TERMS OF REFERENCE (ToR)
GAP ANALYSIS AGAINST THE 2020 FARM REQUIREMENTS ON CERTIFIED TEA ESTATES IN SRI LANKA

OCTOBER 2020
INTRODUCTION

In January 2018, UTZ and the Rainforest Alliance merged to build a new organization under the name the Rainforest Alliance. The organizations merged in response to the critical challenges facing humanity: deforestation, climate change, systemic poverty, and social inequity. By combining the respective strengths, the new organizations in a better position to achieve the scale of impact necessary to meet these challenges effectively. The mission of Rainforest Alliance is to build a future in which nature is protected and biodiversity flourishes, where farmers, workers, and communities prosper, and where sustainable land use and responsible business practices are the norm. Rainforest Alliance envisions a world where people and nature thrive in harmony. In line with this vision, the Rainforest Alliance has recently published their 2020 Certification Program which will become mandatory from 1st July 2021.

CONTEXT

For more than a century, Sri Lanka was the largest exporter of tea in the world and Sri Lankan tea continues to maintain a differentiated image in the country markets where the Ceylon tea is being consumed. Although Sri Lanka is one of the major tea producing countries in the world, unlike other major producers Sri Lanka major portion of the tea production approximately 90 percent being sent to the world markets.

Sri Lankan tea economy contributes to more than one million employment in the country directly and indirectly. The tea industry also helps the Sri Lankan economy earn about 15 percent of foreign exchange earnings. Any change in the fortunes of the industry can seriously affect the health of the Sri Lankan economy.

Rainforest Alliance has been engaged in Sri Lanka for several years and is exploring with the tea sector to see how certification can bring about positive change. The transition to the new RA 2020 certification system provides an opportunity to improve the sustainable management of tea estates in Sri Lanka and identify further opportunities to support sustainable tea production in Sri Lanka.

The Rainforest Alliance therefore proposes to undertake a gap analysis with a sample of 4 Rainforest Alliance estates in Sri Lanka to understand the challenges that these estates may face in transitioning to the new standard and identify further areas of support that could be put in place during the transition period. The methodology will be a combination of quantitative and qualitative assessment based on information about production practices and working conditions directly from workers and management and other stakeholders, as well as a physical check of some of the requirements of the new standard.

Based on findings of the study, RA aims to identify ways to support Certified Estates to address potential issues and to support them towards transition to the Rainforest Alliance 2020 certification program. Findings of the study are not considered to be audit findings and will not be used to penalize estates around issues detected, but rather provide them with a clear report on how they can comply with some of the main changes of the 2020 Certification Program.
SCOPE

An overview of the Rainforest Alliance certified tea sector in Sri Lanka is given by the data listed in the table below:

<table>
<thead>
<tr>
<th></th>
<th>RA SAS 2017 Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of CHs</td>
<td>34</td>
</tr>
<tr>
<td>Number of Individual/multi-farms</td>
<td>18</td>
</tr>
<tr>
<td>Number of Groups</td>
<td>16</td>
</tr>
<tr>
<td>Certified area (ha)</td>
<td>66.980</td>
</tr>
<tr>
<td>Certified production (MT)</td>
<td>87.430</td>
</tr>
<tr>
<td>Number of workers (permanent and seasonal)</td>
<td>93.492</td>
</tr>
<tr>
<td>Number of farms</td>
<td>34.341</td>
</tr>
</tbody>
</table>

The scope of this field research is to visit 4 certificate holders (The sampling is to be done based on multisite Certificate Holders and single Certificate Holders, years of association with RA (more than 5 years, 3 years, 1 year), size of estate, and non-compliances from previous audits. RA will work with the contracted party on criteria and selection.

OBJECTIVES

The objective of this field research is to contribute to a better understanding of the challenges facing tea estates in Sri Lanka to implementing key requirements on the new standard, drawing on an understanding of difficulties in implementing the current standard in these areas, and where the new requirements will pose an additional challenge. The research will seek to identify the underlying root causes of any challenges identified. The study should be conducted against the key areas we expect to be most challenging for the estates in the new farm standard. These areas of focus are listed below, together with some background information on context and what we would specifically like to know. The researcher should also bring to the attention of RA and the estates any other areas of the new standard that may be identified during the research as challenging to implement.

If necessary, the researcher shall also get in touch with the tea board or other relevant stakeholders to validate the findings and to seek for further guidance on specific issues.

