



Foreword

Fair Trade started modestly, in Europe mostly through dedicated volunteers selling crafts made by their contacts in the South to the congregation of their local church, trade union or other local organisations. When I first came into contact with the Fair Trade movement in the 1970s the value of such initiatives was still easily dismissed as "marginal". Today things are different: the focus on enabling small farmers and artisans to work their way out of poverty has not changed and the people behind it are just as dedicated, but with over 100.000 volunteers in Europe, and an estimated 6 million people in the South benefitting from the Fair Trade concept, these days Fair Trade is undeniably a success story.

The range of Fair Trade products is increasing all the time. It may still take some effort but it is quite possible to use Fair Trade products throughout your entire day: tea, coffee, marmalade, juice and fruit to put on a breakfast table made of Fairtrade-certified wood; a range of clothes from underwear to shoes and smart work items to dress in; oils, spices, ready meals and a huge choice of chocolate and biscuits to get you through the day; rubber gloves to do the washing up of your Fair Trade plates and bowls and make-up removal pads before bed. There is even Fair Trade toilet paper!

Fair Trade also brings benefits to farmers and producers in the South beyond the obvious value of having a market for the products themselves: small-holders are helped to improve the quality of their product so that they can sell it at a premium and are introduced to more sustainable farming methods; women receive equal pay for equivalent work -even in countries where women often do not receive any pay for their labour; children get to go to school and play because their parents earn a decent living.

Fair Trade has come a long way, but it is still the exception rather than the rule. In order to reach its full potential, Fair Trade needs the support of governments and of the European Union. As chair of the Fair Trade Working Group in the European Parliament, I am proud to say that Fair Trade continues to enjoy overwhelming support from this Parliament. Specific Fair Trade policy demands were added to many reports and MEPs are now making their own small but direct contribution by drinking Fair Trade tea and coffee at all European Parliament meetings and events. Fair Trade products are also available in our restaurants and canteens.

The Fair Trade Advocacy Office (FTAO), with whom I have cooperated since 2004, is a trusted source of information, contacts in the global South and support for our Working Group and the European institutions in general. They helped to turn the 2011 European Parliament Fair Trade breakfast into a success, with no less than 110 participants, and continuously supported the Working Group with reliable data and analysis.

As 2011 was the first year in which the FTAO operated as a separate legal entity, and the document on the FTAO's work in 2011 you are holding now is therefore their first annual review, I feel privileged to have been asked to write the foreword. To the FTAO and its team, to Fairtrade International, the European Fair Trade Association and the World Fair Trade Organization-Europe who jointly formed the FTAO, and especially to all the Fair Trade producers in the South and the many volunteers within the Fair Trade movement I say thank you for all you have done in 2011, and I look forward to continuing our cooperation.



About us

The FTAO, speaking out for Fair Trade and Trade Justice!

The Fair Trade Advocacy Office (FTAO) is the joint EU advocacy office for Fairtrade International, the European Fair Trade Association and the World Fair Trade Organization-Europe; through these three networks the FTAO represents over 2 million Fair Trade producers, workers and traders from over 70 countries, 19 labelling initiatives, over 500 specialised Fair Trade importers, 4,000 world shops and more than 100,000 volunteers.

On behalf of the three networks and their combined membership the FTAO speaks out before the EU for Fair Trade and Trade Justice with the aim to improve the livelihoods of marginalised producers and workers in the South.

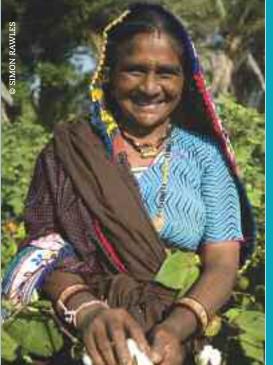
The office monitors EU policies and EU input into global policies, ensures a constant dialogue between the Fair Trade movement, other stakeholders and political decision makers, develops political positions in the area of Fair Trade and Trade Justice and publishes information material such as newsletters and brochures.

The FTAO was born in 2004 when the Fair Trade networks set up an informal advocacy cooperation mechanism. In December 2010 the Fair Trade networks formalised their commitment and set up the FTAO as a legally-independent foundation "Fair Trade Advocacy Office" with a clear mandate to advocate for EU policies in support of Fair Trade and Trade Justice and to strengthen the FTAO and the Fair Trade networks and their members' capacities to interact and have an on-going dialogue with the EU Institutions. The FTAO Secretariat is in Brussels.



