Country Plan China

This is a summary of the ETP plan for our work in China, and it describes how we will bring to life the ETP strategy in this country. The details relate to the period 2021 – 2022 and there is some flexibility within these plans to accommodate unforeseen disruptions and urgent needs.

The COVID-19 pandemic has disrupted ETP's plans in all countries, to some extent, and we regularly review and update our priorities given the constraints of the pandemic.

1. Context

ETP supports work in seven very different tea-producing origins. It is essential that we consider the local context when we plan our work for each country. The following sections summarise the contextual priorities in China.

1.1 Tea production
China, the world's largest tea producer, produced nearly three million tons of tea in 2020. There are 18 main tea production regions with 3.16 million hectares of tea plantation area. Over 348 thousand tons were exported, which accounts for about 12% of total production in China.¹

Notably, less than 0.5% of China's production goes into ETP markets. In terms of ETP member sourcing, 36 out of 50 members sourced from China, making it the third most popular sourcing destination. China's supply chain is highly fragmented, which affects traceability. China has the highest proportion of teas ranked as “essential” by our members, meaning that members consider a higher percentage of what they source from China as not easily replaceable. Complicating this is the fact that 44% of the sites in the ETP member supply chain are sourced by only one member. This makes it a challenging environment to exert influence over producers.

1.2 Country context

1.2.1 UN SDG status
China has officially achieved the UN Sustainable Development Goals of No Poverty (1), Quality Education (4), and Decent Work and Economic Growth (8). This is reflected in the general living conditions and wages earned by tea farmers. However, social challenges facing small tea farmers (and the seasonal labour they employ) remain, primarily due to their remote location. These social challenges include a lack of access to healthcare and education. Young and middle-aged adults migrate to urban areas seeking better incomes, leaving behind vulnerable groups such as children and the elderly.² This is a phenomenon seen across China, whereby many children grow up under the care of their grandparents and 40% of LBC see their

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¹ https://mp.weixin.qq.com/s/vds0EmBqFciEjosyazbgSQ
² http://www.gov.cn/zhengce/content/2016-02/14/content_5041066.htm
parents less than twice a year.\textsuperscript{3} China’s status as an upper-middle-income country means that donors are reluctant to invest in the country. However, there may be opportunities to align with the Government’s commitments to the remaining SDGs, such as Zero Hunger (2), Good Health and Wellbeing (3), Responsible Consumption and Production (12) and Climate Action (13).\textsuperscript{4}

1.2.2 Economics
China’s economy has been growing over the past few decades. It grew 2.3\% in 2020, despite the disruption caused by the COVID-19 pandemic.\textsuperscript{5} Although the total volume of tea exported declined by 4.84\%, the total exported value grew 0.91\%, and the average price increased by 6.04\% - from USD 5.51 to USD 5.84 per kilogram.\textsuperscript{6} Last year, local governments enforced temporary policies to ensure tea farmers received support. These included subsidies for COVID-19 PPE, the distribution of tea farming tools, transport expenses for migrant workers, the promotion of tea sales through social media, and providing technical guidance and on-site training.\textsuperscript{7}

1.3 Environment
In the last UN General Assembly, President Xi Jinping announced that “China will aim to hit peak CO\textsubscript{2} emissions before 2030 and achieve carbon neutrality by 2060.”\textsuperscript{8} The Ministry of Ecology and Environment (MEE) is currently revising its Integrated Emission Standard of Air Pollutants, which will include a new national standard on tea factory emissions. There is significant scope to reduce emissions and improve energy efficiency in tea factories, which remain largely dependent on coal.

A significant proportion of Chinese tea is grown by smallholders. This is often centred around a village where there is a small primary processing factory. Smallholders are the most diffuse, fragmented, and least traceable part of the supply chain. A main challenge at the village level is the health and safety of farmers, particularly around the use of personal protective equipment (PPE). ETP’s research into tea farmers’ livelihoods in four tea provinces found that PPE is not always worn when conducting tea farming activities, synthetic fertilisers are not applied appropriately, and that there is a lack of knowledge on pruning practices. Compliance with regulations on maximum residue levels (MRLs) is a key concern among ETP members, and the improper application of agrochemicals poses a risk of non-compliance.

