Progress Report 2024

on the Project “Towards Living Wages in the Banana Sector” by the German Retailers Working Group

ALDI ALDI Kaufland REWE GROUP

SASI Sustainable Agricultural Supply Chains Initiative

cooperación alemana DEUTSCHE ZUSAMMENARBEIT

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Contents

Abbreviations

BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
CLAC	Latin American and Caribbean Network of Fair-Trade Small Producers and Workers (CLAC)
GIZ	Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
HR	Human resources
ILO	International Labor Organization
LW	Living Wages
LWPP	Living Wage Piloting Programme
NGO	Non-governmental organisation
RPP	Responsible purchasing practices
VFC	Voluntary financial contribution
Working Group	German Retailers Working Group on Living Income and Living Wages

1. Introduction

The **German Retailers Working Group on Living Incomes and Wages**, in the following abbreviated as "the working group", was founded in 2019. Commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ is coordinating this working group under the umbrella of the Sustainable Agricultural Supply Chains Initiative (SASI). The working group's stated goal is to promote living wages and living incomes for workers and producers in global agricultural supply chains. To underscore this goal and put it into practice, in 2020 the working group members signed a commitment to implement at least two pilot projects to promote living incomes and wages in their supply chains. The first project "Towards Living Wages in the Banana Sector", abbreviated in this report as "the banana project", started in 2021 with a focus on Ecuador, Costa Rica and Colombia. Participating retailers in the banana project are ALDI South Group, ALDI Nord, Kaufland and REWE Group. A second project on living incomes in the coffee sector started in 2025.

The report at hand focuses on the banana project providing an overview of **activities implemented in 2024** while also giving an outlook on next steps.

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2. The project at a glance

2.1. The project's purpose

Why Bananas?

Bananas remain one of the most popular fruits in Germany, alongside apples. Around one million tons are imported each year, corresponding to a per capita consumption of approximately 12 kilograms. This makes bananas a core product for German retailers.

However, the conditions in production countries often tell a different story. Many plantation workers receive wages well below the cost of living in their region. Permanent employment contracts are rare, resulting in low job security and limited access to social and health services. In many cases, overtime and holidays are not compensated. Studies show that workers often earn significantly less than living wage benchmarks, and some are unfamiliar with the concept of a decent wage, which limits their awareness of their rights.

Minimum wages, where they exist, are often not sufficient to ensure a decent standard of living. In addition, governance mechanisms to monitor and enforce compliance with minimum wage regulations are frequently inadequate. Structures for social dialogue, as well as their acceptance among stakeholders, are also not consistently established in all production regions.

Despite their importance, current sustainability standards do not guarantee the payment of living wages. At the same time, rising sustainability requirements along global supply chains are not adequately compensated. Unequal power and value distribution remain a structural challenge.

A Joint Approach for Systemic Change

The working group is convinced that urgent action is required to bring about sustainable change in banana production and to provide workers in producing countries with a secure livelihood. Living wages are a key element in achieving this goal.

Rather than relying on individual solutions, the participating retailers are committed to pre-competitive collaboration. This approach enables broad, systemic change across the supply chain – from producers to consumers – and helps avoid isolated efforts with limited impact. Many companies cite economically unsustainable competitive disadvantages as a reason for inaction, unless joint initiatives and common frameworks for sustainable business practices are established. A shared approach ensures a level playing field for the participating retailers and creates the necessary foundation for sustainable transformation, especially towards responsible purchasing practices – a key lever for promoting living wages alongside strong social dialogue and collective bargaining.