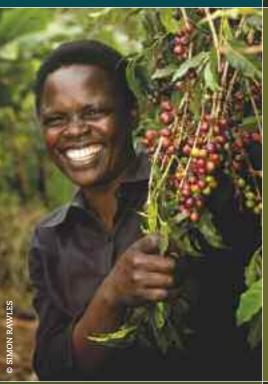
"There are a lot of influential movements and interest groups around there in the EU but I think the Fair Trade Movement managed to make their voice heard. But it depends on what to compare with, in terms of lobbying strength, they're not as close to the financial power in lobbying as others. But they are probably doing a good job"

EU official in anonymised interview1



"I have the impression that the people are more and more sensitive to the subject, and that is because of the Fair Trade Movement and the successes they have and the campaigns they are having on Fair Trade"

EU official in anonymised interview2



"The Commission needs friends in the Parliament; otherwise the commission would have big problems. I mean if the public procurement rules would have caused problems for Fair Trade the Commission would not have just a problem with Parliament but with public opinion, the church groups would be against him, and he had a big outcry for nothing. So the Parliament is some sort of a watchdog for public opinion"

EU official in anonymised interview3



"But this is in very close cooperation with the Fair Trade Advocacy Group. I think this is good because like I said they have the means and they have the experience, knowledge and energy to know what is really going on. They have time to watch closely what the Commission is doing for example on the EU Trade strategy 2020. They know before we do what will be in the text"

EU official in anonymised interview4



"They have on the ground experience and projects in developing countries so they have the expertise, they are on the ground and they know what is happening"

EU official in anonymised interview⁵

1-2-3-4-5 Bothur 2011,

The European Union's Search for Legitimacy - A Crucial Political Opportunity for the Fair Trade Movement?

Fairtrade International (FLO)

An umbrella of 25 organisations around the world, including three producer networks representing producers in Africa, Asia and Latin America and the Caribbean, 19 labelling initiatives, two marketing organisations and one associate member. The members all produce or promote products that carry the Fairtrade Certification Mark and together they are responsible for decision making within FLO. Half of the members of the FLO General Assembly represent producers. Together, they develop the Fairtrade labelling model as a tool to secure a better deal for small farmers and workers in the South. FLO has its headquarters in Germany. www.fairtrade.net

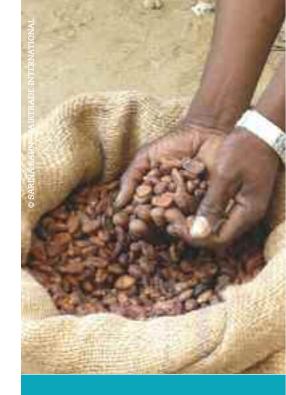


An association of 10 Fair Trade importers in nine European countries: Austria, Belgium, France, Germany, Italy, The Netherlands, Spain, Switzerland and the United Kingdom. EFTA was established informally in 1987 by some of the oldest and largest Fair Trade importers. It gained formal status in 1990. The aim of EFTA is to support its member organisations in their work and to encourage them to cooperate and coordinate. It facilitates the exchange of information and networking, it creates conditions for labour division and it identifies and develops joint projects. EFTA is based in the Netherlands. www.eftafairtrade.org

The European Chapter of the World Fair Trade Organization (WFTO Europe)

WFTO Europe is formed by 43 members across 17 European countries, amongst them Fair Trade organisations, national Fair Trade platforms and support organisations. It is the European Chapter of the World Fair Trade Organization (WFTO, formerly known as the International Federation for Alternative Trade - IFAT) which counts more than 450 members from 75 countries, mainly in the South. The goals of WFTO Europe include representing Fair Trade in Europe, supporting Fair Trade policies and supporting the global network. WFTO Europe carries out its mission through campaigning, policy, advocacy, marketing, monitoring, certification and market access. The WFTO Europe has its office in Belgium.

www.wfto-europe.org

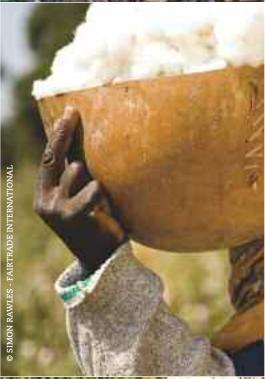


"I believe Fair Trade to be an important tool in making the economy and the distribution of resources fair and sustainable. Most people suffering from hunger today live in rural areas, where we can find small-scale family and subsistence farming. Trade must work for the development and the alleviation of poverty and show consideration for these farmers"

