

Standards for Developed Country Sponsors

Introduction

The Fair Trade Software Foundation (FTSF) is a non-governmental and non-profit entity established to extend the principles of the Fair Trade movement into the IT sector. As a fair trade support organisation, the main objective of the FTSF is to facilitate the linkage between IT companies in developed and developing countries, customers and supporters, enabling them to work as a distributed team to create business opportunities across global markets and foster local innovation. The FTSF concept is based on co-development partnerships rather than sub-contracting or outsourcing.

Applicability of these Standards

These Standards comprise conditions to be met by IT companies based in developed countries (“IT Sponsors”) in order to receive accreditation from FTSF. The Standards are intended to ensure that the working relationship between IT Sponsors and their Developing Country Partners is conducted in accordance with Fair Trade Principles. Furthermore, they ensure that IT Sponsors enact working practices that are consistent with FTSF policies on working conditions and environmental sustainability.

References

FTSF bases its own [Core Principles](#) on the core principles of Fair Trade, as contained in the [Charter of Fair Trade Principles](#), adopted by the [World Fair Trade Organization](#) and [Fairtrade Labelling Organizations International](#) in January 2009.

When setting its Standards, FTSF follows certain internationally recognised standards and conventions, for instance, in regards to labour rights, those of the [International Labour Organization](#) (ILO). Where applicable, references are given to any external standards that FTSF follows.

FTSF requires that accredited companies always abide by national legislation unless that legislation conflicts with internationally recognised standards and conventions, in which case the higher standard will prevail. If national legislation sets higher standards on an issue than FTSF, the legislation supersedes FTSF Standards. The same applies to regional and sector-specific practices.

Structure

This document describes the requirements which Developed Country Sponsors must meet in order to obtain and maintain FTSF accreditation.

There is a series of minimum requirements with which the Sponsor must comply in order to become fully accredited and must continue to implement. Minimum requirements are those which aim to ensure that the benefits of Fair Trade are fairly and appropriately distributed throughout the supply chain; that the company and its workers have the potential for development and which enable FTSF instruments to take effect and lead to developments that otherwise cannot be achieved.

Some sections of these Standards also outline Progress Requirements, detailing continuous improvements that are considered desirable. These should be implemented according to a plan proposed by the company's management. A report on the achievement of progress requirements should be made available to FTSF each year as part of the company's Self-Assessment Report (see FTSF [Conditions for Accreditation](#)).

Scope

The degree of organisation, management and documentation required by these Standards depends on the size and capacity of the company; some of the critical standards are accompanied by guidance notes. FTSF may introduce further guidance and compliance criteria if required, particularly to assist smaller companies or start-ups.

FTSF aims to make its model as widely applicable as possible and, as such, it is not the intention of these Standards to prevent the accreditation of IT companies because of their lack of capacity at the start of their relationship with FTSF. Some aspects of the Standards must be regarded as fundamental in the sense that they are necessary to ensure transparency, progress towards wider performance improvement and the protection of human rights and customers. However, with certain provisions, some flexibility of interpretation may be possible in order to facilitate the accreditation of Sponsors.

As FTSF evolves, it is expected that revisions of these Standards will establish a more specific set of minimum standards to be met at initial accreditation by all Sponsors, irrespective of their capacity. On a case-by-case basis, FTSF may allow smaller companies, or those who for other demonstrable reasons lack the capacity to meet the minimum requirements at the first inspection, to be certified on the basis of a clear commitment to do so within a reasonable period of time. FTSF reserves the right to determine when such flexibility is appropriate and also when this cannot be sustained without undermining FTSF's fundamental principles.

Monitoring of Amendments

FTSF reserves the right to amend these Standards. Requirements may be added, deleted, or otherwise modified. Those who have to meet FTSF standards are expected to monitor updates distributed via the regular communications from FTSF to its accredited companies. FTSF accreditation ensures compliance with FTSF standards. Revision of FTSF standards may lead to a change in the requirements for FTSF accreditation. Those who wish to be accredited or have already undergone accreditation should monitor updates via FTSF's newsletters and website.

