

FTA 200 Grading & Evaluation

Introduction

- Only complete the yellow columns.
- Period considered: previous fiscal year of the level 1

Scope of the FTA 200 audit: the complete supply chain, from a given producer to the port in the country of origin, including the producer organisation, any packing and transformation facilities involved, as well as the exporter. In sum, the product supply chain is considered as a whole.

A supply chain can comprise two levels of organisation:

Level 1

The producer organisation, owned and managed by small farmers (average cultivated surface of +/- 1 hectare) or by workers (in the case of plantations).

Level 2

An organisation neither owned nor managed by small farmers. This can be a private company that isn't owned by the Level 1 (a private company is considered to be owned by the Level 1 if a minimum of 51% of the shares are held by the Level 1) or an NGO that isn't owned by the Level 1 (same majority rule applies). This is without considering a management committee, an internal audit team or a third party cooperative structure that is owned by the Level 1.

Evaluation Method

The Level 2 can be composed of several entities, in which case the final grade should be attributed in accordance with the Level 2 entity that has the worst performance on a given criteria.

If the Level 1 doesn't master a given criteria (minimum knowledge), the grade given cannot be higher than 0.75 as this incurs a systematic penalty of 0.25.

If the Level 1 masters a given criteria and wishes to be responsible for its management but cannot do so because of its relations with a Level 2 the grade given must be 0.

This said, the grade is not affected if the Level 1 is aware of the criteria and has decided independently and without pressure from the Level 2, for reasons related to cost efficiency or the optimisation of human resources, to delegate responsibility for the criteria to the Level 2.

Examples:

If the Level 1 has no export capacity and must rely on a Level 2 organisation for export – even if the Level 2 masters the export procedures, the maximum grade given to this part of the supply chain cannot be higher than 0.75. A grade of 0.5 is given for good management, 0.25 for average management and 0 for bad management. The aim of this evaluation is to reward the strengthening in capacity of the Level 1.

If the Level 1 can export and wishes to take on board this part of the activity but is prevented from doing so by an exclusivity contract with a Level 2 organisation, the grade for the supply chain is 0. The aim of this evaluation is

If the criterion in question is considered a progress criterion for the Level 1 but a set criterion for the Level 2, any non-conformity related to the Level 2 for the given criteria must result in a grade of 0 for the supply chain, regardless of the performance of the Level 1.

In general terms, to evaluate a criterion one must consider the worst grade given to a Level 2 and the best grade given to a Level 1 (when there is no Level 2). This evaluation method focuses on the shortcomings of the Level 2 organisations and gives merit to the strengths of Level 1 organisations.

Any grade below 0.5 must be accompanied by a comment in attributed space and must be reported with other non-conformities (major non conformity for the set criteria and minor non conformity for the progress criteria). For major non conformities, solutions must be provided for corrective action. For minor non conformities, solutions must be given for improvement.

Corrective action for non conformity should be sent to the organisations in question in the month following the audit and the situation must be rectified before the following audit.

Propositions for improvement are not binding and are without consequence for the Level 1 but they are for the Level 2 and must be implemented by the following audit. Applicable grade: 0.5 except if there is a contrary indication in the criteria.

Yellow columns: to be filled in for evaluation

Product: refers to the commercialised product

Supplies: refers to other materials used for the production and packaging of the product

The grade for each criterion is between 0 and 1: 0 / 0.25 / 0.5 / 0.75 / 1

A coefficient is then applied to each criterion (1 for progress criteria and 2 for set criteria).

4 gradings methods :

Critère O/N

Mark	Explanation
0	No
1	Yes

Appliqué aux questions n°30, 31, 32, 38, 47, 63,66 ,67,68,69,70 et 108 :

Critère GRADUEL

Mark	Explanation
0	No subject knowledge
0,25	Knowledge on the subject. Willpower. Action started and/or action planification during the year
0,5	Already organized. No systematic procedure
0,75	Systematic procedure and Management procedure system
1	Quality Quality procedure. Result obtained after 2 years existence.