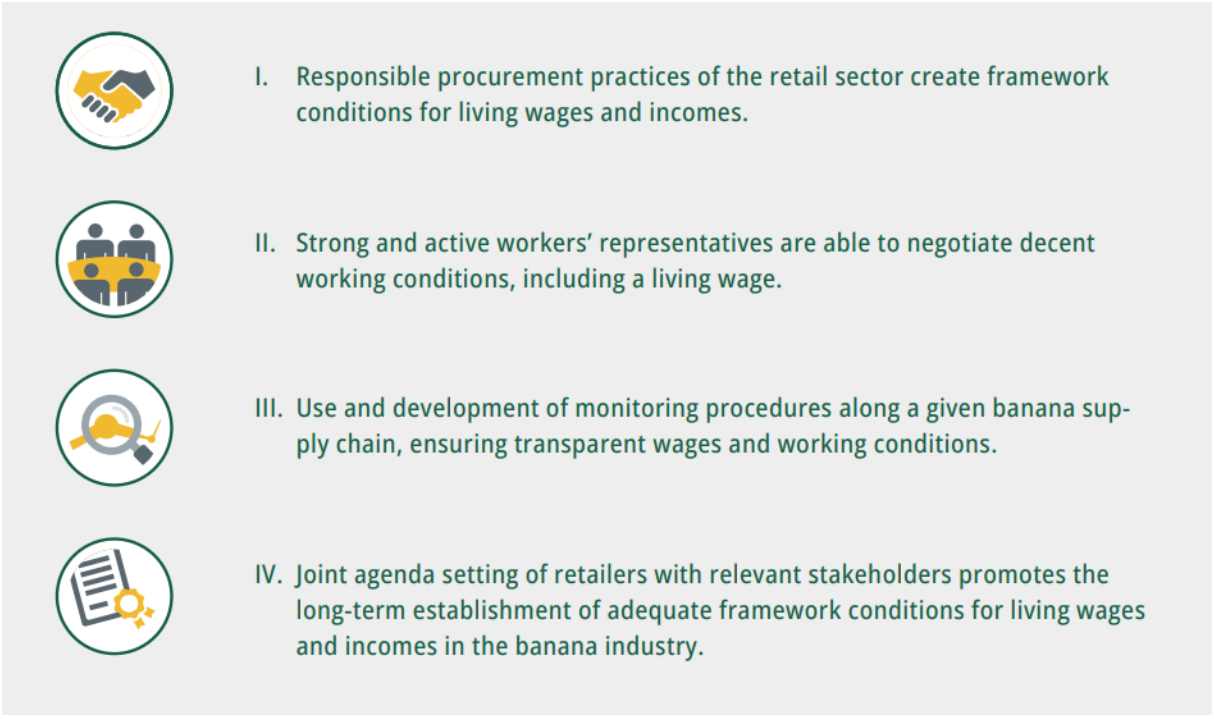
Relevance Beyond the Banana Sector

This initiative is highly relevant in the context of evolving due diligence regulations. It serves as a proof of concept for how living wage commitments can be implemented at scale by retailers, while also supporting stakeholders in partner countries. The lessons learned and results generated through the banana project offer valuable insights that can be applied to other supply chains. They contribute to the broader goal of sustainable global supply chains and fair working conditions across sectors.

2.2. From Vision to Impact: The Strategic Logic of the Banana Project

The overarching objective of the Banana Project is to promote living wages and decent working conditions in global banana supply chains. In this context, living wages are understood as part of a comprehensive decent work agenda, which also addresses workers' rights to formal employment, freedom of association, or the prevention of discrimination, particularly against women. The project strategy reflects the different levers at supply chain and sector level that need to be addressed to promote long-term systemic change towards living wages and decent work. The strategy rests on four mutually reinforcing main objectives:

Figure 1 Strategic project objectives



The first two objectives form the core levers. Social dialogue and responsible purchasing going hand in hand since markets need to adequately remunerate producers for improved conditions on the ground. If retailers and other market players show the willingness to pay for decent working conditions this can significantly increase scope and ambition of social dialogue. Objectives three and four reflect the necessary framework conditions: Reliable data is needed to monitor progress

and to inform effective purchasing practices, while a collaborative environment facilitates buy-in and aligned action to drive lasting change beyond the project.

The project aims to test, refine, and scale mechanisms that support banana producers in reducing and closing living wage gaps in a measurable and sustainable way. In doing so, it tries to balance scalability through standardized processes with the need for tailored approaches that respond to local conditions and realities. The project engages stakeholders across all levels of the banana supply chain, including actors from the public and private sectors in producing countries, as well as civil society. At the heart of this work is the principle of shared responsibility among all stakeholders – including German retailers – as a prerequisite for real and lasting progress.

To define a concrete benchmark for progress, project goals were translated into a clear and measurable target: **by the end of 2025, at least 50% of the bananas purchased by the participating retailers[1] should be sourced as "Living Wage Banana"**, which means according to the living wage requirements defined in the working group including:

- Wage data and potential wage gaps have been assessed for all participating farms.
- Wage data has been verified onsite for at least a sample of farms by an independent third-party organization.
- In the case of prevailing living wage gaps, retailers pay a voluntary contribution, calculated based on the farm's prevailing gap, to reduce gaps respective to their volumes sourced.
- Payment, receipt and distribution of the voluntary contribution have been verified onsite for at least a sample of farms by an independent third-party organization.

