



# Terms of Reference

## Research paper on the Fair Payment system put in place by the World Fair Trade Organization

Brussels, 23 March 2018

### 1. Background

Living Wage, living income and fair payment have been widely researched and there is abundant academic and technical literature on the subject. Over the last decade, more attention has been focused on the issue, not only in the European or American context, but also in the context of developing countries and in its relation to Fair Trade. Scholars Richard and Martha Anker have published "*Living Wages Around the World - Manual for Measurement*", which became a reference for the Fair Trade movement. The ISEAL Alliance, including among others Fairtrade International, UTZ and Rainforest Alliance, have created the Global Living Wage Coalition.

World Fair Trade Organization (WFTO) has been working on Living Wage for several years (at least since 2013) and established the Fair Payment Working Group that is tasked with creating a Fair Payment Policy (that includes Living Wage) and a Process to implement the policy. The Fair Payment process was adopted in 2017 and in January 2018, WFTO members entered the first phase of implementation.

Trade Fair Live Fair" (TFLF), a 3-year EU-funded project, is run by the Fair Trade movement. It brings together most of the European Fair Trade movement, including its two biggest families Fairtrade International and World Fair Trade Organization. In total, 31 organizations in Europe will take part in the project. The aim of the TFLF project is to increase awareness of sustainable consumption and production, in line with the United Nations Sustainable Development Goals (SDG's). The relevance of Fair Trade in the SDG's is clear: many SDG's are aligned to the 10 Fair Trade principles. The aim of this project is to specifically address the aspects of Responsible Consumption and Production (SDG12), being the transversal focus of the project, with specific attention to Climate Action (SDG13), Decent Work and Economic Growth (SDG8) and Gender Equality (SDG5). In this context, the present research will be funded by the Trade Fair Live Fair project and contribute to the overall effort in terms of research linking Fair Trade and SDG's.

The objective of the present research is to make the link between the work done by WFTO on Fair Payment as an example of best practice for the implementation of the SDGs (mostly SDG8). WFTO-Europe aims to present the WFTO Fair Payment process as a best practice to various target groups: citizens, policy-makers and companies (including Fair Trade business and WFTO members).

## **2. Description of the assignment**

### 2.1 Global Objective

The objective of the Terms of Reference (ToR) is to appoint an independent consultant to conduct an independent research on the WFTO Fair Payment process as a good practice to achieve the SDGs, and provide recommendations for its development and improvement to policy-makers, companies (including Fair Trade businesses and WFTO members), the Fair Trade movement (including TFLF project partners) and citizens in general.

### 2.2 Specific Objectives

The objectives of the research are:

- to analyze the WFTO Fair Payment policy and make it understandable for the general public (European citizens), allowing consumers to have a clear idea of what is behind Fair Trade purchases, demonstrating that Fair Payment should be part of the Fair Trade offer;
- provide key insights on how companies can ensure Fair Payment, by providing concrete examples from WFTO members (documenting negotiation processes for example), analyzing challenges and problems they could face in the implementation phase and providing recommendations on how they could overcome these problems;
- identify key recommendations for policy-makers (in the South as well as in the North), demonstrating that businesses can implement Fair Payment processes while remaining commercially viable, thus demonstrating that legislation surrounding Fair Payment or living wages is feasible.

### 2.3 Requested services

The consultant will undertake the following tasks:

- Reading the key documents about WFTO and on the Fair Payment policy and Process.
- Consultations with key WFTO members implementing the Fair payment policy and individuals responsible for its implementation.
- Consulting with relevant stakeholders. This includes among others: WFTO Fair Payment Working Group, the Fair Trade Advocacy Office

(FTAO), Fairtrade International, Traidcraft Exchange, Fashion Revolution and other actors in the Fair Trade movement, and beyond the Fair Trade movement (ex: ISEAL) if deemed relevant.

- Attending part of the conference organised by WFTO-Europe on 7-8 June 2018 and presenting the objectives of the research and preliminary findings (depending the progress of the work).
- Preparing a research publication to be distributed by WFTO-Europe.
- Presenting recommendations to policy-makers, companies (including Fair Trade businesses and WFTO members), the Fair Trade movement (including TFLF project partners) and citizens in general.

## 2.4 Required outputs

2.4.1 Preliminary findings report

2.4.2 Presentation of the objectives of the research and preliminary findings at the WFTO-Europe conference (7-8 June 2018).

2.4.3 Final report

2.4.4 Briefing document with recommendations to policy-makers, companies (including Fair Trade businesses and WFTO members), the Fair Trade movement (including TFLF project partners) and citizens in general.

2.4.5 Final presentation

2.4.6 Participation to a training / webinar

The consultant will work in close cooperation with the WFTO-Europe project officer (based in Brussels) and WFTO-Europe advisory group on Living Wage (various locations), which will provide support to allow interviews with members, technical expertise and data for the drafting of the research.

## **3. Expert profile**

Qualifications and skills:

- University degree or equivalent

General professional experience:

- At least 10 years' research and consultancy experience
- Experience in working with civil society
- Understanding business practices and international supply chains

Specific professional experience:

- Experience in working on the topic of Living Wage, Living Income, minimum wages, minimum price issues
- Experience in data collection, data analysis in the field of development studies
- Familiar with the Fair Trade movement
- Experience in presenting research to various audiences

Desirable:

- Knowledge of the Fair Trade movement
- Knowledge of other languages than English (French, German, Italian, Spanish or other European languages)

#### **4. Tentative timeline**

The starting date of the assignment is upon the signature of the contract: 30 April 2018.

The submission date of the Preliminary Report is 1 June 2018.

The submission of the Final Report is 30 November 2018.

An updated timeline will be agreed when the contract is signed. Failure to meet agreed deadlines will result in a financial penalty of up to 20% to the total eligible payment (see below).

#### **5. Reports**

The consultant shall prepare two reports (see 2.4). The reports should be written in English.

The draft reports should be submitted to WFTO-Europe contact person for review and comments. The consolidated comments from WFTO-Europe on each report will be submitted to the consultant within 10 working days. If no comments on the report are received within this period, the report is considered approved. The final payment will be made after the approval of the final report by WFTO-Europe.

#### **6. Submission of offers**

Interested parties in carrying out this assignment should submit offers by 18 April 2018.

The offer should include: a price, a short draft proposal (maximum 3 pages) on how the consultant plans to meet the objectives of the study and its timeline, (if possible) other examples of similar studies done (in English) and a CV of the consultant together with publications references.

The maximum total budget available (all taxes included) is EUR 8,000. The financial offer to be submitted by interested parties must be inclusive of all potential on-costs, such as sourcing data, material and the consultant own travels.

In case of questions, the main contact person at WFTO-Europe is Sébastien Leclef ([projects@wfto-europe.org](mailto:projects@wfto-europe.org)).