Annual Report 2021–2022





Contents

- Fair Trade Advocacy Office Strategic Plan 2021-2025
- Our team 2021-2022

International Collaboration6

- COP26 and the Fair Trade movement
- World Fair Trade Organization Public Forum
- Fair Trade Public Policies around the world
- World Fair Trade Day 2021: Global call for a fairer recovery

European Union Advocacy 8

- Deforestation-free products
- Social Economy action plan
- Corporate Sustainability Due Diligence
- EU Trade Policy
- EU policies for fair and sustainable textile supply chains
- EU competition law and cooperation agreements for sustainability
- Implementation of the EU Unfair Trading Practices Directive
- EU policies for fair and sustainable cocoa supply chains
- Young Fair Trade Advocates

Knowledge co-creation1	5
Finances1	8

Introduction

Fair Trade Advocacy Office Strategic Plan 2021-2025

The Fair Trade Advocacy Office (FTAO) adopted a new Strategic Plan for 2021-2025. Among the most important changes, we have updated our mission and set three main strategic aims for the next five years (in the right column and below).

The structure of the present annual report is organised according to these new aims. You can find the text of the strategic plan <u>here</u>.

- **EU advocacy:** monitoring and influencing EU legislation, policies and their implementation.
- International Collaboration: catalysing the Fair Trade movement's collaboration at international level.
- **Knowledge co-creation:** Facilitating the sharing of knowledge by the Fair Trade movement and researchers.





Our team 2021-2022

Sergi Corbalán, Executive Director Jorge Conesa, Policy Manager Alice Sinigaglia, Project Coordinator (Consultant) Matthias Haberl, Project Coordinator Marta Garda, Project Coordinator Didier Reynaud, Project Coordinator Elena Lunder, Policy & Project Advisor (Consultant) Virginia Enssle, Policy & Project Officer Fabian Richter, Policy & Project Officer Charlotte Vernier, Policy & Project Officer José Arroyo, Junior Communications Officer May Hylander, Junior Advocacy Officer Paola Plaku, Junior Communications Officer Chantal Young, Finance Manager Begum Sidar, Finance & Administration Manager



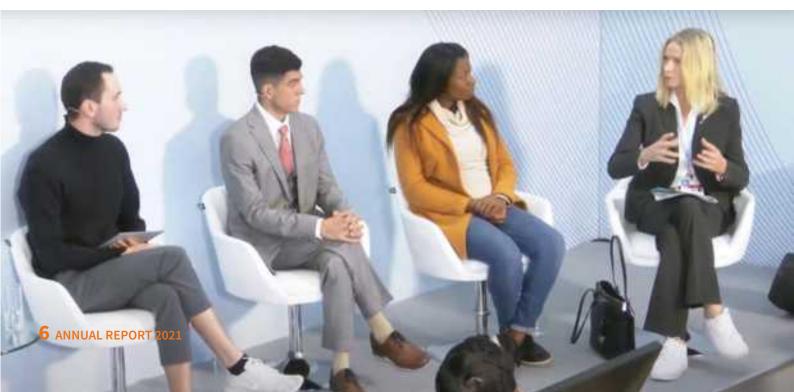
International Collaboration

World Trade Organization Public Forum

On 29 September 2021, Fairtrade International, in cooperation with the FTAO, organised a side event in the framework of the World Trade Organization Public Forum. A top-level panel, including the Vice Minister of Trade of Ecuador, discussed how to make global trade fairer for smallholders post-COVID-19. You can find the summary and watch the and recording <u>here</u>.

COP26 and the Fair Trade Movement

The COP26 Climate Change Conference was held in Glasgow, UK, from October 31 to 12 November 2021. In the run-up to the conference, the FTAO coordinated the publication and translations of a joint position paper titled <u>"Placing fairness at the heart of climate ambition"</u>. In addition to that, the Fair Trade Advocacy Office co-organised a debate <u>"Youth and decision-makers discuss nature, energy, water and sustainability in the global economy</u>", in which young leaders, including Rachel Banda, Youth Fairtrade Ambassador from Malawi, discussed with policymakers youth participation in climate and sustainability decision-making.