[1] The project scope encompasses each member's Cavendish banana portfolio sold to the German market, covering all respective product lines excluding explicitly branded bananas.

3. Main activities & milestones in 2024

Deepening the work on responsible purchasing practices, expanding the scope of engagement with producers, and understanding the landscape of the banana sectors in the additional project countries Colombia and Costa Rica were among the core project activities in 2024. **Fehler! Verweisquelle konnte nicht gefunden werden.** summarizes all main activities in 2024 and their contribution to the strategic project objectives. The following subchapters provide more detailed insights into the activities, how they are interconnected, lessons learnt during implementation, and next steps moving forward.

Table 1 Overview of activities in 2024

Activity title	Activity description	Strategic Goal	Scope
Sector studies & decent work baselines	Sector studies, stakeholder mapping and baseline assessments on working conditions	Transparent Wages and Working Conditions; Joint Agenda Setting	Colombia, Costa Rica
Analysis of payroll systems	Analysis of payroll systems on banana farms to improve compatibility with monitoring systems and external audits	Transparent Wages and Working Conditions	Colombia, Costa Rica, Ecuador
Salary Matrix Trainings	Trainings for producers and supply chain partners on use of IDH Salary Matrix to assess wages and wage gaps	Transparent Wages and Working Conditions	Living Wage Piloting Programme (LWPP) farms
Wage data collection	Wage data collection using 2023 IDH Salary Matrix	Transparent Wages and Working Conditions	Living Wage Piloting Programme (LWPP) farms
Wage data verification	Wage data verification through FLOCERT (remote and on-site)	Transparent Wages and Working Conditions	Living Wage Piloting Programme (LWPP) farms
Digitalization of GIZ Costing Tool	Trainings for producers and supply chain partners on use of digitalized version of the GIZ Costing Tool to calculate voluntary contributions	Responsible Procurement	Living Wage Piloting Programme (LWPP) farms
Voluntary financial contributions	Testing payment of voluntary financial contributions (VCF) by retailers for farms with prevailing living wage gaps	Responsible Procurement	Living Wage Piloting Programme (LWPP) farms
Distribution models for	Legal analysis of distribution models for voluntary financial contributions	Responsible Procurement	Ecuador, Colombia,

voluntary financial contributions			Dominican Republic
RPP Framework	Development of Framework on Responsible Purchasing Practices (RPP) in the banana sector	Responsible Procurement	Global
RPP self-assessment of retailers & buyer workshops	Self-assessments of retailers and buyer workshops on RPP	Responsible Procurement	Global
Trainings for trade unions and workers' organizations	Trainings for trade unions and workers' organizations on wage negotiations and the Salary Matrix	Strong and Active Workers Representation	Ecuador
Capacity development on decent work	Trainings for human resources focused on compliance with European human rights legislation	Strong and Active Workers Representation	Ecuador
Poverty stoplight – community-based interventions	Pilot alternative models that assess and channel funds to community-based worker initiatives	Transparent Wages and Working Conditions	Colombia
Stakeholder workshops	Regular exchange and collaboration with relevant actors at supply chain level, sector level and policy level	Joint agenda setting	Colombia, Costa Rica
International dialogue platforms	Engagement in international dialogue platforms such as the World Banana Forum	Joint agenda setting	Global
European Alignment	Dialogue and alignment with European Retailer initiatives	Joint agenda setting	Retailer initiatives in Belgium, Netherlands, United Kingdom

3.1. Understanding the sector and current working conditions

To better understand good practices and remaining challenges related to decent work and living wages in the banana industry, a series of coordinated studies and assessments were conducted in Ecuador, Colombia, and Costa Rica. The goal was to examine local realities, identify key challenges, and support progress toward decent working conditions for farm workers, including the payment of living wages.

In each country, **market studies and baseline assessments,** conducted in 2024, explored the structure of the banana sector, relevant legal and economic frameworks, existing efforts and current labor conditions. The baseline assessments focused on wages, working hours, worker representation, and occupational safety. In Colombia, for instance, the situation varies significantly: while strong union agreements in Urabá led to better conditions, the region of

Magdalena faces less pay and limited worker protections. In Costa Rica, structural issues included unregulated piecework and tensions between unions, certifiers, and civil society actors.

A case study in Ecuador's El Oro Province, where 150 banana workers were interviewed, offered additional insights. It showed that 71% of respondents were unaware of the legal minimum wage, and nearly 60% had never heard of the concept of a living wage. Almost a third of the workers interviewed stated that they earned less than $21 USD per day, below the living wage of about $24.45 USD per day. It is noteworthy that among the lowest paid workers, the majority are women. Although limited in scope, the study underscored the urgent need for better awareness on labor rights and fair compensation.