Critère QUALITATIF 1 / 3 / 5 / 7 / 9

Mark	Explanation
0	Bad
0,25	Not suffisant
0,5	Average
0,75	Good level
1	Excellent

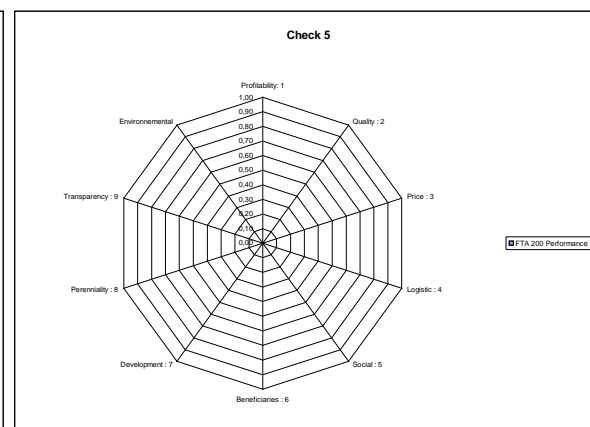
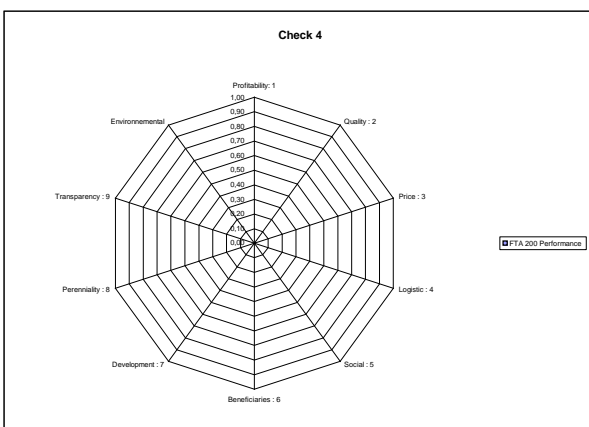
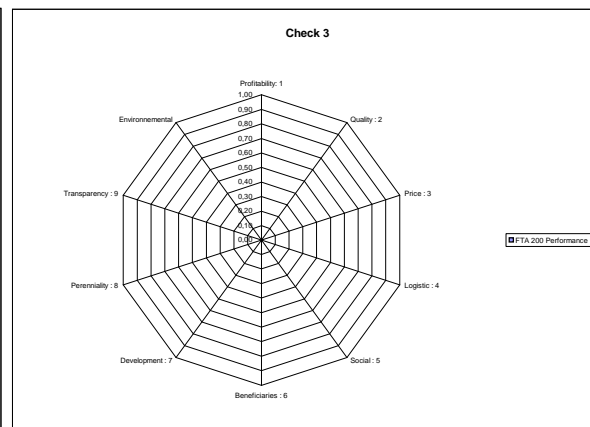
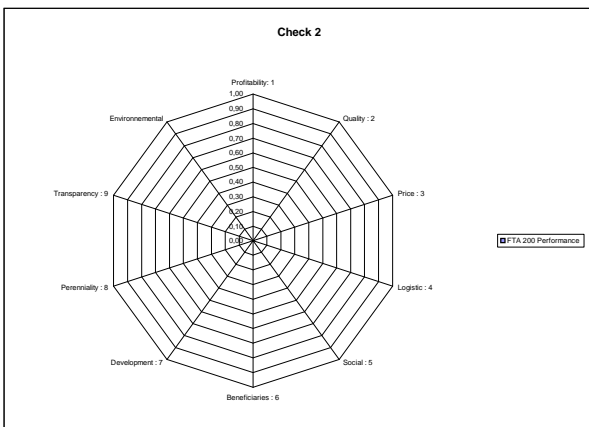
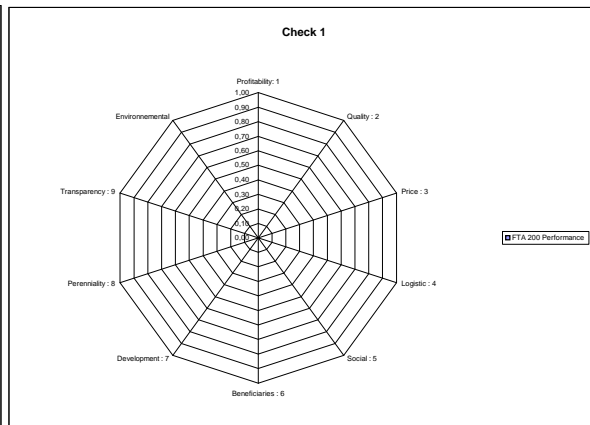
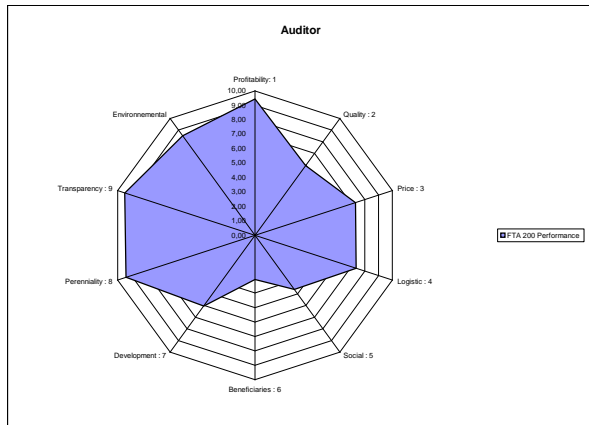
Critère AGREGAT