Fair Trade Public Policies around the world

Fairtrade International and the Fair Trade Advocacy Office joined forces to commission a study on <u>Fair Trade Public Policies around the world</u>, authored by Veselina Vasileva and Didier Reynaud as independent researchers. For more information and to download the full study, in English, French and Spanish, click <u>here</u>. In 2022, as a follow-up, the FTAO will be hosting a series of webinars to explore good practises in public policy environments, starting with some of the country case studies researched for this report. To receive the invitation to future upcoming webinars on Fair Trade Public Policies around the world, register <u>here</u>.

World Fair Trade Day 2021: Global call for a fairer recovery

Launched in September 2020 by a coalition of civil society organizations, the <u>Build Back Fairer Statement</u> is a call for the transformation of the economy and trade system for a just and sustainable recovery from the Covid-19 Crisis. Around this theme, on 8 May 2021, the Fair Trade movement and civil society allies organised hundreds of awareness-raising activities around the world, on the occasion of World Fair Trade Day (see here for <u>images</u> of actions around the world). On that day, the FTAO co-organised an International high-level public policy panel, to exchange views on what public policies can do to help "Build Back Fairer" after the Covid-19 pandemic.





European Union Advocacy

Deforestation-free products

On 17 November 2021, the European Commission unveiled its long-awaited legislative proposal to eradicate deforestation from supply chains, particularly in key deforestation-risky commodities (you can find the EC proposal here and our preliminary statement here). While welcoming the ambition of the text, the FTAO highlighted how a "one size fits it all approach" would fail to address the complexity of deforestation and its underlying causes which, in the case of smallholders, are often linked to poverty. Ahead of the publication of the draft EU Regulation, the FTAO together with partners had published in September 2021 the briefing paper <u>"Including smallholders in EU action to</u> protect and restore the world's forests". It outlined how the EU can achieve the Commission's priorities to halt deforestation whilst supporting rather than harming smallholders by delivering a smart mix of demand and supply-side measures.

In 2022, together with our Partners, the FTAO will be working on concrete recommendations and amendments so as to strengthen the proposal by ensuring a just transition for producers towards sustainable and deforestation-free practices.

Social economy action plan

The European Commission presented a first-ever European Social Economy Action Plan on 9 December 2021. The FTAO welcomed the adoption of the new policy document that aims at promoting the uptake of Social Economy actors, including social enterprises. However, the FTAO stressed that this shall not replace the ambition to mainstream Social Economies' principles to the whole economy. Social economies should not be considered as niche models or alternative models but as the driver for change towards truly sustainable economies. In addition, the FTAO regretted the non-integration of the role of EU trade and international partnerships policies and the absence of policy commitment to review the existing EU public procurement rules to facilitate the public buying from Social Economy actors.

FAIR TRADE ADVOCACY OFFICE 9

Image: Mardiana coffee farm, Indonesia, Rosa Panggabean, Fairtrade / Fairpicture

WALKING THE TALK: Putting Fair Trade into practice in the EU

On 14 July 2021, the European Parliament Fair Trade Working Group, with the support of FTAO, hosted an event aimed at showcasing how the EU can contribute to Fair Trade in the world and specifically, what concrete initiatives can the EU put in place to contribute to Fair Trade. For that, we heard the experiences and proposals from individuals and organisations that had already put in place best practices, or who were facing obstacles that the EU could contribute to mitigate. You can check the take away notes <u>here</u>.