- ➔ **Key learnings**: Besides understanding prevailing working conditions in the sector it is also crucial to map and understand existing efforts and approaches of other stakeholders in the sector. Building on what exists helps to design more meaningful project activities that aim at lasting change also beyond the project duration. It is also important to analyse and evaluate regional differences (e.g. Urabá and Magdalena): just because an approach works in one region does not mean that it can be applied in exactly the same way in another region.
- ➔ **Next steps:** The results of the market analyses and baseline assessments provide the working group with a solid basis to design targeted measures addressing the sector's key challenges regarding workers' rights and representation. In 2025 and 2026, the group will focus on developing future strategies for social dialogue in close collaboration with government institutions, engaging with the ILO on capacity development, and strengthening both social and tripartite dialogues in both Colombia and Costa Rica. In addition, the project foresees an analysis of state-led wage monitoring and labor inspection processes in Costa Rica and the development of strategies to improve them.

IDH Salary Matrix as central tool for wage data collection

The working group as well as other initiatives on Living Wages in the banana sector are working with the IDH Salary Matrix for the collection of wage data on farms. The free, publicly available tool compares current wages with living wage benchmarks, enabling data comparability across farms to help retailers make informed purchasing decisions to support the closure of prevailing living wage gaps. Testing grounds: the Living Wage Piloting Programme provides more details on the collection and verification of Salary Matrix data conducted as part of the Living Wage Piloting Programme.

To inform further improvements of the tool and to facilitate its application by producers, the working group commissioned Mainlevel Consulting to conduct an **analysis of prevailing payroll systems on banana farms and compare them with the requirements of the IDH Salary Matrix**. Recommendations include tailoring the Salary Matrix more closely to national contexts, offering improved training and technical support for farm administrators and clarifying shared responsibilities among stakeholders. The full study and list of recommendations can be accessed here.

➔ **Next steps:** In 2025, the working group will continue to support further improvements in wage data quality and foster the effective use of the Salary Matrix through targeted training as well as sharing lessons learned with IDH for a continued development of the tool. Close collaboration with national governments and alignment with existing national initiatives will also support long-term, locally anchored change.

3.2. Testing grounds: the Living Wage Piloting Programme

A brief look back: In 2023, the working group carried out pilot activities with Rainforest Alliance and Fairtrade to test mechanisms for closing living wage gaps through voluntary retailer contributions. Reliable wage data and producer incentives emerged as critical success factors. The lessons learned from these first pilots, compiled in this report, informed the design of the **Living Wage Piloting Programme (LWPP)**, **launched in January 2024 as a structured framework to generate further learnings on wage data, verification, and responsible purchasing practices**. The programme was developed in consultation with supply chain partners, voluntary sustainability schemes, producer organisations, worker representatives, NGOs, and GIZ country offices.

3.2.1. Scope and Participation

The LWPP included 26 farms across six countries including Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala and Peru, with a total of 3,407 workers (thereof 646 women) and 10 intermediaries involved. Farms were nominated by retailers and joined voluntarily at no cost; all training, support and verification expenses were covered by the retailers.

Four Programme Pillars:

(1) Learning and Exchange

To foster learning exchange between countries and supply chain actors, **virtual exchange sessions** were held: In fifteen sessions with 126 participants (workers, producers, intermediaries, retailers) different topics were discussed ranging from general insights into living wages and the 2023 pilots, to specific issues such as worker representation, productivity impacts, and national challenges.

To generate additional learnings, **CLAC and Fairtrade analyzed different financial distribution models to pay living wage differentials and voluntary contributions**. Three mechanisms were evaluated: direct employer-to-worker transfers, payments via non-profit organizations, and distribution through the Fairtrade Premium Committee. The most low-risk method of distributing these benefits is through non-profit organizations aligned with worker welfare, such as the Fairtrade Premium Committee on certified plantations. This is, because the direct employer-worker-transfers increase employee benefits, the tax base, and administrative processes, which in turn raises associated costs. Furthermore, incorporating these benefits into the labor relation may pose risks of labor litigation or disputes. Where such structures do not exist, extra-wage

bonuses may be used, but clear agreements and legal precautions are essential to avoid future disputes due to the potentially unstable nature of such payments.