Mark	Explanation
0 à 1 : 0 / 0,25 / 0,5 / 0,75 / 1	This criterious is always different. It help to give a 0 to 1 mark according to the steps results.

Level 1 :		Supply chain:	
Level 2 :		Date :	



Criteria :	Auditor :	Check 1 :	Check 2 :	Check 3 :	Check 4 :	Check 5 :
Profitability : 1	N.Mounard					
Quality : 2	9,42	0,00	0,00	0,00	0,00	0,00
Price : 3	5,96	0,00	0,00	0,00	0,00	0,00
Logistic : 4	7,29	0,00	0,00	0,00	0,00	0,00
Social : 5	4,62	0,00	0,00	0,00	0,00	0,00
Beneficiaries : 6	3,06	0,00	0,00	0,00	0,00	0,00
Development : 7	6,03	0,00	0,00	0,00	0,00	0,00
Perenniality : 8	9,38	0,00	0,00	0,00	0,00	0,00
Transparency : 9	9,47	0,00	0,00	0,00	0,00	0,00
Environnemental	8,50	0,00	0,00	0,00	0,00	0,00
Total FTA 200	142,15	0,00	0,00	0,00	0,00	0,00



Intrants: 1
 Production : 2
 Dechets: 3

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 Progress criteria: 1
 Exigence criteria: 2
 3 : environnemental