Definitions

Fair Trade refers to trade conducted in accordance with the [Charter of Fair Trade Principles](#) adopted by the World Fair Trade Organization and Fair Trade Labelling Organizations International in January 2009.

Developing Country Partners (“IT Partners” or “Partners”) are Small and Medium sized Enterprises (SMEs) (companies with up to 250 employees) operating in the IT sector, located in developing countries. They must work primarily with local talent and should be willing to adopt practices that will benefit the wider community where they are established.

Other compulsory requirements are:

- i) Demonstrable technical skills related to IT;
- ii) Proven track record in software development and project management;
- iii) Excellent financial record keeping;
- iv) Available human, technical and time resources to perform and complete agreed tasks;
- v) Strong commitment to principles of sustainable development;
- vi) Compliance with FTSF standards and monitoring requirements.

Developed Country Sponsors (“IT Sponsors” or “Sponsors”) are IT companies, located in OECD or newly industrialised countries, whose primary functions are IT services and/or software development. IT Sponsors will be the ultimate project managers and will be available to negotiate and have direct contact with customers. They should be committed to Corporate Social Responsibility and willing to participate in a new business model that creates shared value and promotes local innovation.

Other compulsory requirements are:

- i) Demonstrable technical skills related to IT;
- ii) Proven track record in software development;
- iii) Experience in project management for large-scale projects;
- iv) Demonstrable training experience is desirable. Willingness to provide training and share knowledge is mandatory;
- v) Excellent financial record keeping;
- vi) Available human, technical and time resources to perform and complete agreed tasks;
- vii) Strong commitment to principles of sustainable development; and
- viii) Compliance with FTSF standards and monitoring requirements.

Customers are the purchasers of the Fair Trade Software products and services.

Fair Trade Software is computer software and related services produced in accordance with FTSF's [Fair Trade Software Process Standard](#), available on the FTSF website.

Employees or Workers refers to all persons employed by the Sponsor or Partner, including migrant, temporary, subcontracted and permanent workers. This includes those not directly engaged in the production of software or provision of IT services, e.g. employees working in the company's administration.

Standards

| Requirements | Objectives and Guidance |
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| <p>1. Compliance with national law As Sponsors will be based in developed countries, it is considered that national laws already provide adequate safeguards to ensure protection of workers and respect for their rights. As such, FTSF does not produce its own standards in these areas for Developed Country Sponsors.</p> | |
| <p>1.1. At all times and in all its activities, the Sponsor company must comply with all aspects of national law in its country of operation, including provisions governing labour standards, the rights of workers, non-discrimination and protection of the environment.</p> | <ul style="list-style-type: none"> • Where the company is based in the EU, national law includes all relevant provisions of EU law. • Where national law requires higher standards than those set out in this document, the national standard supersedes the FTSF one. |
| <p>2. Commitment to Fair Trade Principles The ethos of Developed Country Sponsors must be compatible with the underlying philosophy and principles of FTSF and must include a commitment to corporate social responsibility and the core principles of fair trade.</p> | |
| <p>2.1. Corporate social responsibility is an integral part of the company's mission or policy statement(s). The company can demonstrate its implementation with concrete evidence.</p> | <ul style="list-style-type: none"> • In addition to its economic and financial goals, the company acknowledges and abides by its social responsibilities and specifically aims to enhance the empowerment and wellbeing of its workers, as well as to protect the environment. • Company directors share the aims and values of FTSF and its underlying philosophy and make it part of their corporate mission. • Senior management incorporates the FTSF concept into its strategic business plan. |
| <p>2.2. Senior management holds overall accountability for the implementation of these standards. Management will appoint a person responsible for fair trade matters (Fair Trade Officer) who reports to the CEO/executive management team. He/she is responsible for the overall co-ordination of the fair trade programme in the company and for ensuring all necessary communications with FTSF.</p> | <ul style="list-style-type: none"> • This is intended to lead to effective self-monitoring, which is more sustainable in the long-term. • The Fair Trade Officer must be of sufficiently senior status in the company to ensure that fair trade has an adequate profile within it. The person is not necessarily hired exclusively to carry out this task but may have other duties and responsibilities within the company. |