Staffan Nilsson,









Membership, partners & network

FTAO is a member of the following advisory groups of the European Commission

- Trade Civil Society Dialogue (DG TRADE)
- Expert Platform on Business to Business Contractual Practices in the Food Supply Chain under the High Level Forum on the functioning of the food supply chain (DG ENTR)
- Enlarged Advisory Group on the Common Agricultural Policy Towards 2020 (DG AGRI)
- Advisory Group on Organic Farming (DG AGRI)
- CAP International Aspects of Agriculture (DG AGRI)

FTAO counts as civil society and local authority partners

- Cooperatives Europe
- Eurocoop, European Community of Consumer Cooperatives
- Consumers International
- Euroban, European Banana Action Network
- CONCORD, European NGO confederation for Relief and Development
- VOICE, Network of Organisations working in Cocoa
- ICLEI, Local Government for Sustainability

FTAO is also founding member of various wider networks

- Civil Society Organisations Group on International Development
- Alternative Trade Mandate Alliance (ATM)
- European Trade Network
- Brussels Trade Bunch (BTB)
- Network for sustainable development in public procurement

What is Fair Trade?

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers - especially in the South. Fair Trade Organisations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.



Jerzy Buzek MEP © EUROPEAN UNION

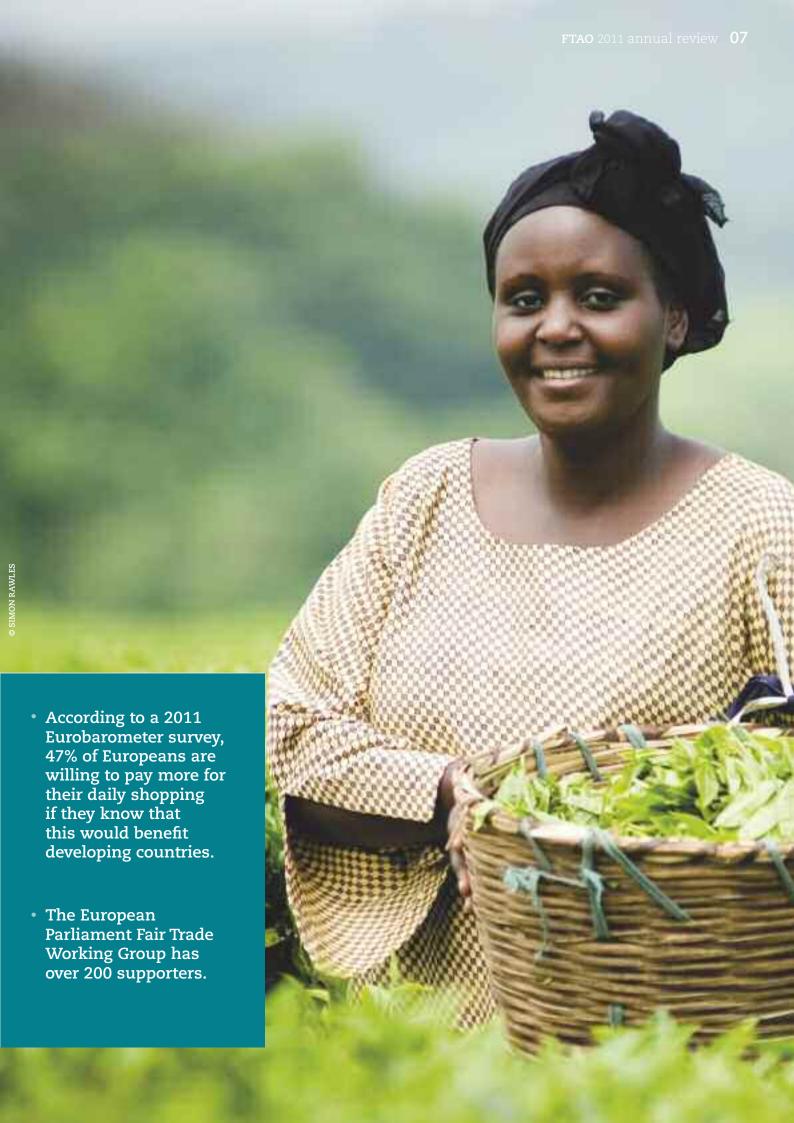
• Preliminary data suggests that in 2011 the retail value of Fair Trade products in the EU was for the first time over 3 billion Euros. Despite the economic crisis, growth figures are impressive. In 2010 consumers in the UK -the largest Fair Trade market- spent 40% more on Fair Trade products, while sales figures in Czech Republic almost quadrupled.