(2) Capacity Development

Seven demand-oriented trainings reached 148 participants (thereof 78 women and 70 men), including producers, worker representatives and suppliers. They strengthened understanding of living wages, decent work, and the use of tools such as the IDH Salary Matrix and the GIZ Living Wage Costing Tool. In-person formats proved more effective than virtual ones, as participants could directly address open questions.

(3) Wage Data Collection and Verification

All **26 farms submitted 2023 wage data** using the IDH Salary Matrix. To ensure reliability, submissions were **verified onsite by FLOCERT**, following IDH auditing guidelines. Pre-audit checks detected errors in 95% of cases; ultimately, 69% of farms passed verification. Frequent errors included incorrect worker categorization, incorrectly recorded overtime, or incorrect handling of bonuses and benefits. Data collection remains resource-intensive, especially for smaller farms and those with piece-rate systems, and scalability of both data collection and verification is a concern.

Table 2 Key results of wage data collection & verification

	All farms (n=26)	**Farms with positive verification result (n=18)**	**Farms with negative verification result (n=8)**
Farms with a LW gap in %	62%	46%	15%
For farms with a LW gap: **% of workers with LW gap**	65%	71%	55%
For farms with a LW gap: **average LW gap in %**	13,5%	15%	8,9%

(4) Implementation of Responsible Purchasing Practices (RPPs) by retailers

Sixteen farms with wage gaps were eligible for **voluntary contributions from retailers**, calculated with the digital GIZ Costing Tool. Producers could choose different calculation scenarios; most opted for the simpler, lower-cost option. In practice, contributions were often distributed to all workers to maintain wage structures even if the on-cost was only calculated to close the gap of workers below a living wage. While voluntary contributions signal retailer commitment, their complexity and administrative burden on all sides limit scalability. For farms without wage gaps, retailers committed to implementing other responsible purchasing practices, but progress was limited, as such changes are difficult to implement for singular farms.

3.2.2. Key Learnings

A comprehensive overview of the results and learnings from the Living Wage Piloting Programme 2024 has been summarized in the Lessons Learned Report. Key insights include:

- **Engagement & Exchange**: Peer learning platforms were valuable, but closer individual follow-up with farms is needed.
- **Capacity Development**: Trainings remain essential; in-person formats yield better results.
- **Wage Data**: Complexity of farm payment systems and administrative burden remain barriers; scalability requires risk-based sampling and more aggregated reporting.
- **Voluntary Contributions**:
    - Effective for pilots, but challenges remain for implementation at larger scale.
    - Alignment between retailers and supply chain partners on details of implementation are crucial to reduce burden of potentially diverging requirements that supply chain partners need to follow. Open questions include calculation methods, distribution mechanisms, and verification.
    - Ultimately, voluntary contributions serve as interim solution and important signal of the retailers' willingness to support producers in reducing prevailing gaps. Sustainable long-term solutions require the integration of voluntary contributions into fair prices, collective bargaining, and strong local labor authorities to enforce compliance with workers' rights.
- **Responsible Purchasing Practices**: Implementation at farm level proved difficult; broader changes at supplier or sector level are more feasible and are being developed.

3.2.3. Next Steps

In 2025, the LWPP evolved into the **Living Wage Programme (LWP)**, expanding to cover farms representing at least 50% of each retailer's sourcing volumes[1]. Planned activities include:

- Continued capacity building and in-person training
- Ongoing wage data collection with selective, risk-based verification
- Phasing out the GIZ Costing Tool, with its methodology integrated into the IDH Salary Matrix
- Alignment with other European retailer initiatives on key questions regarding voluntary contributions
- Inclusion of severance payments in Colombia in wage calculations, following agreement with local stakeholders

3.3. Laying the foundation for responsible purchasing practices

While the Living Wage Piloting Programme was used as testing ground for practically implementing single responsible purchasing practices, the working group also built the strategic foundation to systemically improve the retailers' banana sourcing models.

As a first step, the working group in collaboration with the Belgian, British and Dutch retailer initiatives supported the **development of the "Responsible Purchasing Practices Framework for Retail in the Banana Sector"** (RPP Framework) which assists retailers in taking initial steps towards more responsible procurement of bananas. It provides a prioritized list of 15 responsible purchasing practices and offers detailed recommendations for implementing these practices, building on the guiding principles of the Common Framework for Responsible Purchasing Practices, developed by the Ethical Trading Initiative (ETI). Multiple consultation rounds were held with relevant stakeholders and are being continued to further increase relevance and acceptance of the framework in the banana sector. While the framework in its current version has been shared with all relevant stakeholders, due to the ongoing revision it has not been officially published yet. A close collaboration with FAO's World Banana Forum was and is key to streamline consultation processes and facilitate involvement of all relevant stakeholders.

