

Towards Living Wages in the Banana Sector // Hacia Salarios Dignos en el Sector Bananero

Thursday 9 December 2021

3.00pm to 4.30pm CET // 9.00am to 10.30am UTC-5



Federal Ministry
for Economic Cooperation
and Development

On behalf of

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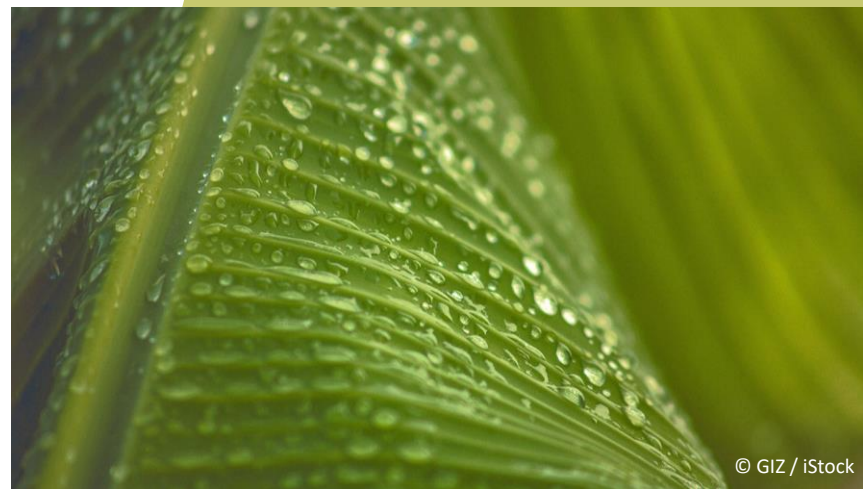
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3:00 – 3:10	WELCOME
3:10 – 3:15	OPENING SPEECHES
	Dr. Philipp Schauer – Ambassador Embassy of the Federal Republic of Germany in Ecuador
3:15 – 3:20	Pedro Álava González – Minister Ministry of Agriculture and Livestock of Ecuador
3:20 – 3:40	PRESENTATION OF PILOT PROJECT Representatives of the German Retailers Working Group on Living Wages and Incomes
3:40 – 4:25	PANEL DISCUSSION
4:25– 4:30	SUMMARY & CLOSING REMARKS



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Antitrust statement

The key principles of the German Retailers Working Group on Living Wages and Living Income include **strict observance of and compliance with all relevant laws and conventions** at national and international level, in particular **compliance with the applicable antitrust provisions of European and national competition law**. For antitrust reasons, discussions on sensitive business information are to be refrained from. Agreements on prices, sales controls or production volumes, market divisions and calls for boycotts or non-cooperation with third parties are also inadmissible, regardless of the reasons for the agreement. **Consequently, discussions about current and future prices, profit margins, discounts, timing and extent of planned price increases, costs, capacities, customers, suppliers, product and marketing plans, sales forecasts, credit terms or about other antitrust-sensitive information are to be refrained from.** Discussion or exchange of anticompetitive information is not only prohibited in meetings, but also during informal discussions where competitors are present.

INA



Federal Ministry
for Economic Cooperation
and Development



Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Initiative for Sustainable
Agricultural Supply Chains

TOWARDS LIVING WAGES IN THE BANANA SECTOR

A project of the German Retailers Working Group on
Living Income & Living Wages

Relevance of living wages & living income

Securing human rights.

- ▶ Living wages & living incomes are a human right.
- ▶ We bear responsibility to respect human rights & to avoid negative impacts

Addressing global supply chain issues.

Living income & living wages can contribute to:

- ▶ Eradicate poverty, support decent work and to end child and forced labor.
- ▶ Promote agricultural industry as attractive employment sector for future generations, and to secure future supply of agricultural raw materials.



German Retailers Working Group on Living Income & Living Wages

Project members



On behalf of



Implemented by



Promotion of living income and living wages in global agricultural supply chains for the retailers' private label brands

Objective

Commitment

Joint commitment signed in 2019
2 pilot projects by 2025



Why Banana?