- The FTAO Secretariat is 3.4km away from the <u>European Parliament</u> in Brussels, that is only 0.09% of the distance between Brussels and Strasbourg. Both cities have been declared Fair Trade Towns.
- Fair Trade is estimated to benefit well over six million people worldwide.

"The global economic recession, food crisis and climate change affect disproportionally the world's most vulnerable. With more than a third of the world's population living in poverty, the global crisis cements the need for a fair and sustainable economy both locally and globally. Fair Trade is not about charity: it is about making trade work for development and fighting against exploitation and exclusion of those whose voices are barely heard children, women and indigenous peoples"

Jerzy Buzek MEP, European Parliament President

- Fair Trade products are generally available in the EU institutions; the European Parliament offers the widest range with dozens of different products.
- In 1994 the European Parliament adopted its first resolution on Fair Trade, "Promoting Fairness and Solidarity in International Trade"



"With Fair Trade, we work more together. Biological methods of production creates more work, but we get a better price for our crops. We also diversify our production. This way, farmers can grow other products within two harvest periods and sell them on the market we have established here, rather than seek employment in town. Our kids know that they can live on agriculture, without having to leave the region."

Sompoi Chansang

Manager of Rice Foods Surin, cooperative of rice growers,

"As a woman, being involved with Fairtrade is very helpful. They transport the coffee by lorry so we don't have to carry it on our backs. We understand the coffee business now and Fairtrade has taught us how to improve the quality of our coffee. It also helps women sell their coffee, we have a good market now. Fairtrade is also giving women freedom of speech. When we are paid we buy what we want and don't have to ask our husbands and we know how to budget for our household needs"

© Jennipher Wattaka, Simon Rawles

Jennipher Wettaka

Gumutindo Coffee Co-operative,

What we did in 2011

It was a turbulent year for the European Union because of the continuing economic crises. While European policy makers were openly speculating about the end of the Euro the issue of international solidarity often took a backseat in the political discourse. Stifling economic growth also stifled attention for trade justice and quality trade which did not help to bring about a more balanced EU approach to trade policy.

However, 2011 was also a year in which the European Parliament became more confident in exercising the powers it gained through the Lisbon Treaty and this created new opportunities for small producers in the South. Support for Fair Trade in the European institutions, and the visibility of the FTAO improved substantially. Additionally, 2011 was the first year the Fair Trade Advocacy Office operated as a separate legal entity, with a new board and an independent chair. Together with the renewed commitments of the Fair Trade networks, this helped to make 2011 a productive year.

Below is an extract of the issues and activities the FTAO worked on in 2011:

General

The cooperation between the FTAO and the European Parliament remained strong, the number of Members of Parliament who have pledged their commitment to Fair Trade rose by 25% and the Fair Trade Working Group meetings were well attended. Members of Parliament increasingly recognise the FTAO as an important partner in their work and contact the secretariat for information and analysis.

The 2011 Fair Trade Breakfast in October 2011 had its highest turnout ever, with no less than 110 participants, including 40 MEPs. As one of the follow-up actions to this event a cross-party group of over 60 Members of the European Parliament signed a letter to the European Commission to ask for Fair Trade objectives to be taken up in the EU Trade and Development strategy. This was a powerful signal to the European Commission.

During the month of April 2011 the FTAO together with other partners organised an exposition of photos of the people in Fair Trade. The launch of this exposition turned into a successful event with participation from the European Parliament and Commission. In June European Parliament president Jerzy Buzek MEP, Committee of the Regions president Mercedes Bresso and the president of the European Economic and Social Committee, Staffan Nilsson, all made public statements to commemorate the important milestone of 1000 Fair Trade towns. This attention to the achievement by the Fair Trade Towns campaign really helped to highlight the importance of Fair Trade within the institutions.

The FTAO improved its monitoring capacity for relevant EU legislative proposals and parliamentary questions and continued to meet with key decision makers within the European Commission.