In a second step, the framework served as foundation to guide retailers in conducting **self-assessments against the recommended purchasing practices** to gain a first understanding of the status of implementation and inform next steps. 12 of 21 European retailers self-assessed their purchasing practices, thereof three retailers from the German working group. Results showed that retailers are pursuing different approaches such as responsible pricing mechanisms, long-term contracts or the internal integration of living wage targets into sourcing and contracting processes. Yet, maturity of implementation varies significantly across retailers. Consistently high maturity was reported for practices like prompt payments or collaborative product specification and quality management. Practices like the payment of living wage reference prices or sustainability incentives for buyers showed opportunities for improvement.

In the third workstream, two joint **sensitization sessions** and seven **individual consultation sessions** were held **with retailers' sustainability and buying departments** to disseminate content of the RPP framework, discuss results of the self-assessments and understand opportunities and challenges for structural changes in the retailers' sourcing models.

This process helped to **strengthen engagement with the retailers' buying teams** promoting a shared understanding on the impact of current banana purchasing practices and kicking off internal discussions on opportunities for expanding responsible sourcing models.

3.3.1. Key learnings

- Retailers play a central role in enabling responsible sourcing, yet persistent tensions exist between ethical commitments and cost-efficiency pressures. Regular interdepartmental exchange and alignment, especially between CSR and buying teams is a crucial first step to start balancing these internal goals.

- Continuous engagement with all sector actors is crucial to successfully establish the RPP framework as sector reference and guarantee its relevance and acceptance in future.
- Producers and producer associations critically remarked that the RPP framework leaves too many choices for retailers to circumvent fair pricing (i.e. the payment of Fairtrade's Living Wage reference prices) which they consider the most relevant and urgent purchasing practice that retailers should adopt. While the relevance of this is acknowledged by the working group, antitrust law currently prohibits such joint agreements on reference prices.
- The RPP framework itself proved to be a viable tool in the light of antitrust law. Given its nature as non-binding guidance with recommended purchasing practices that retailers can individually choose from based on their specific supply chain contexts, an antitrust lawyer confirmed legal compliance of the framework with competition law.
- Self-assessments of retailers on the status of their purchasing practices can be a first step to strengthen engagement with buying teams and build internal understanding. Yet, there is the risk of biased results with limited comparability across retailers due to the subjective nature of these assessments. The perspectives of supply chain partners need to be included to ensure more balanced insights and allow for better informed benchmarks for retailers.
- Continued involvement of intermediary suppliers is crucial to understand and develop mechanisms that ensure that improvements in retailers' purchasing practices benefit all upstream suppliers and especially producers and workers.

3.3.2. Next steps

- A test case was prepared in collaboration with antitrust experts and handed in to the German antitrust authority in September 2025 to explore legally compliant options for potential joint commitments of retailers to use Fairtrade's living wages reference prices as minimum price reference in their banana sourcing.
- The working group joined efforts with the Ethical Trade Initiative (ETI) to continue and expand its efforts on promoting RPPs. Activities will include:
    - Independent assessments of the retailers' current purchasing practices from the perspective of supply chain partners will be conducted to complement the retailers' self-assessments. Benchmarking against the anonymized and aggregated results of the working group shall increase retailers' buy-in to systemically expand responsible sourcing models.
    - Continuation of sensitization and training workshops with buying, CSR and other relevant departments to support retailers in developing individual RPP action plans in collaboration with respective supply chain partners.
    - Based on continued stakeholder consultation, the RPP framework will be narrowed down to prioritize the most impactful purchasing practices with direct benefits for living wage targets. This consolidated version shall complement ETI's

Common Framework on Responsible Purchasing Practices in Food as specific addendum for the banana sector.

3.4. Strengthening decent work & worker representation

The project helped to strengthen social dialogue by working on both sides: On one hand, it supported workers and worker representatives to increase their bargaining skills; on the other hand, the project engaged with producers and employers to increase awareness about labor rights and risk management.

In Ecuador, one of the project's core priorities was empowering banana farm workers and their representatives to advocate for fair wages and meaningful participation in social dialogue. To achieve this, the project partnered with Banana Link, a UK-based NGO known for its longstanding commitment to workers' rights in the global banana trade. Given the complexity of Ecuador's trade union landscape, the project first assessed which actors could be most effectively supported to ensure sustainable impact. Initially, SINUTRABE was the only officially recognized cross-company workers' organization in the Ecuadorian banana sector, and **strengthening its institutional capacity** was seen as critical to enhancing negotiation processes and enabling effective collective bargaining. Although SINUTRABE was dissolved in 2023, the project ensured continuity by providing trainings to other committed union members, thereby maintaining local labor leadership structures and preserving progress toward stronger representation.