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| | <ul style="list-style-type: none"> • The tasks of the appointed person are to: <ul style="list-style-type: none"> ○ Act as a liaison between FTSF and the company regarding fair trade matters; ○ Ensure the development, implementation and monitoring of the fair trade aspects of the company work plan; ○ Co-ordinate effective complaint mechanisms for workers, workers' representatives, management and FTSF regarding compliance with these Standards. |
| <p>2.3. The employer has taken appropriate measures to inform all levels of the company about the FTSF concept.</p> | <ul style="list-style-type: none"> • 'All levels' should include senior and middle management, supervisors, workers and their representatives (e.g. unions, committees). • This is to ensure that the management at all levels, including supervisors, understands the implications of fair trade for the company's operations. • Depending on the size of the company, FTSF may establish indicators for relevant training. |
| <p>2.4. Management allocates time during regular working hours and provides other resources that are necessary for or conducive to the successful implementation of the FTSF programme.</p> | <ul style="list-style-type: none"> • These resources should include time, resources and space for regular meetings of the team(s) involved in the implementation of the FTSF programme and for officers and workers to perform their duties related to the FTSF programme. • Depending on the size of the company, FTSF may establish indicators for the frequency of relevant training and resources dedicated to it. |
| <p>3. Environmental Protection Adopting working practices that are environmentally responsible is a core principle of the Fair Trade movement. Improved environmental practices lead to greater sustainability, a safer and healthier workplace and community and lower energy costs.</p> | |
| <p>3.1. Management has overall responsibility for ensuring the Sponsor conducts its business in a way that is environmentally sustainable. Environmental protection is incorporated into its business plan and day-to-day activities.</p> | <ul style="list-style-type: none"> • Areas to be taken into consideration include waste management and energy efficiency. |

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| <p>3.2. To the greatest extent possible, electronic waste is disposed of in an environmentally sustainable manner at specially designated facilities. The company takes all reasonable steps to ensure that its electronic waste disposal does not cause avoidable air, water or soil pollution.</p> | <ul style="list-style-type: none"> • This may be achieved with the cooperation of external partners approved by FTSF. • As much electronic waste as possible should be recycled. • The company must do everything possible within a reasonable budget, based on its income and continuously make efforts to improve the sustainability of its electronic waste management. • Where no facilities for safe electronic waste disposal or recycling exist in the country of operations, this is a progress requirement. |
| <p>3.3. The company operates in a manner that is as energy efficient as possible.</p> | <ul style="list-style-type: none"> • This involves using electrical appliances and equipment with energy efficient specifications where possible. Examples include computers, peripherals, ventilation systems, lighting, etc. • The company must do everything possible within a reasonable budget, based on its income. As equipment is replaced over time, energy efficiency must be increased. • Employees should be informed of ways in which they can individually and collectively reduce energy consumption. |
| <p>3.4. Employees at all levels are informed of the company's environmental policies and the importance of environmental protection.</p> | <ul style="list-style-type: none"> • Depending on the size of the company, FTSF may establish indicators for relevant training. |
| <p>4. Relationship between the Partner, Sponsor and Customer</p> | |
| <p>4.1. Only the Sponsor has a direct relationship with the Customer, unless the Customer specifically expresses a wish to have contact with the Partner.</p> | <ul style="list-style-type: none"> • According to the FTSF process, it is the Sponsor who negotiates the terms of the project with the Customer, then proceeds to co-develop the required software application(s) and/or services with the Partner. • The Customer will only enter into a contract with the Sponsor – the Partner should not contact the Customer directly, unless the Customer requests it. |