The FTAO now represents the Fair Trade movement in five different European Commission Advisory Groups and is asked to provide speakers for Commission events. Additionally, the FTAO also submitted the views of the Fair Trade movement in European Commission public consultations on topics like Trade and Development, the EU External Action Budget, the EU Single Market Act and the future of the Common Agricultural Policy. Furthermore, in October 2011 the FTAO and our partner Cooperatives Europe were invited for a meeting with Andris Piebalgs, the European Union Development Commissioner. This meeting will be followed up on both sides throughout 2012.

EU Trade Policy

In 2011 the FTAO continued to strengthen its profile as an organisation working not only on Fair Trade but also on Trade Justice. The cooperation with other NGOs working on trade (see page 5) was enhanced, especially with Cooperatives Europe and within the framework of the Alternative Trade Mandate alliance (ATM). The ATM prepared in 2011 for an ambitious EU-wide consultation process in order to draft an alternative trade strategy for the European Union in order to set the agenda in the run up towards the 2014 European Parliament elections. The FTAO is in the coordination team of the ATM alliance and also in the writing group which will collate the results of the consultations into one document.

Following the rotating Council of Ministers presidency the FTAO met with the Hungarian and Polish Permanent Representations on trade in order to give input to the positions of the Council of Ministers on trade and development aspects.

From left to right:

Sergi Corbalán, FTAO

Agnes Jongerius, President FNV and Vice-President ITUC Emma Reynolds MP, UK Shadow Europe Minister Brave R. Ndisale, Malawi's Ambassador to the EU Pascal Lamv. WTO Director General **Kader Arif MEP**

To further reach out to the political parties at European level the FTAO organised in November 2011, in the framework of the Party of European Socialists Progressive Convention, a high-level workshop on "How to make trade work for small producers and workers". Considering the success of this event the FTAO plans to organise similar events together with other European political parties in the future.

Finally, in September 2011 the European Parliament adopted an important report on the new trade policy for Europe under the Europe 2020 Strategy. This report now notes that, with regard to external policy, the European Parliament supports the Commission in its stated goal to promote sustainable development and Fair Trade, international labour standards and decent work. In this report the European Parliament also asks the European Commission for an integrated approach on trade, foreign, development, social, agricultural and environmental policies and reiterates its earlier calls on the Commission to ensure coordinated policies in support of Fair Trade.

EU Development Policy

The FTAO's involvement with CONCORD, the European NGO Confederation for Relief and Development, continued to be a useful platform for the exchange of information and contacts, especially through the Civil Society Organisations Group on International Development in which organisations are represented who work for development but which are not only "classical" development organisations but also "new actors in development" such as Fair Trade, Trade Unions and the Cooperatives. During 2011 the FTAO developed its partnership with Cooperatives Europe which resulted in a joint declaration: "Shared principles and a common people-centred business model" and a useful exchange of information between the Fair Trade Movement and the Cooperative movement.



"The network of African Fairtrade certified farmers began to informally engage with the Fair Trade Advocacy Office in 2010.

In 2011, the relationship was strengthened through the participation in at least two formal settings. First, Fairtrade Africa was invited to provide input on different policy and advocacy initiatives in Europe from the perspective of producers in the South through the FTAO Trade Justice Expert Group.

Fairtrade Africa also participated in the 2011 annual Fair Trade breakfast in the European Parliament which provided the opportunity for producers from Malawi and Tanzania to address Members of the European Parliament and share their experience with Fair Trade on the ground.

Fairtrade Africa also collaborated with the FTAO in organising a meeting in Durban between Fair Trade producers from three delegation to the UN Climate Change talks at COP17"

Marcela Guerrero Casas

The FTAO developed several briefing notes for Members of the European Parliament and a position paper and input on the needs of smallholder farmers and workers into the European Commission's Green Paper on EU Development Policy. In addition the FTAO gave input into the Fairtrade International input for Rio+20 and started to develop policy asks on the role of the private sector in development as the European Commission's Agenda for Change clearly signals that the private sector will be more involved in EU development policy. This change of approach could potentially offer valuable opportunities for Fair Trade producers, but only if the primary focus is on development, in particular small producers, not on EU business interests.

Public Procurement

Each year, public authorities in the EU spend up to 20% of the Gross Domestic Product (GDP) on goods, services and works. This means that also for Fair Trade products this is an important market. Due to the EU's extensive legal competences when it comes to the Internal Market, EU policy and legislation in this field is key to empowering contracting authorities in the EU to include Fair Trade criteria in public procurement. The FTAO continued to be one of the leading NGOs on EU public procurement policy. Together with other civil society organisations, FTAO is a founding member of the Network for Sustainable Development in Public Procurement. The FTAO also worked closely with external experts, not least thanks to the pro-bono legal support the FTAO receives on this issue from the Brussels office of the law firm Bird & Bird.