Alongside the support of institutional capacities, the project launched a comprehensive **training program for worker representatives in Ecuador**. Across 14 thematic training sessions involving around 325 participants, representatives were trained on Ecuadorian labor law, the national social security system, strategies for social dialogue, gender-based wage disparities, and the calculation of living wages based on the Anker Methodology.

Strengthening decent work and livelihoods

In parallel, the project collaborated with Fairtrade International and the Latin American and Caribbean Network of Fairtrade Small Producers and Workers (CLAC) to **explore broader factors influencing workers' overall well-being** beyond the payment of a living wage. Through 110 **individual interviews**, the partners identified that respecting basic labor rights, creating inclusive and harassment-free workplaces, and improving living conditions for workers, their families, and communities through sustainable investments are critical for long-term impact.

One other significant component of this collaboration was the **"Poverty Stoplight" pilot in Colombia**, which assessed the individual living standards of 100 workers using a traffic-light methodology. Each worker developed a personal six-month action plan to improve specific areas of their economic and social situation, which was then compared to their baseline results. This tool proved highly effective to strengthen cooperation between workers and employers: Through the Poverty Stoplight tool, workers and employers gain a clear, shared picture of the challenges affecting workers' lives. This joint understanding helps them design and implement practical measures to improve wellbeing and economic resilience.

Another major outcome of this partnership was the delivery of **Human Rights Due Diligence trainings for human resources personnel at 32 farms in Ecuador**. These trainings focused on compliance with European human rights legislation and laid the foundation for systemic improvements at farm level. HR departments are key leverage points for institutionalizing fair practices and fostering inclusive workplace cultures; therefore, they were provided with dedicated training to enable them to effectively support the process.

More detailed information on this collaboration with Fairtrade and CLAC can be found here.

3.4.1. Key learnings

- The project highlighted that living wages and decent work are closely linked and must be addressed together to drive meaningful improvements in livelihoods of banana workers and their families. For example, living wages cannot be solved without addressing risks related to overtime, gender pay gaps or freedom of association.
- Many workers still earn wages below a living wage, even where official LW policies exist, and often lack awareness of the LW concept.
- Capacity-building trainings are crucial and should be more frequent, context-specific, and participatory to effectively meet workers' and employers' needs.
- As project resources are limited to drive systemic change in social dialogue, collaboration with other projects and partners are required. Continued engagement is essential to show that retailers consider these issues important for purchasing decisions.
- Supply chain approaches including responsible purchasing practices and the promotion of social dialogue must be more closely interlinked.
- Regional cooperation among workers' representatives and unions offers valuable opportunities for mutual learning despite different national contexts.
- Involving workers and worker representatives including unions in assessing wage gaps might prove effective for strengthening local ownership and reliability of data collection processes as well as bargaining power. Yet, scalable and standardizable processes need to be explored for this kind of involvement.
- Tools like the Poverty Stoplight method reveal multidimensional challenges beyond living wages and decent work, pointing to areas such as health, education, and housing that require attention.
- Political and institutional barriers, including restricted freedom of association, can impede project progress, highlighting the need for transparent dialogue and trust among stakeholders.
- Future efforts should combine wage improvements with broader social protections and community development to ensure sustainable benefits for workers and their families.

- While all topics are interconnected, it is essential to acknowledge that not everything can be addressed at once. Focusing on selected priorities allows the Working Group to create deeper impact and achieve tangible results.

3.4.2. Next steps

- The working group decided to work with organisations whose expertise lies in cooperation with workers' and employers' organisations. A cooperation with the ILO as neutral stakeholder is planned for 2025 and 2026, with the main aim of promoting social dialogue, decent work and the capacity development on negotiations. Thereby, it is guaranteed that workers' and employers' organisations get a safe space to address their needs.

3.5. Promoting a Joint Agenda: Why Collaboration Matters

Sustainable improvements in wages and working conditions cannot be achieved in isolation. They require collective action and shared responsibility among retailers, traders, producers, governments, trade unions, and standard-setting bodies. The success of the project therefore depends on the active involvement of a broad range of stakeholders across the supply chain and in the banana sector.

