



1 Composition of the Surveillance Committee

Name	Position	Representation	Organization
Leoncio Quiñones	Chair (SUSPENDED)	Small Producers' Organizations	FONMSOEAM
Florent Gout	Member	Buyers	CAFÉ ESPERANZA
Philip Gurdian	Member	Allied Agencies	COOPERATIVE COFFEES

2 Annual Report Formulation Process

- The members of the *SPP Global CV* participate as **observers** in the Board meetings, and the CV **President** has the greatest responsibility for attendance, in accordance with the Terms of Reference of this committee.
- An annual meeting of the Surveillance Committee was held on 14 May 2020 to evaluate the 2018 - 2019 period of *SPP Global*. The meeting had the required quorum and was held for the purpose of formulating this annual report.
- The main topics on the agenda of this meeting were:
 - Progress on** recommendations made to the Eighth General Assembly in 2019
 - Analysis of** the functioning and results of SPP Global in the period 2019-2020
 - Recommendations** to the IX General Assembly of SPP Global
- This annual report was unanimously approved by two of its three members based on conclusions and agreements resulting from the 14 and 26 May 2020 meetings.

3 Recommendations to the VII General Assembly of SPP Global

Recommendation CV 2019: VIII General Assembly	Advances
1. SPP Global has gradually strengthened the political leadership of SPP as the strongest global political voice of organized small producers, looking beyond the commercial competition in the markets.	<ul style="list-style-type: none"> ▪ Participation in Biofach with press conference ▪ Participation in the IFOAM-European Community forum at Biofach ▪ Participation in the Mexican Government's commission for the promotion of organic production. ▪ Organizing a forum on Fair Trade and power relations and small producers at the CFTN Fair Trade Congress in Calgary, Canada
2. SPP Global must expand and strengthen alliances with different movements and instances, as established in the VII General Assembly (Peasant, indigenous, afro, organic, ecological, fair trade, solidarity economy, cooperativism, etc.)	<ul style="list-style-type: none"> ▪ The relationship with Fair Trade France was strengthened. ▪ Limited contacts have been maintained with the FTAO



Recommendation CV 2019: VIII General Assembly	Advances
	<ul style="list-style-type: none"> ▪ Relations with the organization of the International Fair-Trade Academic Forum. ▪ Participation in some meetings of Cities/World Social Forum for the Transformative Economy
<p>3. A strong call is made to representatives of the small producers' organizations to deepen their understanding of the importance of the SPP as the main movement representing the struggle of the small producers and to reciprocate with their faithful and timely assistance and participation in all levels of decision-making.</p>	<ul style="list-style-type: none"> ▪ Partial compliance, requires continuity.
<p>4. SPP leadership must always be exercised through an active, constructive and positive, exemplary positioning, without direct attacks, without provoking or responding in a confrontational manner to provocations against people, instances or organizations of the different related movements that have positions different from the SPP.</p>	<ul style="list-style-type: none"> ▪ Fulfilled, positive alliances have been sought, with the fair-trade movement.
<p>5. It is important for SPP Global to define more precisely its position on fair trade to avoid differences in interpretation of the formal position.</p>	<ul style="list-style-type: none"> ▪ The theme of promoting Fair Trade has been maintained as one of the axes. ▪ Greater precision is lacking, perhaps differentiated policies by country.
<p>6. The strengthening of the local (or regional) structures of the SPP is required. It is necessary that these structures be consolidated under the common denominator of the general structure of SPP Global and its instances, under the leadership of its General Assembly. At the same time, these local structures must have a strong participation of local actors, such as the National Assemblies of Small Producers' Organizations in the countries of production.</p>	<ul style="list-style-type: none"> ▪ Extensive work has been done on this issue, with limited results, due to financial constraints. ▪ In the case of Europe, the long process of dialogue with SPP France has slowed down the timely implementation of actions. ▪ In case of SPP France, the inter-institutional relationship is still in the process of being renegotiated, after the refusal to accept SPP Global's request to have 50% of the voting rights in its assembly. ▪ Currently, the financial perspectives and limitations on physical visits have made it necessary to adjust the strategy.
<p>7. SPP Global must carry out an analysis of the functioning of its certification system in terms of costs to ensure accessibility for producer organizations and small businesses.</p>	<ul style="list-style-type: none"> ▪ The level of control of the Certification Entities is being increased. ▪ There have been no major complaints about the costs of certification. ▪ In cases of discrepancies in quotations, SPP Global has been able to intervene positively.
<p>8. To define the adjustment to the SPP logo in a short time, to guarantee a clear differentiation with the CLAC logo.</p>	<ul style="list-style-type: none"> ▪ The registration process of the new logo had several setbacks, so a new definition process must be started.