Corporate sustainability due diligence

In April 2021, the FTAO organised a high level event co-hosted by members of the European Parliament and with participation from the Cabinet of Commissioner Reynders in which different stakeholders shared their perspectives on how the legislative proposal could lead to positive effects for smallholder farmers and workers. Together with other civil society organisations, we called on the Commission for a swift and transparent adoption of an ambitious and <u>gender</u> <u>responsive</u> proposal which includes <u>purchasing</u> <u>practices</u>. The legislative proposal on Corporate Sustainability Due Diligence (CSDD) is expected to be published by the European Commission on 23 February 2022. The legislative proposal is an important step to ensure respect for human rights and the environment in global value chains and in 2022 the FTAO will work on ensuring the legislative text and its implementation will work for smallholder farmers, artisans and workers.

SUSTAINABLE AND FAIR: Rethinking the EU Trade Agreement Model

The FTAO co-organised an event with MEP Margarida Marques on 9 October 2021 in the context of the European Youth Event (EYE). Speakers exchanged on how to rethink the EU trade agreement model to make it fair and sustainable. Young people from across Europe, including the Young Fair Trade Advocates, had the chance to follow the discussion and ask questions to the panellists. You can visit the events webpage <u>here</u>.

EU Trade Policy

Published on 18 February 2021, the <u>new EU</u> <u>Trade Policy</u> builds on three main pillars: openness, sustainability and assertiveness. While the focus on sustainability and the need to "promote value chains that are circular, responsible and sustainable" are steps in the right direction, the lack of concrete measures to give life to these objectives was regretted by the FTAO in this <u>press release</u>. Important concepts, such as fair share of value along the supply chains, consideration of smallholder farmers or social enterprises are missing. On 7 July 2021, the European Parliament adopted a resolution on <u>Trade related aspects</u> <u>and implications of COVID-19</u> as a reaction to the EU's new EU Trade Policy from February 2021. We particularly welcomed its adoption as it contained explicit calls on the European Commission to work on specific actions to advance fair and ethical trade schemes, to promote Fair Trade initiatives through EU programmes, including the extension of the 'EU Cities for Fair and Ethical Trade Award' and to report on activities undertaken in support of Fair Trade ini-

FAIR TRADE ADVOCACY OFFICE **11**

-

tiatives, emphasising the importance of bottom-up Fair Trade initiatives. You can see our full analysis <u>here</u>.

In 2022, FTAO will continue advocating for a new ambitious policy to ensure EU trade policy becomes a tool, not an obstacle, to sustainable development and the fight against climate change. You can check <u>here</u> the EU's toolkit for Fair and Sustainable Trade as envisioned by the FTAO and <u>here</u> a simple overview of FTAO's messages for the TSD review (and <u>here</u> our complete input to the public consultation).

EU policies for fair and sustainable textile supply chains

On 5 January 2021, the Commission published its <u>Roadmap</u> towards a new EU strategy for sustainable textiles. The Roadmap reflected in some points the spirit and some core ideas of the <u>European civil society strategy for sustainable textiles</u>. It stated that the initiative would "explore how to reinforce the protection of human rights, environmental duty of care and due diligence across value chains, including improving traceability and transparency". During 2021 the FTAO has maintained its advocacy efforts at EC and EP level to ensure that the EU Textile Strategy reaches an acceptable level of ambition. The release of the strategy has been delayed on two occasions and is now expected for the first quarter of 2022. In 2021 the FTAO started a specific workstream on the eradication of unfair trading practices from the textile sector, which will continue through 2022 and beyond and will include the commissioning of research and use of this evidence for advocacy purposes.



EU competition law and cooperation agreements for sustainability

In October 2021 the FTAO contributed to the <u>public consultation on the revision of EU com-</u> <u>petition rules on horizontal agreements be-</u> <u>tween companies</u>, undertaken by the European Commission. This is an opportunity to promote a better use of competition policy to achieve sustainability objectives, such as living incomes and wages for farmers.

On 20 October 2021, following the consultation process, the European Commission's Directorate General for Competition organised a workshop on "voluntary sustainability standards and the current competition law guidance". The FTAO argued that if the guidance aims to bring more clarity around sustainability agreements – to not have a chilling effect on sustainable consumption and production patterns - it is important to also look outside the possibilities for standards (and standardisation agreements) to function within the framework of EU competition rules.