codification	Questions - English	Auditor		Check 1		Check 2		Check 3		Check 4		Check 5	
		Note	Points	Note	Points	Note	Points	Note	Points	Note	Points	Note	Points
3 1 1	136. Awareness of local and international environmental regulations	The production center is aware of local and international regulations and applies them in its operations (1)	The producer is aware of local regulations and applies them in its operations (0.75)	The producer is aware of local and international regulations but does not apply them in its operations (0.5)	The producer is aware of local regulations but does not apply them in its operations (0.25)	The producer is not aware of local and international regulations (0)							
3 1 1	137. Awareness of the impact of production activities on the environment	The producer is aware of potential impact of its operations on the environment and makes allowances for this impact in its organization(1)	The producer is aware of potential impact of its operations on the environment and makes allowances for this on a priority basis (0.75)	The producer is aware of potential impact of its operations on the environment, but makes no allowances for this impact in its organization(0.5)	The producer is unaware of potential environmental impact of its operations but is willing to institute an environmental sensitivity program (0.25)	The producer is unaware of potential impact of its operations on the environment (0)							
3 2 1	138. Have the Level 1 & 2 organisations implemented a continued improvement program for environmental issues, or has it stated objectives or concrete projects in place? : 0,5 (especially with regard to organic farming)	The entity has an operational environmental improvement program in place, with stated objectives and concrete projects. (1)		The entity has not yet established an operational environmental improvement program with stated objectives and concrete projects, but one is being planned (0.5)		The entity has no operational environmental improvement program with stated objectives and concrete projects(0)							
3 2 1	139. Implementation of a more environment friendly production process, incorporating initiatives such as lead-free paint, etc.	The organization adheres to a program that targets areas of improvement with relation to the interaction of its activities and products with the environment(1)		The organization adheres to no program that targets areas of improvement with relation to the interaction of its activities and products with the environment (0.5)		The organization adheres to no program that targets areas of environmental improvement with stated objectives and concrete projects (0)							
3 2 1	140. Awareness training of environmental issues or environmental protection projects such as reforestation, training for organic farming	The organization has conducted environmental protection awareness programs externally targeting schools, women or other groups. (1)	The organization has environmental awareness programs for its members (0.75)	The organization provides human resources to other organizations environmental awareness programs (0.5)	The organization provides financial support to other organizations' environmental awareness programs (0.25)	The organization has no environmental awareness effort for its members or members of the community (0)							
3 1 2	141. Are there environment-oriented actions within the Group regarding the use of raw materials	The impact of the use of raw materials on the environment is known and provisions are made for this in the organization (2)		The impact on the environment resulting from the use of raw materials is known, but no provision is made for this (1)		The impact on the environment resulting from the use of raw materials is unknown and no provision is made for this (0)							
3 1 1	142. Is the use of local natural resources optimized?	The organization optimizes the use of local natural resources by avoiding overuse of resources, substituting other materials in production, etc. (1)		The organization does not yet have a program in place to optimize the use of local natural resources but is aware of the issues and is planning to implement an action plan (0.5)		The organization has no program in place to optimize the use of local natural resources (0)							
3 2 2	143. Soil pollution	The producer's activities, either normal operating conditions or when incidents occur, have no potential impact on underlying soils, to include dispersal of dangerous products into the soil or storage of liquid products that may leak (2)	The producer has acted to diminish potential impacts of former or current activities on soils (1.5)	The producer foresees and or acts on potentially impacts of its activities on the soil within its facilities (1)	The producer has no action plan for reducing the potential impact of its activities on the soil (0.5)	The producer has no action plan for controlling potential impacts of its activities on soils (0)							
3 2 2	144. Air pollution: release of chemical emissions or noxious gases	The producer's operations release no emissions into the air, including steam or dangerous vapors, nor noxious odors (2)	The producer is acting to diminish the potential impact on air quality outside buildings (1.5)	The producer foresees and or acts on potentially impacts of its activities on the air within its facilities (1)	The producer is aware of potential impacts of its activities on soils but has not yet acted to prevent negative impacts (0.5)	The producer does not know of and has no action plan for controlling potential impacts of its activities on soils (0)							

Non-compliance and corrective actions report

CONFIDENTIAL

Major non-conformities :

Non-conformity Report		
SUMMARY :	Major	Minor
Economic	4	4
Social	7	21
Environmental		1

A) **Major Non conformities :** **Economic** corrective actions :

Criteria	Grading	ade Au	Points	Comment	Grade Check 1	Points C1
28. Technical competencies of the technical manager (cultivation, production, conditioning, export)	Progres criteria for level, required criteria for level 2 (score = 0 if the person in charge of level 2 lacks managerial competencies). Qualitative appreciation of the capacity of the person in charge to manage the technical stakes of the production and the commercialisation of products, and more generally, the development of the activity. Same as the previous question if its the same person. .	0	0	idem 27		0
29. Commercial competencies of the manager	Progres criteria for level 1, required criteria for level 2 (score = 0 if the person in charge of level 2 lacks managerial competencies). Qualitative appreciation of the marketing and commercial skills of the person in charge. Same as questions 27 and 28 if its the same person	0	0	idem 27		
55. Quality - price ratio with regard to other local Fair Traders	More than 20%, for equal quality and availability, compared to other fair trade products on the local market: 0 / >10%: 0,25 / equivalent: 0,5 / <10%: 0,75 / <20%: 1. N/A (only fair trader for a given product on the local market): 1 / High price because level 2 is not optimised: 0	0	0	higher price than CECAOT in FT (weakness for them)		
37. Reactivity between finalisation of orders and the end of the production cycle, respect of delays	Only applies to level 1, unless level 2 interferes (score = 0 in this case). Respect of delivery delays: average delay over the last 10 delayed deliveries. < 2 days : 1; from 3 to 5 days: 0,75; from 5 to 8 days: 0,5; from 6 to 10 days: 0,25, more than 10 days: 0. N/A=1 (if no deliveries realized for Alter Eco.)	0	0	Problem of delivery during the first 6 months of 2007, problem of communication		