<table>
<thead>
<tr>
<th>Topic</th>
<th>RA 2020 Standard - Farm Criteria Requirement focus</th>
<th>RA 2020 Standard - Farm Criteria Reference</th>
<th>What do we want to know?</th>
</tr>
</thead>
</table>
| Workers lists  | Data on permanent and temporary workers, including young workers and housing provision | 1.2.5 1.2.6 | • What type of workers are employed (permanent, temporary) and what are their respective job profiles?  
• Will it be challenging to have this information for temporary as well as permanent workers?  
• Any other issues with the information needed on the list? |
<table>
<thead>
<tr>
<th>Gender Equality</th>
<th>Management commits to promoting gender equality and a gender committee is in place to support this</th>
<th>1.6.1 1.6.2</th>
<th>• What may be the barriers to implementing an effective mechanism to promote gender equality?</th>
</tr>
</thead>
</table>
| Traceability    | Traceability of certified production including yield estimation and calculation of conversion factors | 2.1.1 2.1.5 2.1.8 | • What methodology is used to calculate yield?  
• Are there issues with the credibility or reliability of this methodology to give accurate results?  
• What conversion factors will be used for tea?  
• In case of groups of smallholders: can the certified product be traced back to the certified farm(s) they were produced?  
• Can you give recommendations on how to deal with SHs that sell leaf to more than one factory, under whose certificate should they fall? |
| Human Rights Assess & Address Approach | Management commits to address child labor, forced labor, discrimination and workplace violence and harassment. A committee is set up, risk analysis is conducted, and a management plan is put in place to remediate cases. | 5.1.1 5.1.2 5.1.3 5.1.4 Annex 4: RA Remediation Protocol Guidance Document: Assess & Address | • Do adequate policies, regulations and enforcement measures exist to eliminate all forms of workplace harassment and gender-based violence?  
• Is there enough capacity and awareness to assess the risk of address child labor, forced labor, discrimination and workplace violence and harassment?  
• Are any systems in place to report or remediate cases of this kind?  
• What may be the barriers to developing systems to identify, remediate and monitor cases? |
| Contracts and Minimum Wage | Workers have written contracts and receive at least the applicable minimum wage or the wage negotiated in a Collective Bargaining Agreement (CBA), whichever is higher. | 5.3.1 5.3.3 5.3.5 | • Are formal contracts signed with workers (permanent and temporary) and do they include all the necessary details set out in the 2020 standard?  
• Are contracts updated when there is a new CBA/wage policy or is payment backdated for compliance?  
• Are any workers without contracts or without updated contracts? |
| Working conditions | Workers do not work more than eight regular working hours per day and 48 regular working hours per week. Overtime is voluntary and only permitted under strict conditions. | 5.5.1 5.5.2 | • What are the differences between the contracts for temporary workers and permanent worker?  
• Are temporary workers given the same wage and benefits as the permanent workers?  
• Is there a functioning CBA, or legal minimum wage, are there gaps for what the estate is paying to workers?  
• Does the CBA/wage calculation cover piece work?  
• Are deductions made from wages, including moisture deductions for plucking of green leaf?  

**In case of moisture deductions:**  
• What methodology is used to calculate deductions? Is this methodology known by workers?  
• Are there any regulations set by either Sri Lankan national law, regional law or labor unions regarding moisture deductions? |

| Maternity leave and nursing mothers | Pregnant permanent workers are entitled to paid maternity leave of at least 14 weeks  
Pregnant and nursing mothers have adapted working conditions | 5.5.3 | • How is overtime managed?  
• Do different types of workers have different working hours in a day or a week?  
• Is there seasonality in working hours and overtime?  
• Is work paid at different times of the day or the week paid at the same rate?  

• Is provision currently made for maternity leave and for nursing mothers?  
• What are the potential barriers to implementing maternity leave and flexible working schedules? |

| Health and Safety | An occupational health and safety risk assessment is conducted by a competent professional  
Sufficient, clean, and functioning toilets | 5.6.1. 5.6.7 5.6.9. | • Can a professional occupational health & safety risk assessment be conducted?  
• Are adequate health and safety measures currently in place?  
• What are the potential barriers to implementing adequate measures? |
and handwashing stations are provided in or close by agricultural production, processing, maintenance, office sites, and workers’ housing
Persons working in hazardous situations use appropriate personal Protective Equipment (PPE)

• Is the provision of toilets and handwashing facilities adequate?
• Do pluckers have access to toilets for when working in field?
• Is potable water available for workers
• What are the potential barriers to implementing adequate facilities?
• Are appropriate laws and regulations on PPEs being followed?
• Is adequate PPE supplied, or good quality and used appropriately?

Housing and Living conditions

Workers and their families that are housed or lodged on-site have safe, clean, and decent living quarters considering local conditions with respect to Construction and location, health and hygiene, comfort and decency

5.7.1.

