the goal of clarifying distinct elements more specifically. Overall, the guidance document will be a key element to address these concerns.

9.2. The Social Engagement Team (SET) and Grievances

We received many positive comments from auditors and FTUSA field coordinators on the inclusion of the SET in the CFS. There were some concerns raised with regards to its implementation on vessels, especially on small scale operations. However, they also pointed out that many medium and large-scale vessels would most likely have systems in place to support the implementation of the SET. The overall feedback was that the concept of the SET was good, but its execution was difficult due to the lack of clarity in the role and responsibility of the SET. Multiple internal and external stakeholders pointed out the potential role the SET could play in ensuring compliance with the CFS and playing a more active role in the implementation (e.g., participating in the risk assessment and the Needs Assessment). Furthermore, multiple stakeholders highlighted the need for training to the SET to be aware of their role and be able to carry out their tasks successfully. Additionally, it was pointed out by multiple stakeholders that one of the difficulties in implementation of the SET was the lack of understanding and involvement of mid-management in the activities of the SET.

Auditors suggested the SET played a role in gathering feedback on the grievance policy and procedure and communicating it to management. This way involving the hired-labor fishers and workers in the revision of the grievance mechanism.

Finally, it was pointed out by multiple stakeholders the potential conflicts with the SET and unions.

Fair Trade USA response: Given the overall feedback, we have expanded and clarified the role and responsibilities of the SET to cover not only facilitating communication of grievance mechanisms, but also taking an active role in identifying non-compliances against the CFS. Moreover, we have included requirements for trainings for SET members on their roles and responsibilities and made them active participants in conducting the risk assessment. We have also included a requirement for a management representative to be part of the SET to increase management engagement and understanding of the value of the SET. With regards to the possible conflicts between unions and the SET, we decided to remove all mentions of unions and move the entire objective about the creation, roles, and responsibilities of the SET into Module 9: Internal Management System. This will help create a clear distinction of the roles and responsibilities of the SET, and disassociate it with enforcement of worker rights, therefore creating a clear separation from unions and worker-organizations.

Additionally, we included a compliance criterion requiring a system to be in place for hired-labor fishers and workers to provide feedback on the grievance policy and procedure. This aims to increase the trust from hired-labor fishers and workers on the policy and procedure, to increase the overall use of it. In this requirement, we included language so that the SET participates in the development of the process to collect feedback from hired-labor fishers and workers, and communicates it back to the employer.

With regards to the potential difficulties of implementing the SET in small-scale operations, given that all the SET requirements are best practice for small-operations, we do not envision issues in implementation.



10. ANNEX C

10.1. Premium Expenditure Rules

In the new version of the CFS 2.0.0, an Annex dedicated to Premium Expenditure Rules was incorporated, which expanded the requirements previously included as ECD-DM 2.2. During the public consultation, the overall feedback was positive. Multiple stakeholders agreed with the expansion and alignment to the APS and considered these changes will bring benefits to producers and help with the implementation of these rules. An NGO mentioned the Premium Expenditure Rules and the decision of allowing cash payments should be based on data, making sure communities do benefit more from projects rather than increases in income. However, they agreed that having a process where Premium Participants must plan, design and implement projects brings learning and empowering benefits in addition to the actual project itself. Another NGO agreed with the approach and suggested adding a percentage of Premium to be saved as an insurance fund to support individuals through difficult times.

We received positive feedback with respect to maintaining the requirement for 30% of Premium to be spent on environmental projects.

With regards to limiting cash payouts to a maximum of 50% of the total Premium, a trader supported the idea of having a limit and strongly agreed cash payouts should continue to be allowed. Multiple auditors also agreed on the limit of 50% cash payouts, they considered this threshold to be appropriate and continue to have funds to develop community projects. They also questioned how it is distributed equitable in realistic timelines, including expected documentation on distribution. A trader commented they agreed on limiting the percentage allowed for cash payouts, and highlighted that it would be equitable so long as the women in the workforce were directly involved in the projects and had a voice on how they Premium is used. An NGO also agreed with the maximum percentage allocated for cash payouts, and suggested involving the fishers on potentially changing this percentage through time (i.e. by Y3 the % to increase to 60%). There was one auditor who did not agree with the Premium Expenditure Rules, they commented the percentage allowed for cash payouts should be lower than 50% and it should be invested at a community level, focusing primarily on supporting communities. An NGO suggested incorporating a threshold for when Premium would be allowed to be cash payouts or not. Projects are costly to implement and develop, so if the costs of implementation are too high, it might be a better option to distribute money as cash. Another auditor thought it was a “double edged sword” as the benefits of cash payouts would strongly depend on what the money ends up being used for.

Fair Trade USA response: We appreciate all the comments, and are glad the overall feedback was very positive towards the expansion and clarification of Premium Expenditure Rules. We have decided to keep the 50% threshold for cash-payouts, given that any Premium expense needs to be tied to the Needs Assessment and a concrete need, we believe misuse can be prevented.

With regards to the participation of women in voting and choosing what Premium is used on, this is covered by the general structure of the Fair Trade program. If there are women as part of the workforce, they would have to be Premium participants, be represented in the Fair Trade Committee, and vote to choose what Premium projects move forward. Moreover, as mentioned previously, given that the Premium use is directly tied to the Needs Assessment, the potential misuse of funds is low. The use of the Needs Assessment directs the premium towards needs that were directly identified for the group of Premium Participants.