Recommendation CV 2019: VIII General Assembly	Advances
	<ul style="list-style-type: none"> ▪ The Board of Directors opted for the priority use of the monochromatic version in the institutional promotion of the SPP, in combination with the full name: "Small Producers' Symbol". ▪ I would have to define if this preferential use is extended to the use in packaging, as a temporary measure, to avoid a dispersion in the positioning of the brand.
<p>9. It would be convenient for the VC to hold a virtual meeting with the President of the NPC before holding its annual evaluation meeting, to have a complete picture of the functioning of SPP Global.</p>	<ul style="list-style-type: none"> ▪ To be carried out before the approval of the Annual Report. ▪ The annual report of the CNP was reviewed, as well as that of the CI (Dissents Committee).
<p>10. The following practical recommendations are made to improve the functioning of the different decision-making bodies, which, where appropriate, should be considered in the corresponding Terms of Reference or Rules of Operation of each body:</p>	
<p>a. To establish the dates of meetings annually and convene them digitally for the entire year.</p>	<ul style="list-style-type: none"> ▪ Produced
<p>b. To establish stricter criteria to moderate meetings to ensure adherence to agendas, by defining more precise responsibilities and powers of the person in charge of moderation.</p>	<ul style="list-style-type: none"> ▪ Pending
<p>c. Additional meetings should be avoided as much as possible because the agenda has not been covered. This means limiting the space on the agenda to information issues that are strictly relevant to the analysis and giving priority to strategic decision-making.</p>	<ul style="list-style-type: none"> ▪ A series of complementary meetings continue to be held on the CD. ▪ Regulations will have to be strengthened to prevent this from happening (see point b above)
<p>d. To set a clear limit for establishing a quorum and establish how long people can still enter the meeting.</p>	<ul style="list-style-type: none"> ▪ However, a significant number of the CD meetings are held without a quorum, so agreement proposals must be submitted to the plenary Council for approval.
<p>e. Continue to apply the rules of procedure and terms of reference strictly in the event of multiple absences. Letters of warning in case of non-compliance must be signed by the president of the body in question.</p>	<ul style="list-style-type: none"> ▪ There have been calls for attention. ▪ Notification letters are still to be delivered. ▪ Some members of the Council have fallen below their minimum attendance quota, however, priority has been given to continuity and emphasis on attendance rather than to membership decline.
<p>f. Define special meeting dates using digital systems such as Doodle so that no effective time is lost during the meeting.</p>	<ul style="list-style-type: none"> ▪ In practice, meeting attendees define the dates of new meetings, looking for a greater coincidence, especially when it comes to meetings on close dates.



Recommendation CV 2019: VIII General Assembly	Advances
g. To establish and/or expand a platform for the management of documents, minutes, regulations, documents, such as Google Drive or Dropbox, for the different bodies and the operational team of SPP Global.	<ul style="list-style-type: none"> ▪ Accomplished. All Board of Directors and Surveillance Board meeting documents are available on Google Drive.
h. The transfer of information and experience between chairs of SPP Global's governing bodies must be guaranteed as part of the process of handing over and receiving functions.	<ul style="list-style-type: none"> ▪ Pending, when the management period ends, in the year 2021.
i. Organizations that make a change in representation to any SPP Global governing body or committee must be responsible for the proper transfer of information and expertise between the outgoing and incoming person.	<ul style="list-style-type: none"> ▪ It has been done at the recommendation level. ▪ Apparently there have been no problems for this reason in the recent cycle.

4 Current analysis

1. The positioning of the SPP as a Network of Small Producers' Organizations continues to be consolidated, in compliance with the agreements of the VIII General Assembly of 2018. The political leadership of the SPP in the Fair-Trade movement, including companies and the public, has improved considerably. SPP has positioned itself as a more authentic and pure fair trade.
2. Progress has been made in terms of credibility and acceptance as one of the main Fair-Trade labels in the European and North American markets. Even in producer countries in the South, SPP is taken as an important and promising alternative.
3. Market growth over the last year has been limited. The closing of 2019 with a growth of approximately 7% in terms of volume and a decrease in the market in terms of value is worrying.
4. Significant efforts have been made to promote SPP from the presidency and executive leadership, resulting in both political and trade promotion advances. The importance of progress in building the Strategic Alliance with the French business network Biopartenaire is highlighted.
5. There is a strong concentration of the SPP Global market in one company. Although the number of companies has increased, the growth has not been sufficient to ensure greater diversification of the market and its risks.
6. The recent internal discussions on the application of new minimum prices is a sign that market players, while sympathetic to the SPP and its political positioning, are reluctant to join the SPP because of its minimum prices.
7. The idea that you can only reach the market for large volumes at low prices is neither correct nor acceptable. It is a false contradiction between volume and price. The experience is that companies and consumers are willing to pay good prices for good products. To be able to sell larger volumes it is important to better position SPP and its products in the right way, with quality products with many added values that are important for consumers.
8. The SPP is not yet sufficiently recognized by final consumers to be able to convince brands of its added value compared to other similar initiatives. SPP Global's budgetary limitations create a lack of operational capabilities for the timely execution of SPP Global's strategic plans.