Labour shortages have become an increasing concern, with an average shortage of 20\% during the spring tea harvest season.\textsuperscript{9} ETP surveys reveal that migrant labourers are reluctant to travel to tea villages that are remote and difficult to access. The labour shortage contributes to increasing costs of production.

\textsuperscript{3} https://china.huanqiu.com/article/9CaKrnKdKlb
\textsuperscript{4} https://dashboards.sdgindex.org/profiles/chn
\textsuperscript{5} http://www.stats.gov.cn/tjsj/zxfb/202101/t20210118_1812423.html
\textsuperscript{6} https://mp.weixin.qq.com/s/gDcAp-fRSLEkl27Xt6yAxg
\textsuperscript{7} https://kuaibao.qq.com/s/20200304A0OHT800?refer=spider&openid=o04IBAQjL404RqZ7xQvWN6KWQRo&sec_share=sec_share
\textsuperscript{9} http://www.xinhuanet.com/food/2017-04/17/c_1120820314.htm
1.4 Equality
China has implemented over 100 laws, regulations, and policies to ensure that women enjoy equal opportunities and rights with men.\textsuperscript{10} The Government reports a significant decline in maternal and child mortality rates, increased employment levels for women, improved levels of social security for women, a declining gender gap in education, a higher proportion of women in decision making and management positions, and more enriched women’s culture over the last ten years. Despite the low average mortality rate, it remains high in several tea provinces, including Guizhou, Yunnan, and Anhui. As well as this, more work is needed to make women an important force in primary-level rural governance.\textsuperscript{11} ETP’s baseline assessments confirm regional inequalities. For example, we have found that women in rural tea villages have significantly fewer years of education than their male counterparts. One strategy to create better opportunities for rural women is to cooperate with the local government and primary producers to train more female agricultural extension officers or lead farmers.

In China, there are an estimated 9.02 million “left-behind” children (LBC) whose parents migrated to coastal provinces for work.\textsuperscript{2} The separation causes significant strain on family relationships, parent wellbeing and children’s development. ETP recognises the need to support childcare and quality education in tea communities by using effective, scalable, and sustainable solutions. This is particularly important during the off-season during summer when fathers travel to towns and cities to seek temporary employment.

\textsuperscript{10} \url{http://www.women.org.cn/art/2021/2/20/art_17_165690.html}
\textsuperscript{11} ISBN978-7-5037-9292-2 China women and children status
2. Priorities and Activities

In China, ETP’s current priorities include three ongoing programmes: factory risk assessments, China farmer field schools, and supporting demonstration plots. We have also proposed a programme to introduce Child-Friendly Spaces for tea communities and two longer-term programmes for further scoping - Leadership Training Programmes for Women in Tea and a Smart Tea Garden pilot. The ETP WeChat channel and a proposed supplier conference are fundamental elements that will support and strengthen our activities.

Figure 1. Diagram summary of all project proposals for China country plan from January 2021 to August 2022.
2.1 Projects

2.1.1 Farmer Field Schools – Active project
Drawing on ETP’s experience running farmer field schools (FFS) in East Africa, we initiated an FFS programme for China in 2018. This aims to improve smallholder tea farmers’ agricultural knowledge and management skills, promote climate-resilient tea farming practices, and increase the use of safe farming practices. This will help achieve a healthy, safe, and environmentally sustainable tea community.

The programme takes a participatory approach by designing the curriculum of the FFS based on needs assessment, baseline study, and continuous engagement and feedback from farmers throughout the programme. The programme is funded by ETP’s core budget and is currently in its third phase, having added two FFS sites to the programme last year (Figure 2). Combined with the FFS started in the previous phase, the programme will reach approximately 600 tea farmers across four villages and participants are also encouraged to share their learning with their peers in the community. More than half of the ETP members that source from China purchase from companies supplied by these farmers.