Aiming at alignment on solutions for living wages and decent work in the whole banana sector, the project **strategically partnered with the World Banana Forum (WBF)**, a global exchange platform in the banana sector, hosted by the FAO. Throughout 2024, the working group continued its active engagement in the forum's regular meetings, including the Fourth Global Conference of the World Banana Forum in March 2024. The working group actively shared project milestones and used the WBF to consult on project activities such as the framework on responsible purchasing practices (see Chapter 3.3). This proactive involvement helped to create momentum for the establishment of a dedicated Commission on Living Wages and Living Income with two technical subgroups.

To align project activities with local realities and stakeholder priorities, the project conducted **in-person stakeholder workshops in Colombia** (Medellín, Oct 2023 & Sept 2024) **and Costa Rica** (Guápiles, Nov 2023 & Sept 2024). These gatherings brought together producers and buyers to jointly plan next steps. The active participation of ALDI South (2023) and ALDI Nord (2024) strengthened credibility and helped ensure that stakeholder concerns were heard and addressed.

In addition to these international and national events, **bilateral exchanges** with all key stakeholders, including government representatives, civil society, producer associations, producers and traders, were held regularly across all three implementation countries and at the international level. The participation of GIZ and the working group at the international fairs Green Week (panel input in January 2024), Fruit Logistica in Berlin (February 2024) and Fruit Attraction in Madrid (October 2024) helped to strengthen relationships and to build buy-in and ownership for joint action.

Recognizing overlaps in the retailers' supply chain structures, **alignment among retailers** in Germany and Europe helps to strengthen a level playing field across markets and to maximize impact on the ground while reducing efforts for supply chain partners. Without coordination, the risk of fragmented efforts and conflicting signals to suppliers increases, undermining progress toward living wages. A harmonized approach ensures that individual retailers are not disadvantaged for taking responsibility and allows suppliers to align with consistent expectations. Therefore, the working group also continued its **regular exchanges with other European retail initiatives, led by IDH, under the 'Better Together' umbrella**. This includes joint projects with initiatives from Belgium, the Netherlands, and the UK on topics such as wage data verification and coordinated living wage strategies. A joint statement was published in 2024 to share the retailers' aligned understanding on the conditions for making living wages and decent work a reality in the long run.

3.5.1. Lessons Learned

- Inclusive engagement with all stakeholders including local governments and producer associations is a key success factor, especially when dealing with politically and economically sensitive topics like wages and social dialogue. While building trust, and ownership for joint engagement on these topics takes years and a lot of diligence, it is indispensable to ensure lasting change through institutionalizing and anchoring successful approaches in systems of the partner countries.
- Wage data collection processes and the practical implementation of voluntary contributions are linked to a long list of strategic and operational questions. Without aligned approaches among German and European retailers supply chain partners face significant efforts in accommodating different requirements. While alignment among 20 European retailers and their supply chain partners requires a lot of coordination and time, it should be strengthened further to come up with meaningful solutions that work for everyone.
- Traders and producers play a vital role in implementing living wage solutions, for example through channeling voluntary contribution payments through the supply chain and coordinating distribution to workers. Engagement with them and learning from good practices as well as challenges helps to align on feasible and meaningful solutions.
- Retailer representation in stakeholder workshops and other exchange formats is vital for reinforcing credibility and building trust in the process.

3.5.2. Next Steps

Looking ahead, the project will:

- Deepen bilateral engagement with public authorities in Colombia and Costa Rica to build long-term alignment and ownership of living wage solutions that work in the local context. Laying the foundation to further strengthen social dialogue will be one of the focal areas.

- Expand cooperation with other European retail initiatives. One key topic in 2025 is to align on harmonized approaches for implementing voluntary contribution payments by retailers.

4. Final conclusions & general outlook

Retailers have maintained their commitment and engagement, which has enabled the project to expand to additional countries. The piloting phase has proven effective in testing practical implementation and generating valuable lessons. While the current approach proved to be feasible, its scalability must be improved, as it remains resource-intensive and complex. Reaching the 50% target by the end of 2025 will be an important milestone, providing insight into how the current model can be applied across hundreds of farms and which adjustments are needed. Looking ahead, with the planned end of the project in October 2026, the focus will shift from testing and learning to anchoring results and preparing a responsible transition into more standardized processes that retailers can continue individually. Grounding efforts in producer countries will be a key lever, alongside strategic collaboration with international actors such as the ILO and the World Banana Forum, who have the potential to take up and continue essential workstreams.

Regular project updates are published on the website of GIZ's Sustainable Agricultural Supply Chains Initiative (SASI).

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