Social

Criteria	Explanation / Grading	ade Au	Points	Comment	Grade Check 1	Points C1
83. Unhindered union participation for level 1 and 2 employees	Yes : 1, No :0	0	0	doesn't exist		
71. Is there a prevention plan against fire? And fire exits installations and materials	Are BIT standards or local regulations (if more stringent) applied?	0	0			
66. What production-related safety regulations are in place? Posting, formalized?	Knowledge and implementation of regulations, including posting of rules in public areas, availability of equipment and training. (employees, level 1&2)	0	0	no applied to the factory		
68. Are there hygiene regulations at the production facility? Posting, formalized? Training of the members and the employees.	Knowledge and implementation of regulations, including posting of rules in public areas, availability of equipment and training.	0	0	no applied to the factory		
74. Level 1. Use of children for work during general time	important = 1; frequent = 0,75; less frequent = 0,5; rarely = 0,25; never or just during no studying time.	0	0			

77. What difference is there in pay between men and women? (plantation workers, for communal cooperative projects)	Important discrimination = 1; medium = 0,5; no = 0.	0	0	no discrimination apparent	0
80. Medium size of the farming for the concerned product and for the target producers of the region.	< to 0,25 hectare : 1 / < to 0,5 hectare : 0,75 / < 0,75 hectare : 0,5 / < to 1 ha : 0,25 / > to 1 hectare : 0 / Plantations : 0	0	0	>1ha	

B). **Minor Non conformities :**

Economic		ade Au	Points	Comment	Grade Check 1	Points C1
Criteria	Grading					
7. Certified audits of annual financial statements	Certified audits (by a commissioner, the local administration bureau for cooperatives... or any legal body) of annual financial statements are additional guarantees that a company's financial records are true and accurate. This criteria should only be considered if required by local law. Uncertified financial statements, for either both or only the level 2 (regardless of the status of level 1): 0 / certified financial records for both levels: 1 / non applicable: 1	0	0	double accountancy: the real one is not audited in order to show the false one & pay less taxes (current practise il the country)		0
8. Registered Trade Marks, respect of Product Provenance and Geographical Indications. Presence on the pack of Trade Marks such as INPI of the name, or rights of use for technical information related	If models are registered, the risk of them being copied is greatly reduced and this ensures better legal protection to the production facility. For agricultural products with Provenance or Geographical Indication certifications, conformity must be verifi	0	0	doesn't exist		
52. Innovation and originality of products developed	Only applies to level 1. Development, at the local level, of exclusive and original products. Yes: 1 / no: 0	0	0	basis food in the Andine region		
34. Capacity to increase rate and capacity of production	Only applies to level 1, unless level 2 interferes (score = 0 in this case). In the event of large scale orders, reactivity and management of the production (delays, costs, quality) (track record and evaluation). Capacity to double deliveries: 1 / +75%: 0,75 / +50%: 0,5 / +25%: 0,25 / not possible: 0	0,25	0			
			0			0

Social

Criteria	Grading	ade Au	Points	Comment	Grade Check 1	Points C1
67. Are all work areas clearly designated and verified for safety? (level 1&2)	Inspection procedures, at regular intervals and in conformity to local regulations	0	0	no		0
69. Are all work areas clearly designated and inspected for hygiene standards? (level 1&2)	Inspection procedures, at regular intervals and in conformity to local regulations	0	0	no specific person		0
84. Access to social security for level 1&2 producers/employees (public / via contributions)	Yes : 1, No :0	0	0	doesn't exist in Bolivia		0
85. Pension contributions for level 1&2 producers / employees	Yes : 1, No :0	0	0	id		
70. Are regulations adhered to by employees? Are these trained to the social, hygiene, security and fire prevention.	Qualitative assessment of members' or employees' practices.	0	0			
100. Are sub-contractor social, hygiene and safety conditions verified?	Awareness and regular inspection of sub-contractor conditions. 1/ for more than 75% of the purchasing: 0,75/ for more than 50%: 0,5/ for more than 25%: 0,25/ less than 25%: 0	0	0	nothing		