2.1.2 Demonstration plot – Pipeline project
The demonstration plot uses a ‘seeing is believing’ approach to encourage smallholder tea farmers to adopt good agricultural practices and influence others within the community. The project is funded by Starbucks and it is embedded under the ETP Farmer Field School (FFS) programme in Yunnan Province. Outcomes from the pilot will be used to support the monitoring and evaluation of the FFS programme by providing a reliable data set to analyse the impact of FFS. The direct reach will be over one hundred tea farmers attending the FFS.

2.1.3 Factory Risk Assessment – Active project
Many factories in ETP member supply chains do not own gardens or source from dedicated small farmers, so ownership and procurement structures are not conducive to ethical certification. As such, they fall into the certification exemption clause in ETP’s Global Rules of Membership. To support members in increasing the transparency of their China supply chains and understand conditions at non-certified factories and farms, ETP plans to conduct risk assessments at non-certified factories.

The risk assessment looks at six key issues: health and safety, wages, working hours, worker housing, and child and forced labour. The results are shared with relevant members and the assessed site. ETP expects sites to address any risks identified. Strong support is required from members who purchase from these sites to ensure that issues are rectified.

Seven factories, covering approximately 350 tea workers will be assessed over the next 18 months.
2.2 Pilots

2.2.1 UNICEF Family Friendly Policies Risk Assessment & Child-Friendly Spaces – Proposed pilot
This activity addresses the issue of “left behind” children (LBC). A risk assessment, based on the UNICEF Family Friendly Policies (FFP) will be conducted to understand the impact of the tea business on worker and child wellbeing, and the demand for child-friendly spaces (CFS). The aim is to pilot one CFS in a member’s supply chain.

The CFS will use an existing local childcare space to set up a programme for the children of tea factory workers. During the summer holidays, which children generally spend in the care of grandparents or other relatives, both parents and children will benefit from the services offered at the CFS. There will be an engaging curriculum for the children which will include areas such as science and technology, as well as social skills. For parents of participating children, particularly mothers and grandmothers, there will be training on a number of areas, including parenting and life skills, literacy, health, and sexual harassment.

The project will adopt a participatory approach to ensure it meets the community’s needs. The local community and school will be encouraged to take ownership of the CFS, ensuring they are able to sustain the initiative in following years.

Initial conversations with Chinese producers, local government, and village primary schools indicate a willingness to participate in the programme, with the local government offering to contribute match funding.

The pilot will reach 30-50 children and their families. If successful, the model can be rolled out to additional sites. Suppliers have already expressed in interest in supporting and co-funding this programme. The project will be funded by DAVIDsTEA for the implementation in a remote village in Hunan province.

The UNICEF FFP risk assessment can also be performed in other supply chains, and results used to inform future programmes for women and families.

2.2.2 Smart Tea Garden – Proposed pilot
The “Smart Tea Garden” aims to address the labour shortage issues in tea agriculture using labour efficient digital farming technologies. The expected results include:
  • Increased tea garden productivity with reduced inputs and labour.
  • Reduced physical handling of agrochemicals.
  • A case study on impact and cost-effectiveness for dissemination through conferences and journals.

The pilot would contribute to the economics and environment impact areas in ETP’s theory of change. This will require partnership with a producer company, tea research institutes and universities, local government, and digital technology companies.
2.3 Policy

2.3.1 Carbon Emission Benchmarking – Proposed
This activity will target the high carbon emissions issue in China. The project aims to establish baseline data to gain a deeper understanding of carbon emissions from the Chinese export tea sector.

The potential partners for the project are the China Tea Marketing Association (CTMA), which is currently working with the Ministry of Ecology & Environment (MEE) on the new National Emission standard, national tea research institutes, GIZ, and a number of producer companies.