- ▶ High public attention on banana sector
- ▶ Lack of scalable approaches and cooperation among market participants
- ▶ Past has shown need for joint engagement of retailers
- ▶ Potential for sector wide transformation in banana in collaboration with other European initiatives



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Pilot & roll-out of Living Wage Bananas

- ▶ Pilot activities in Ecuador to understand, test and adjust viable approaches
- ▶ First bananas with living wage criteria shall be sourced from Ecuador and sold starting 2023
- ▶ Develop blueprint for other banana sourcing countries
- ▶ Long-term goal: Ensure living wage throughout retailers' banana portfolio

Sourcing targets for LW Banana

- ▶ By **2023**, at least **7%** of member's total banana volumes are **sourced as Living Wage Banana from Ecuador**; targeted volumes must include bananas in the entry-level price segment and may include other product lines;
- ▶ By **2025** each member aims at sourcing at least **50%** of member's total banana volumes as Living Wage Banana; those volumes shall be sourced **from Ecuador and additional sourcing countries**;
- ▶ By 2025, at least **90% of volumes sourced from Ecuador** shall be sourced as living wage banana;

Scope: Cavendish bananas sold on German market excluding explicitly branded bananas



Approved by German Federal Cartel Office!

An inclusive and participatory approach is key

“...specific living wage criteria will be developed and piloted in 2022 in the context of a **participatory dialogue and consultation process with supply chain partners** and other relevant actors.

Definition and implementation of these criteria shall follow the **principle of shared responsibility, shared reward and shared risk...**”



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Strategic project objectives



I. **Responsible procurement practices** of the retail sector create framework conditions for living wages and incomes.



II. **Strong and active workers' representatives** are able to negotiate decent working conditions, including living wage.



III. Use and development of monitoring procedures along a given banana supply chain, ensuring **transparent wages and working conditions**.



IV. Joint agenda setting of retailers with relevant stakeholders promotes the **long-term establishment of adequate framework conditions** for living wages and incomes in the banana industry.



ROADMAP: Setting the scene (I)

Achieved in 2021:

- ▶ *Milestone 1* | Mapping of banana supply chains and involved actors
- ▶ *Milestone 2* | Initiating dialogue with banana suppliers, farmers, producers, exporters and other relevant stakeholders





ROADMAP: Setting the scene (II)

Planned in 2022:

- *Milestone 3* | Analyze & validate wage gaps for farms in Ecuador (until spring 2022) and other sourcing countries (until end of 2022)



Collaboration with IDH and Heartwood





ROADMAP: Taking action (I)

Objective 1. Responsible sourcing

- ▶ *Milestone 4* | Living Wage purchasing tools are integrated into purchasing practices
- ▶ *Milestone 5* | Responsible procurement toolbox is developed and tested





ROADMAP: Taking action (II)

Objective II. Strong workers' representatives

- ▶ *Milestone 6* | Strategies to strengthen decent work are explored
- ▶ *Milestone 7* | Workers' representation and bargaining power are strengthened





ROADMAP: Taking action (III)

Objective III. Monitoring procedures

- *Milestone 8* | Mechanisms are piloted for monitoring & verifying progress as well as prevailing risks





ROADMAP: Taking action (IV)

Objective IV. Adequate framework conditions

- ▶ *Milestone 9* | Dialogue with banana producers, suppliers and policy makers is deepened
- ▶ *Milestone 10* | Showcase a practical example for the compatibility of sector initiatives and antitrust law
- ▶ *Milestone 11* | Consumers are informed about the relevance of living income and living wages





MORE INFORMATION

For further information please consult the [Working Group's website](#)



Thank you for your attention!

www.nachhaltige-agrarlieferketten.org

Im Auftrag des:



Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung

Durchgeführt von:

giz Deutsche Gesellschaft
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