On 14 March 2022, together with the European Economic and Social Committee and the Global Competition Law Centre of the College of Europe, the FTAO will organise a conference on "Competition Policy and Social Sustainability".

Implementation of the EU Unfair Trading Practices Directive

On 22 September 2021, the European Economic and Social Committee adopted an explanatory opinion <u>Towards a Fair Food Supply Chain</u>, which focused on the transposition of the <u>EU Directive</u> on Agri-food Unfair Trading Practices (UTPs). Staff members of the FTAO participated as independent experts in the drafting of this opinion.

On 17 November 2021, the FTAO organised two versions of a <u>webinar</u> on "How to be protected against Unfair Trading Practices?" that aimed at providing direct assistance and information to non-EU suppliers exporting agri-food products to the EU. The FTAO invited the European Commission to present the EU rules as well as selected groups of experts on UTPs in agri-food supply chains from Belgium, Portugal, Croatia, Italy and the UK to answer questions from the audience about their national UTP laws. You can take a look at the webpage of event <u>here</u>. The FTAO also developed an informative leaflet containing easy-to-read information about the Directive and the national transposition laws. The objective of this leaflet is of bringing the regulation closer to non-EU supplier so they can actually benefit from its protection. You can read the leaflet in <u>English</u>, <u>Spanish</u>, <u>French</u> or <u>Thai</u>.

EU policies for fair and sustainable cocoa supply chains

By the end of 2020, the European Commission had initiated a multistakeholder dialogue in support of a sustainable cocoa sector, building upon the initiative of the Living Income Differential (LID) of the two main producer countries and important EU trade partners, Côte d'Ivoire and Ghana. This dialogue took place throughout the year 2021 as a series of online thematic sessions. Together with Ghanaian, Ivorian and European NGOs and farmers' organisations, the FTAO has been highlighting prices paid to farmers as the most key sustainability variable and advocating for concrete action points to support livelihoods of cocoa farmers. These <u>EU Cocoa talks</u> have demonstrated the complexity and intertwining of the challenges faced by the sector, requiring an ecosystem of actions at farm, supply chain and market level, backed by the right policy and legislative environment in both producing and consuming countries. As member of the EU Cocoa Coalition, we published in June a joint position paper on the EU's policy and regulatory approach to cocoa. In October 2021, the same coalition has published a set of joint proposals outlining the key features we hope to see included in the forthcoming mandatory EU legislation on due diligence and deforestation.

ANNUAL REPORT 2021



Young Fair Trade Advocates

In September 2021 the FTAO launched the first generation of the Young Fair Trade Advocates, thanks to the financial support of the European Climate Foundation and by the European Union in the frame of the EU-WISE Young Citizens Project (see box).

The aim of the program is to educate and accompany young adults all over the EU to increase their capacities to become advocates for fair and sustainable trade policies at European level. In this context, FTAO was also able to support and the creation of an active network of young activists by administering <u>subgrants</u> for NGOs, Trade Unions and youth-led initiatives in the EU15+ countries.

In 2022, multiple national groups will create advocacy and awareness raising actions. These will contribute to set the agenda and to put pressure on political decision makers at local, national and European levels. FTAO will continue supporting a network of young advocates and civil society organisations across the EU in support of fair and sustainable trade policies at European level.

EU-WISE YOUNG CITIZEN CONSUMERS

The EU-WISE YOUNG CITIZEN CONSUMERS Erasmus+ project started in December 2020 and it has a two-year duration. This pan-European project is led together with 4 partner organizations, namely Equo Garantito from Italy, the Polish Fair Trade Association from Poland, Project School from Italy and the Fair Trade Advocacy Office in Belgium.





Co-funded by the Erasmus+ Programme of the European Union





Knowledge co-creation

The year 2021 marked the kick-off of the new strategic aim of FTAO on knowledge co-creation, building on earlier work from past years.

