



EU Public Procurement reciprocity initiative: EC Public Consultation¹

Fair Trade movement submission (1 August 2011)

Introduction

The World Fair Trade Organization (WFTO), the European Fair Trade Association (EFTA) and Fairtrade Labelling Organizations International (FLO) represent over 2 million Fair Trade producers and workers from more than 65 countries, 19 labelling initiatives, over 500 specialized Fair Trade importers, 4,000 world shops and more than 100,000 volunteers. Jointly, they set up the Fair Trade Advocacy Office to advocate for Fair Trade and Trade Justice at EU level. More information under: www.fairtrade-advocacy.org.

Background elements to take into account:

- During the United Conference on Trade and Development in Geneva in 1964, the 'Trade Not Aid' motto was coined, to reflect the conviction that the most sustainable way to lift the worst-off from poverty is through trade, rather than charity.
- On 16 March 2010, Commissioner for Trade Mr. Karel De Gucht stated "*I see trade policy for developing countries as one of my key objectives for the years to come....We can and have to help developing countries make the most of the market access on offer, develop their capacity to expand their trade and best use trade to reduce poverty*"².
- Article V of the WTO Agreement on Government Procurement, which entered into force on 1 January 1996, explicitly recognizes the needs of developing countries and states: "*Parties shall, in the implementation and administration of this Agreement, through the provisions set out in this Article, duly take into account the development, financial and trade needs of developing countries*".

In line with the above, the Fair Trade movement

- Supports the European Commission's view³ that **public procurement is a tool** for contracting authorities in the EU to achieve horizontal policy objectives (e.g. innovation, Fair Trade, efficient and sustainable management and use of natural resources) and that the **right to decide** what to purchase, and from which country, **should not be curtailed by EU public procurement policies or legislation**.
- Strongly believes that EU public procurement rules and policies should allow contracting authorities in the EU for **policy space to introduce sustainable development considerations** in public procurement⁴.

¹ <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=internationalPP>.

² Speech (16 March 2010) by Mr De Gucht available from:

http://trade.ec.europa.eu/doclib/docs/2010/march/tradoc_145890_en%20-%20ftw.pdf

³ On 30 June 2011, Commissioner for Internal Market and Services Mr Michel Barnier "*Les marchés publics ont un rôle essentiel à jouer pour la promotion de l'innovation, le respect de l'environnement et la lutte contre le changement climatique, l'amélioration de l'emploi et des conditions sociales ainsi qu'une meilleure inclusion*". This was also stated in the 2010 EC Green Paper on the modernisation of EU public procurement policy « Towards a more efficient European public procurement market ».

⁴ The Fair Trade movement is part of the network for sustainable development in public procurement, which is advocating for the same objectives in the context of the review of the EU public procurement rules. Submission to the Green Paper on the

- Considers that restricting market access to good and services from third countries would be **damaging for the European Union economy**⁵ as well as **contradicting the EU Treaty Objectives** of free and fair trade, sustainable development and poverty reduction **and the EU Policy Coherence for Development**.
- Calls therefore on the European Commission to **de-link policies to encourage sustainability in public procurement in the EU from the policies to enhance the market access of European industry to public procurement markets in third countries**.
- **Opposes** the need to pass **new EU legislation to limit the market access of non-EU goods, services and companies to the EU public procurement markets**.
- Calls on the European Commission to **focus instead** on how the future EU public procurement policies and legislation can promote **sustainable development**, in particular **quality trade** that empowers (or at the very least, do not prevent) marginalised producers and workers in the South to trade their way out of poverty, **regardless of whether the goods and services come from inside or outside the European Union**.

We remain at the disposal of the European Commission services if more details are needed on the present submission and we encourage the European Commission services to make it publically available.

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modernisation of EU public procurement policy available under: <http://cms.horus.be/files/99931/MediaArchive/joint-response%20INSRPP-DG-MARKT-evaluation-public-procurement-18.11.10.pdf>

⁵It is generally agreed that the EU's integration in the global economy through increased trade generates more and better paid jobs, also in the European Union. More than 36 million jobs in Europe depend, directly or indirectly, on our ability to trade with the rest of the world, as recognised by the European Commission Communication "Trade, Growth and World Affairs" of 9 November 2010.