• Does existing workers housing meet the requirements of the new standard with respect to:
  • Location and construction of housing
  • Comfort and decency of living conditions
  • Availability of safe drinking water, toilets
  • Safety and privacy of vulnerable groups
  • Sanitation and garbage disposal facilities
  • Adequate lighting
  • What are the legal responsibilities of the estate regarding housing and condition of housing provided to workers?
  • Are these responsibilities complied with by the estates?
  • What are the legal responsibilities of PHDT regarding housing and condition of housing provided to workers?

METHODOLOGY

Interested parties should indicate clearly the approach they would take to conduct this research, within the scope and objectives as defined above. We expect the research to be finalised within a maximum period of five months- from contract signature to final reporting (see ‘Timeline’) and comprise the following elements:

- A kick-off meeting with the RA team once contracted. During this meeting both approach and logistics would be fine-tuned.
- Desk research (including material provided by RA: standard and guidance documents, audit report analyses; applicable laws and regulations).
• An inception report after the initial review of relevant documentation. With the conceptual framework, key questions and methodology, including information on data sources and collection, indicators and sampling and a detailed timeline for the research.
• Selection of estates to be visited, including fine tuning of selection criteria, selection of the estates to be visited, and strategy for communicating with estates and other relevant stakeholders Planning and conducting the estate visits in coordination with RA field staff, estates and certification bodies to ensure there is a clear distinction between the research and the annual audit process. RA field staff will be available to facilitate contact with estates and guide the research team.
• Interim debriefing with RA staff.
• Writing of the draft report, presentation for comments.
• Finalizing reports (see deliverables for details).

**DELIVERABLES**

We expect the following reports from this field research:
• Inception report based on desk research and proposed logistics of CHs visits.
• Individual reports per estate visited. Copies will be provided to Rainforest Alliance and to the estate owners following approval by RA, clearly identifying needed areas of improvement for them to comply with the new standard. No other party than RA, the estates and the researchers shall have access to this information without the explicit approval of the estate owners. Each report should include photographs (coverage of photographic evidence to be agreed with RA in advance.
• A final report providing an executive summary and synthesis of findings and in-depth analysis on which requirements of the new standard will be most difficult to manage for the estates. The report should also identify the root causes of the challenges and recommend additional actions which may fall outside of the scope of RA certification. The report is delivered to Rainforest Alliance and its contents will be kept confidential.
• A PowerPoint presentation of the overall findings with recommendations of further support RA could give CHs in Sri Lanka to transition to the new standard

**TIMELINE**

We expect the research to be carried out along the following timelines:
• ToR send out – 26 October 2020
• Proposals received by RA – 9 November 2020
• Contract signed – End November 2020
• Kick-off meeting – End November 2020
• Desk research, selection estates, logistics planning – November/December 2020
• CHs visits – January/February 2021
• Debriefing – March 2021 (possibly with interim de-briefs throughout the research period)
• Final report in April 2021
BUDGET
The budget for the research is a maximum of 25,000 USD, including all taxes and expenses.

CANDIDATE REQUIREMENTS
The candidate(s) should demonstrate they have all the experience and expertise needed to carry out the above work in a professional manner. Requirements include:

- Demonstrable experience with and expertise on social and environmental issues, with an emphasis on human rights issues, in the agricultural sector (preferably in tea); at least 5, preferably 10 or more years of experience in social/human rights issues. Ability to understand the requirements of certification programs and relate them to practical challenges Certificate Holders face when implementing
- Professional, outstanding communication and social research skills, culturally sensitive
- Good knowledge of the Sri Lankan tea sector and applicable laws and regulations
- Fluent in English written and spoken, Field researchers should speak the local languages
- Knowledge of sustainability and voluntary standards systems
- Strong analytical and research skills
- Solid project planning and reporting skills
- Available for field trips to rural areas
- Preferably have field research staff based in Sri Lanka to allow for travel restrictions due to COVID-19.

PROPOSALS
Proposals should include/demonstrate:

- A clear, concise proposal - maximum 10 pages. CVS of researchers can be put as a separate annex.
- A good understanding of RA’s objectives for the research, A proposed methodology that combines an understanding of the local socio-cultural aspects with the practicalities of the work and a deep understanding of the important issues to be investigated.
- Practical proposals on how to carry out the work at estate level, demonstrating experience in carrying out sensitive and complex research in similar contexts.
- Composition of the research team with roles and responsibilities based on the competencies of the researchers and brief bios and/or resumes of each individual consultant that will work on this assignment.
- An indicative budget covering clearly indicating consultant fees (daily rates), numbers of days for proposed activities (desk research, field research visits to 4 estates, reporting), travel and logistical expenses.