THE FASS-FOOD PROJECT:

Consolidating and scaling up fair, accessible, sustainable and short food chains in the EU

The Fass-Food project – Fair, Accessible, Sustainable and Short (FASS) Food Chains in the EU - is a project led by the Institute of Development Policy (University of Antwerp, Belgium), in cooperation with the World Fair Trade Organisation Europe (WFTO-Europe) and the Fair Trade Advocacy Office (FTAO). On the basis of consultations with stakeholders and analysis of three short and collaborative food chain initiatives in Belgium (Kort'om Leuven), Greece (Syn Allois), Italy (Solidale Italiano), FTAO leads on the project's work public policy mapping, identification of policy enabling environments and partners to consolidate and scale up fair, accessible, sustainable and short (FASS) food chains in the EU. The conclusions and recommendations from the project will be publicly available at the end of 2022.

In addition, FTAO launched various research initiatives, including:

1) Mapping local Fair Trade initiatives around the world, to feed Fair Trade movement discussions on how to better support the "universalisation" of Fair Trade initiatives globally, breaking away from the old frame of producer versus consumer countries

2) Identifying and analysing different types of public policies that promote Living Incomes in Global Value Chains, which will result in a joint publication with Sustainable Food Lab in 2022, with the support of the German Ministry for Economic Development and Cooperation.

3) Last but not least, the FTAO continued to support in 2021 the Steering Committee of the Fair Trade International Symposium (FTIS). It was decided that the next edition of this gathering of researchers and practitioners will take place in Leeds (UK) in 2023.



FAIR TRADE ADVOCACY OFFICE 17

Image: Rosa Panggabean / Fairtrade / Fairpicture

Finances

Fair Trade Advocacy Office would like to thank all the organisations and institutions that financially support the work of the FTAO.

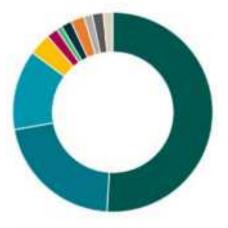
2021

Income

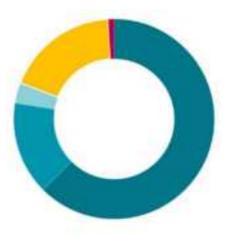
EC funded projects	€280,543
Membership fees	€117,136
Charles Leopold Mayer Foundation (PFH)	€71,500
Laudes Foundation	€19,700
Fair Trade Belgium Partnership	€10,000
Commerce Equitable	€ 5,000
Banana Link Limited	€9,326
Fairtrade Finland	€2,500
Other Income	€1,066
Make ICT Fair	€12,100
Engagement Global	€4,900
ASN - de volksbank	€7,438
Universiteit Antwerpen	€9,800
Total Income	€ 551,009

Expenditure

Staff Costs	€286,279
Office Costs	€ 69,211
Fundraising Costs	€ 15,186
Activity Costs	€ 83,274
Other Costs	€ 4,357
Total Costs	€ 458,306



- · EC funded projects
- Membarship fees.
- Charles Leopold Mayer Foundation (FPH)
- Laudes Foundation
- Fair Trade Belgium Partnership
- Commence Equitable
- Banaria Unik Limited
- Make ICT Fair
- = ANV de volksharik
- Universiteit Antwerpen
- Other income (sources less than 45,000 each)



- Staff Costs
- Office Cests
- Fundraising Costs
- Activity Casts
- Other Casts



CONTACT US

The Fair Trade Advocacy Office Village Partenaire – Bureau 1 Rue Fernand Bernierstraat 15 1060 – Brussels – Belgium +32 (0) 2 543 19 23
info@fairtrade-advocacy.org
ftaobrussels
@FairTradeFTAO
/company/fair-trade-advocacy-office/
Subscribe to our online newsletter

www.fairtrade-advocacy.org





The FTAO would like to acknowledge the financial support of the European Union and from the Charles Léopold Mayer Foundation for the Progress of Humankind (FPH). The contents of this report are the sole responsibility of the FTAO and can under no circumstances be regarded as reflecting the position of the donors that co-finance our work.