Ten factories will be targeted for energy audits. The expected outcomes are:
- A case study to support revision of the National Emission Standard and understand opportunities to support industry compliance.
- A relationship with CTMA, paving the potential to collaborate on an energy efficiency roadmap for the Chinese tea industry.
3. Supporting activities

3.1 Partnerships
Building relationships and partnerships is a key focus for ETP over the next 18 months, as this will strengthen our ability to conduct more innovative and impactful work in China.

ETP has good relationships with tea research institutes and producers that supply ETP members. However, it can be challenging to build relationships with producers that supply only one ETP member or where volumes or value is low. This is why ETP members play a vital role in ETP’s work in China. Through building strong relationships with their suppliers, members can enable ETP to engage with producers more easily.

Compared with other tea origins, few NGOs in China have the relevant skills and experience to support ETP’s work. ETP has been exploring different organisations that we can partner with to explore and implement new projects.

- The Child-Friendly Space Pilot will initially be planned, implemented, and monitored through a partnership with The Centre for Child Rights and Business (The Centre), an NGO specialising in providing services to create family-friendly workplaces in supply chains. With the strong willingness and support from the local primary school, primary tea producer and the exporting company, The Centre and ETP will co-design the programme in consultation with the local community.
- ETP intends to work with UNICEF on the Family Friendly Policies Risk Assessment.
- The Carbon Emission Benchmarking will be led and conducted by professional researchers from national tea research institutes, jointly assisted by ETP and the China Tea Marketing Association (CTMA), a leading stakeholder in the Chinese tea industry.
- The All-China Women’s Federation is the national body that deals with issues relating to women and children, and supervises local Women’s Committees. These organisations are potential partners for the Leadership Training Programme for Women.
- Shennong Digital Agriculture Centre (SDAC) is keen to be our innovation partner for designing and implementation our Smart Tea Garden project.

3.2 Shared Learning
Even before the COVID-19 pandemic, ETP used the social media platform WeChat to communicate with Farmer Field School participants. Not only does ETP share information and resources with farmers outside of ‘school time’, but farmers also actively use the platform to support each other.
ETP opened an official WeChat account in Q2 2021. The live broadcast feature can be used to share agriculture tips from smallholder farmers, ETP, or our partners when conducting field training. In-country business partners already use their official accounts to share information and conduct meetings, so ETP communications via this channel will be well received.

The proposed supplier conference (details below) also offers an opportunity to share information and lessons with the industry from ETPs global work, and for an exchange between ETP members and their suppliers.

3.3 Communications
In China, ETP’s certification and support work were phased out last year in keeping with ETP’s strategic move away from certification. ETP has been long recognised as a certification and auditing body, so a concerted effort is required to communicate ETP’s current role and activities to producers.

Farmers often assume ETP field staff represent the Government or work for the primary producers, therefore, they are also an important audience for ETP communications in China.

The focus of our communications work over the next 18 months will be to raise awareness of ETP amongst a wider range of farmer communities, in-country civil societies, producers, and government departments. The first step is to define ETP’s image in China.

A second China Supplier Conference is proposed for spring 2022, building on the successful first conference in 2017. Particularly during this post-pandemic time, this will be an important platform to:

- Strengthen ETP’s relationships with producers, local government, and other stakeholders and raise our profile in China.
- Share learning from, promote, and create demand to expand ETP pilot activities.
- Enable producers to have a better understanding of ETP member market requirements and strengthen their relationships with members.
- Be seen as a partner of choice by industry and government.

Two hundred representatives from 50 companies, including suppliers, members, government officials and other stakeholders participating in ETP’s activities in China are anticipated to attend.

This will enable ETP to scale up work in member supply chains and gain buy-in from stakeholders, including the local government. The new relationships being built by ETP, particularly with government organisations like CTMA, will set the stage for future work on influencing and advocacy.
4. Background materials

A budget, workplan and monitoring and evaluation plan have been developed to support the implementation of the priorities outlined above.