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| <p>4.2. The contract between the Sponsor and the Customer stipulates that the software and/or services provided will conform to the FTSF Process Standard.</p> | |
| <p>4.3. The contract between the Sponsor and the Customer must require the Customer to register the project using the designated tool on the FTSF website.</p> | <ul style="list-style-type: none"> • This is essential to the monitoring activities of FTSF in verifying genuine participation in Fair Trade Software projects. • It also provides independent verification of the value of Fair Trade Software projects so the correct accreditation fees and premiums can be calculated. |
| <p>4.4. The Sponsor and the Partner conclude a contract for the co-development of the software application(s) and/or provision of services required by the Customer. The contract ensures that the completed software and/or services will comply with the FTSF Fair Trade Software Process Standard.</p> | <ul style="list-style-type: none"> • This contract shall include the nature and scope of the project, a description of the role and duties of each party and the price to be paid by the Sponsor to the Partner for work carried out (see 4.5). • The terms of the contract must be in accordance with this document and the FTSF Standards for Developing Country Partners. • The parties shall specify which country's law governs the contract. • FTSF recommends the use of the framework contract available on its website. Should the parties not agree to this, FTSF can provide guidance on whether alternate contracts will be likely to meet with its standards. |
| <p>4.5. In all subsequent stages of the process, the Sponsor takes the lead but shall seek the meaningful participation of the Partner at all times.</p> | <ul style="list-style-type: none"> • The FTSF concept is based on co-development partnerships rather than sub-contracting or outsourcing. • While the Sponsor may delegate tasks to the Partner as it deems appropriate, the Sponsor shall consult with the Partner at all stages of the design and building process and take their ideas into account. • This ongoing consultation process shall be included in the Sponsor's project planning and documented in such a way that the meaningful participation of the Partner can be demonstrated to FTSF. |

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| | <ul style="list-style-type: none"> • Delegation of tasks must be done in such a way that the completed software application complies with the FTSF Fair Trade Software Process Standard. |
| <p>4.6. The Sponsor engages in continuous training of the Partner’s management and employees at all stages of the software production process to ensure the transfer of knowledge and skills.</p> | <ul style="list-style-type: none"> • Along with the continuous consultation process (see 4.5), this is the main point of differentiation between the FTSF model and conventional outsourcing. The intense professional development and capacity building of the Partner’s employees by the Sponsor constitutes a “premium” benefit, which the Partner receives in addition to the fair market price paid for work done (see 4.7). • This training will cover IT and programming skills, project management techniques and general business and marketing skills. • As well as formal training activities, the training may take the form of “on-the-job” knowledge transfer and sharing of the latest working methods and best practices. • All training and knowledge transfer activities will form part of the workers’ paid employment and will be remunerated at the normal rate by the employer. • The aim is to provide the Partner Companies with the capacity and skills to undertake future projects in domestic and international markets without external assistance and in turn train other workers. Knowledge transfer must be sufficiently intensive and extensive to achieve this goal. • The knowledge transfer process must be auditable by FTSF, for example through the use of development tooling such as Scrum backlogs. • It is anticipated that at least 20% of the project time should be spent on activities contributing to knowledge transfer. • FTSF may establish specific guidelines for training. |

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| <p>4.7. The Sponsor pays a fair market price for all work performed by the Partner, in accordance with the pre-agreed terms of the contract between them.</p> | <ul style="list-style-type: none"> • This price will be determined by the cost of obtaining similar services in the country where the Partner is incorporated. • Regional variations shall be taken into account (e.g. prices in major cities may be higher). • The Sponsor does not directly pay the wages of the Partner Company's employees – it is the responsibility of the Partner to pay fair wages to its workers in accordance with the FTSF Standards for Developing Country Partners. |
| <p>4.8. The Sponsor and Partner treat each other's employees with respect during all their interactions throughout the project.</p> | <ul style="list-style-type: none"> • The Sponsor should regard the employees of the Partner as being protected by the same standards for fair treatment and non-discrimination as are applicable to its own employees. |