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## 1 PRESENTATION

- This document is the Annual Activity Report of the SPP Global Standards and Procedures Committee (CNP) for the period going from July 28, 2023 to September 10, 2024.
- This report was approved by the members of the Standards and Procedures Committee.

## 2 MEMBERS AND FUNCTIONING

- The current composition of the Standards and Procedures Committee, following voting processes that took place after the X General Assembly of SPP Global, as well as latest updates, is as follows:

#	NAME	POSITION	REPRESENTED SECTOR	REPRESENTED PRODUCT(S)	ORGANIZATION	COUNTRY	START OF TERM	END OF TERM	TERM No.
1	Silvia Herrera Hernández	Chair	SPOs	Coffee	UE San Fernando	MX	2022-01-14	2024-09-12	1
2	Unfilled	Vice-Chair	SPOs	-	-	-	-	-	-
3	Luis Ruiz Díaz	First Member	SPOs	Panela sugar & sugar	MANDUVIRÁ	PY	2022-01-14	2024-09-12	2
4	Souleymane Konate	Second Member	SPOs	Fruits	Coopake	BF	2022-01-14	2024-09-12	1
5	Unfilled	Third Member	SPOs	-	-	-	-	-	-
6	Unfilled	Member	Final Buyers	-	-	-	-	-	-
7	Unfilled	Member	Final Buyers	-	-	-	-	-	-
8	Unfilled	Member	Allied Organizations	-	-	-	-	-	-
9	Unfilled	Observer	Board of Directors	-	-	-	-	-	-

- Javier Domínguez (Vice Chair), Nicolas Eberhart (Member) and Diana Taípe (Member) submitted their voluntary resignation on March 27, 2024, considering a low legitimacy of the SPP Global Board of Directors based on the resignation of several Board members.
- Ernest Ndururaro (Member) resigned on May 14, 2024 due to his views on SPP governance issues.
- On July 29, 2024, La Siembra, an 'inactive' Buyer from Canada, notified its membership withdrawal as they have no staff available to participate in SPP Global, Mr. Thomas Hanlon (Member), representative of La Siembra, is thus no longer part of the Standards and Procedures Committee.

- In accordance with SPP Global's Internal Regulations, currently vacant positions remained unfilled due to the fact that regular official elections to renew SPP Global's governing bodies are scheduled to take place this year at a later point. SPP Global's Internal Regulations state that:

"Election processes should not be initiated less than one year before the holding of the next Assembly that contemplates regular governing body member elections".

- During the 2022-2024 term, the Standards and Procedures Committee held 19 meetings: each member's attendance rate, for the time they were in office, was greater than 65% in most cases:

Name	% attendance rate with respect to total number of meetings.	Total number of meetings for time in office	% attendance rate for time in office
Silvia Herrera Hernández	95	19	95
Javier Domínguez Arbildo	63	15	80
Miriam Elizabeth Pérez Zelaya	26	7	71
Luis Ruiz Diaz	84	19	84
Souleymane Konate	32	19	32
Serge Marohavana	0	7	0
Nicolas Eberhart	74	16	88
Tom Hanlon-Wilde	63	18	67
Diana Taipe	63	15	80
Ernest Ndumuraro	26	17	29
César Paz	21	15	27

### 3 ACTIVITIES FOR 2023 – 2024 PERIOD

- CNP Ordinary Meeting on November 9, 2023.
- CNP Ordinary Meeting on February 8, 2024.
- CNP Ordinary Meeting on April 11, 2024.
- CNP Ordinary Meeting on April 25, 2024.
- CNP Ordinary Meeting on June 13, 2024.
- CNP Ordinary Meeting on August 15, 2024.

### 4 RESULTS FOR THE PERIOD 2023 – 2024

- Development, analysis and approval of proposal to be presented to the 2nd SPP Extraordinary General Assembly to generate a new category of actors within the SPP System called "Raw

Material Distributors (DMP)", which includes Intermediaries that do not meet our SPP Final Buyer definition (since they don't have a brand for final products) and that wish to make it easier for small businesses to join as SPP Small Buyers.

- The Standards and Procedures Committee developed, analyzed and approved the updating of various documents of the SPP System based on the agreements of the XII General Assembly and the 2nd SPP Extraordinary General Assembly:

Agreement	Updated documents	Publication date
Approval of the SPP Environmental Chapter	<ul style="list-style-type: none"> <li>SPP General Standard</li> <li>General Certification Procedure</li> <li>General Registration Procedure:</li> <li>General Regulations to apply the System</li> </ul>	2024-08-09
Approval of New Category "Raw Material Distributors"	<ul style="list-style-type: none"> <li>Glossary</li> <li>General Standard</li> <li>Regulations for Application of the System</li> <li>Regulations on Costs</li> <li>General Registration Procedure:</li> <li>Small Buyer Procedure</li> </ul>	2024-08-09
Approval of Procedure to Approve Strategic Standards	<ul style="list-style-type: none"> <li>General Standards and Procedures Setting Procedure</li> </ul>	

- In line with our commitment to Continuous Improvement of the SPP System guidelines, the Standards and Procedures Committee approved modifications to the following documents:

Document	Reasons
General Certification Procedure	<ul style="list-style-type: none"> <li>Make it possible for Small Producer Organizations having experienced low sales (no more than \$150,000.00 USD) over the last year to undergo a Complete Remote Evaluation to renew their certificate.</li> <li>Clarify the responsibility of Certification Entity and Small Producers' Organizations regarding the payment of SPP Annual Membership.</li> </ul>
General Registration Procedure:	<ul style="list-style-type: none"> <li>Clarify the responsibility of Certification Entities and companies regarding the payment of SPP Annual Membership.</li> </ul>
Small Buyer Registration Procedure	<ul style="list-style-type: none"> <li>Respond to the observations made by various Buyers and SPP France regarding the annual evaluation process for Small Buyers.</li> </ul>

- Regarding prices, the Standards and Procedures Committee followed up on the Project to Update SPP Banana Prices. The publication and entry into force of Provisional Prices was approved for October 1, 2024.