102. Do level 1 members have an easy water access before the FT intervention?	Water access (quality and quantity); less than 15mn walk access. No for all = 1; no for 75% of the population = 0,75; yes for 50% = 0,5; yes for 75% of the population = 0,25; yes for all = 0.	0,25	0			
103. Are level 1 members made aware of the urgency of getting children into schools?	Primary & secondary school access free or accessible for all. (less than 30 mn walk or transport payed by the school) No for all = 0; no for 75% of the children = 0,75; no for 50 % = 0,5; yes for 75% = 0,25; yes for all = 0.	0	0	yes, almost all the children of the producers where at school in the neighbored villages. generally access to primary school in the villages but colleges & highschool, children have to moove in bigger towns		
86. Complementary health package for level 1 producers / employees	Yes : 0, No :1	0	0	doesn't exist		
87. Health and insurance packages for level 1 producers / employees	Yes : 0, No :1	0	0	doesn't exist		
79. Total monthly pay for a level 1 member (pay for organizational activities and any second income)	less than the local minimum wage (or 2 usd / day). For all = 1; for 75% = 0,75; for 50% = 0,5; for 0,25% = 0,25; all under the minimum wage = 0. (without inactive, formation people...)	0	0	all under the minimum wage		
78. Total monthly pay for a level 1 member (pay for organizational activities and any second income)	For the level one beneficiaries. At least 100% more than the social local minimum (or minimum salary making in the concerned sector) = 1; 50% more = 0,75; 25% more = 0,5, 10% more = 0,25, equal = 0.	0,25	0	depends on the activity station		
94. Do the level 1 and 2 organizations have stated social objectives?	Yes : 1, No : 0	0	0	no social project: all the investments are actually made for the new plant of Challapte but social project is envisaged in the future.		
119. Was this project implemented at the same time as the production activity and is it an integral part of the level 1 organization's activities?	Yes : 1, No : 0	0	0			
120. Did this (level 1) project come into being as a result of a local initiative?	Yes : 1, No : 0 (both : 0,5)	0	0			
106. Does level 1 assistance meet the needs of the most underprivileged?	Qualitative appreciation for the level and the type given to the trait unfairly people.	0	0			
107. Fair Trade price/Conventional price for the producer (Source FTVR)	more than 100% up to the conventional price = 1; + than 0,75 = 0,75; + than 50% = 0,5; + than 25% = 0,25; - than 25% = 0	0,25	0	33,66% (see FTVR)		
88. Services provided for level 1 producers / employees ie; nursery, cafeteria, first aid, loans, etc.	Yes : 1, No :0	0	0	no		
91. Have the level 1 and 2 organizations implemented a continuous corporate improvement process, or are there any specific projects of this nature being planned?	Yes : 1, No : 0	0	0	no		0
93. Are input materials suppliers linked to fair trade sectors or otherwise involved with ethical considerations?	Yes : 1, No : 0	0	0	no?		0
99. Are the suppliers encouraged to be engaged in a ethical or fair way.	Yes for 100% of the buying furnitures =1; + than 75% = 0,75; + than 50% = 0,5; + than 25% = 0,25; - than 25% = 0.	0	0	no		0
			0			0

Environmental

Criteria	Grading	Grade	Points	Comment	Grade Check 1	Points C1
<p>140. Awareness training of environmental issues or environmental protection projects such as reforestation, training for organic farming</p>	<p>The organization has conducted environmental protection awareness programs externally, targeting schools, women or other groups. (1) The organization has environmental awareness programs for its members (0.75) The organization provides human resources to other organizations environmental awareness programs (0.5) The organization provides financial support to other organizations' environmental awareness programs (0.25) The organization has no environmental awareness effort for its members or members of the community (0)</p>	<p>0</p>	<p>0</p>			

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