9. It has been noted that the processes of dialogue between SPP France and SPP Global about the operation of the SPP Europe strategy and for the renewal of the relationship has been an excessively tiring process. The implementation of strategies agreed upon at the SPP Global General Assembly must be able to be implemented in an agile manner. The negotiations between the parties have delayed this implementation excessively, negatively affecting the promotional work in France and Europe.
10. The current SPP system is somewhat bureaucratic in its renewal processes. These processes end up lasting too long. Certification Entities do not seem to apply SPP Global procedures in a timely manner.
11. Information on product sales is still limited. The SPP system still collects little information on the exact flow of SPP products, particularly when intermediaries are involved.
12. In spite of the budgetary constraints and the limitations in the implementation of the promotion strategies in the different regions, there has been considerable progress in investing in the development of digital systems for information management and promotion (ERP, CRM, Online Documents, Virtual Marketplace, etc.) that will allow significantly more efficient and effective work in the future.
13. The participation of SPP stakeholders in the decision-making processes seems to be still insufficient. Not only at the level of the main decision-making bodies, but also in the consultation processes. Insufficient ownership of the initiative by its members is pointed out both as a cause and as an effect. The lack of participation and internal communication generates instability in decision-making. Some price review processes have been criticized by some actors in late stages of decision-making, even after the results have been published.

5 Recommendations to the SPP Global CD and GA

1. The follow-up to the recommendations made by the CV in the evaluation report of the CV for the period 2018 - 2019 should be continued.
2. SPP must take advantage of and deepen its growing leadership in the fair trade movement and, more than ever, towards final consumers, as a more authentic fair trade, led from the same producers and more attached to the original principles of fair trade, with greater seriousness, credibility and quality than the other initiatives.
3. Priority should be given to SPP promotion activities not only to market players but also to consumers in the priority regions as a matter of urgency. Political positioning should not be neglected in this promotion, but political positioning should be a tool for achieving greater sales.
4. The fact that SPP Global should not enter the field of confrontation with other actors in the Fair-Trade movement should not detract from the energetic and innovative spirit of SPP in defense of the original principles of Fair Trade. When promoting SPP it is extremely important to achieve an adequate differentiation from other initiatives. It is important that consumers understand that SPP is a real fair trade, totally different from the generic and economic fair trade that is much better known. Among other things, consumers must understand that SPP also aims to bring to market a product not only from small organic producers, but also from high quality ones.
5. It is considered necessary for the SPP Global General Assembly to analyze the current market situation and to define a clearer institutional policy on the process to be followed in making decisions on SPP minimum prices in a context of a market with low prices versus production costs of small producer organizations well above market prices. We consider it important that SPP



prices should not only allow the producer not to develop his activity in order to "survive" but also to develop it as a professional activity that allows him to improve his production (quality and yield), his living and investment conditions. This is the only way to give a future to the producer organizations. While we must consider the realities of the market, we must also have the ambition and the strength to change these realities. It must be the priority of the SPP to preserve its reason to exist in the face of the process of devaluation of fair trade.

6. Mechanisms should be sought to increase the presence of the SPP in different producer regions. In the case of not being able to cover via physical meetings, it is recommended to take advantage of the new boom in digital communication to organize greater interaction and communication activities with members, both producers and buyers.
7. It is recommended that in the dialogues with SPP France emphasis be placed on the fact that SPP is a single international network, under the mandate of the General Assembly and the other decision-making bodies of SPP Global. The participation of local actors is key to the successful promotion and development of SPP in the regions. A joint work between SPP Global and the regional actors must be ensured to guarantee the compliance with the agreements of the decision-making bodies of SPP Global and the active participation of local actors for a better impact on the market and the relevant national movements.
8. Given the budget constraint, a greater emphasis on activities and partnerships focused on managing resources complementary to systemic income should be considered. There will be a need to invest in the promotion and organizational capacities of the SPP in different regions, for which the current resources are not sufficient.
9. The SPP system must make an analysis of the bottlenecks in the current certification processes and implement strong measures that generate a more agile process of certification and renewal. At the same time, improvements to the system should result in greater transparency and information about the different actors and channels in the chain, to guarantee the reliability and credibility of the system and to provide better data for internal analysis, as well as to support the promotion of consumption of our products.
10. It is recommended that the internal communication and consultation mechanisms be improved, between the different SPP actors, their designated representatives to the SPP, decision-making bodies and the SPP Global operating team, seeking greater ownership of the decision-making processes and avoiding setbacks.
11. Investment must be maintained in the development and implementation of digital systems to facilitate the administration and communication of information for the sake of greater efficiency in the processes, both of certification and of promotion and decision-making.
12. As a central point of this report, the SC requests SPP Global's Associates to take the necessary agreements at their next General Assembly to 1) reaffirm the mission and differentiating position of the SPP; 2) strengthen the commitment of each and every one of its members to the SPP; 3) defend and promote the rights and principles of small organized producers, focused on the real and integral value of their work, both politically and through the SPP system of rules and prices; 4) always respect the principles of solidarity, unity and democratic decision-making, free from the power games that usually mark the market.

May 26, 2019,

Florent Gout

Member

Philip Gurdian

Member

Annual Evaluation Report 2019-2020
SPP Global Surveillance Committee