## 5 PROGRESS 2023-2024

1. It was approved to start to develop a "Shortened Evaluation Procedure" aimed at operators who are already certified by a fair trade scheme other than SPP and show interest in joining the SPP Global network. The 191 criteria of the SPP General Standard were compared, and the criteria that are not contemplated within the regulations of other Fair Trade labels have been identified. Criteria from other certifications that are equivalent to SPP criteria were identified, so we will now work on a certification price adjustment proposal to reduce costs considering equivalent criteria that won't need to be evaluated. Presentation of First Draft of new procedure is expected to happen in November 2024.
2. A critical path was approved for analysis of SPP evaluation costs applied by the different Certification Entities over the years and a comparison with the costs of other Fair Trade labels. The collection of information from Small Producers' Organizations and Certification Entities began. Presentation of results and conclusion are scheduled for November 2024.
3. Due to the request of some Small Producers' Organizations and Final Buyers, a critical path for updating the Minimum Sustainable Price of Mango was approved to take effect in March 2025. A meeting was held with the mango Working Group and two Cost Form Workshops with Small Mango Producers Organizations took place.
4. In follow-up to Phase I and Phase II of the project for the definition of a Minimum Sustainable Price for Coffee, the Standards and Procedures Committee approved the development of Phase III to define an SPP Price that will be effective as of 2026.
5. It was deemed necessary to standardize the specific products featured in the SPP Price List in terms of raw material and annexes that determine the use of raw material in by-products, so as to make SPP user fee calculation easier.
6. It has been deemed necessary to develop a Sanctions and/or Incentive System based on compliance with the SPP Regulatory Framework. One reason for this, among others, was the discussions that took place in General Assemblies regarding compliance with not only this regulatory framework, but the participation criteria specified in SPP's Internal Regulations.

## 6 ANALYSIS AND RECOMMENDATIONS TO CD AND GA

1. The participation of SPP stakeholders in decision-making processes, in consultation processes and voluntary exercises such as when calculating production costs, as well as Working Group meetings, and petitions for updating contact information is considered to be still low.
2. It is recommended to give autonomy to the CNP for decision-making whenever no timely participation from involved parties is obtained, based on a procedure to be developed. For example, the SPP Stakeholders in the Banana Working Group did not respond to our request to complement the banana cost study, despite the fact that the update of the Minimum Sustainable Banana Price was deemed a priority by the Standards and Procedures Committee, due to SPP prices sitting below the minimum price of other fair trade labels.
3. Additionally, when developing the Sanctions and/or Incentive System, it is recommended to take into consideration the lack of participation of SPOs in regulatory projects, which makes it hard to ensure quality work to make progress on matters that actually aim to serve the interests of these producers. It is proposed to consider a certain level of mandatory participation in these decision-making processes.

4. The Standards and Procedures Committee deeply regrets the evident attempt to dismantle the Board of Directors and the Standards and Procedures Committee of SPP Global that occurred in the form of an organized campaign of resignations from the Board of Directors and the Standards and Procedures Committee. In the case of the CNP, during the previous cycle members had been working constructively, as you can see in our last year's report. A high level of consensus had been achieved, despite radically diverging perspectives, for example, regarding the price of coffee and even regarding the new environmental standard. Just before the aforementioned resignation campaign, the CNP even achieved - after a complex process of discussion - a true milestone, by reaching consensus regarding the creation of a new category of SPP Buyers, i.e., RMDs, Raw Material Distributors, which has already been ratified at the General Assembly. The resignation of some members from the CNP was inexplicable, without there being any argument about the functioning of the CNP itself. The apparent sudden intention to bring down the governing bodies of SPP through these resignations led us to a deep internal crisis in SPP, which reduced the effectiveness of SPP's work and only resulted in the elections of the new members of the various committees being brought forward by a month.
5. We call on SPP Global Members to act unitedly to prevent SPP from continuing to be a prisoner of behaviors that seek the imposition of ideas and that resort to the manipulation of information and loyalty relationships to make decisions for the benefit of particular interests and opinions. At all times, SPP Global governing body members must put the welfare of all the producers of the organizations that make up SPP Global first. It is imperative to resume the path of constructive work for SPP's benefit, achieving consensus despite everyone's different ways of doing things, as had been done before.
6. SPP requires continuous work in favor of producers and good decision-making by SPP's Governing Bodies is necessary for a good operation and a timely response to the needs of SPP small producer organizations and SPP companies. This is why the remaining members have been consistent with the one entrusted to us by the General Assembly and, as far as possible, we have made progress on the different urgent regulatory and certification projects to respond and defend the interests of small producers' organizations as they demand from us.
7. We call for our regulations to provide that, in case of disagreements, the members of the CNP, or other SPP governing bodies, find alternative mechanisms for problem resolution instead of resignation, because resignation implies a lack of responsibility concerning the responsibility entrusted to us by the members of the SPP Global General Assembly. An SPP that fails to be operational, which does not solve the needs of producer families in the most timely manner possible, would be contrary to the principles and reasons that gave rise to our important organization, unique in its kind.
8. Finally, we invite the new members to be elected by the XIII General Assembly to always act responsibly when executing the tasks that come with being part of the Standards and Procedures Committee, for the benefit of producers and SPP as a whole, and we ask them to, at all times, fulfill the duties that the Assembly gave them and not to let down the other committee members and functions.