During 2011 the FTAO made a submission to the European Commission EU Public Procurement Reciprocity Initiative consultation and provided advice to Members of the European Parliament working on the report on the modernisation of public procurement. The FTAO assisted with the organisation and provided speakers for expert meetings on public procurement for several of the political groups in the European Parliament. Additionally, in October 2011 the FTAO arranged for Chief Executive Officer of Fairtrade International Rob Cameron to speak, on behalf of the Fair Trade networks, at the European Commission High Level Forum on Modernising Public Procurement and that same month FTAO Executive Director Sergi Corbalán served as co-chair and speaker at the Network for Sustainable Development in Public Procurement workshop "Strengthening sustainable public procurement", where the European Commission and Parliament where also represented.

Fairness in the Supply Chain

One of the FTAO's objectives is to push for EU policies which encourage the buying policies and practices of companies operating in Europe to reflect the principles behind Fair Trade and improve the livelihoods of marginalised producers and workers in the South. One crucial issue falling under this objective is fairness in the retail sector. Thanks to the commitment and expertise of Fiona Gooch from Traidcraft the FTAO is represented in the Commission's Business to Business Contractual Practices Platform and in the Supermarket Coalition.

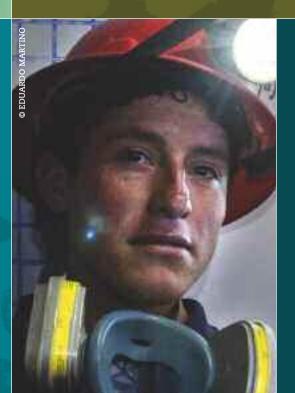


European Parliament Fair Trade Working Group

In November 2003, MEPs from different parliamentary groups first met in an informal setting to discuss how to further promote Fair Trade in the EU. One year later the FTAO was born and together with Linda McAvan MEP the FTAO took the initiative to start the Fair Trade Working Group. It was created as a platform for discussion and to share information and ideas on Fair Trade across different committees and party lines. During the mandate of the sixth European Parliament (2004-2009) the interest in this working group grew steadily, which resulted in a number of campaigns and conferences, a successful push for a wide range of Fair Trade products in the European Parliament and, crucially, an own initiative report on Fair Trade in 2006 which was adopted with an impressive majority. This resolution was the first EU policy document which defined the concept of Fair Trade in the same way the Fair Trade movement does. It has since stimulated the debate on a wide range of issues related to Fair Trade, it encourages the Commission to consider the underlying principles of Fair Trade as an important example towards sustainable trade policy in the EU and to give the right example when it comes to procurement. More than 200 MEPs from across the EU and from most of the political groups have now expressed their support to the work of the Fair Trade Working Group and the Fair Trade concept as a unique way to enable people in the South to trade themselves out of poverty.

"Being able to engage with policy makers in the EU is an important priority for Fairtrade Africa as our producer members are directly affected by decisions made in Brussels. The support FTAO provides has been crucial in forums like the 2011 UNFCC Conference of the Parties in Durban, South Africa. Without Fair Trade and its networks, producers in Africa could not dream of speaking directly to decision makers at that level"

Chief Adam Tampuri, Chairman Fairtrade Africa



"The CoR is delighted with the development of Fair Trade and the growing readiness of Europe's municipalities and regions to introduce environmental and social criteria into public procurement. This readiness is all the more important in the current financial and economic crisis"

Mercedes Bresso, Committee of the Regions President

Who we are

FTAO Board of Directors

The Board of Directors is the body with ultimate responsibility for the FTAO. It oversees the management and gives strategic advice to the FTAO. It meets three or four times a year. Its current members are:

- Jenny Borden (independent Chair)
- Louise Luttikholt until November (member, representing Fairtrade International)
- Ian Bretman from November (member, representing Fairtrade International)
- Marlike Kocken (member, representing EFTA)
- Sophie Tack (member, representing WFTO Europe)
- Mike Gidney (independent member, appointed by Fairtrade International)
- Paul Spray (independent member, appointed by EFTA)

Board meetings in 2011

- 8 February 2011, Brussels
- 17 May 2011, Brussels
- 12 September 2011, Brussels
- 6 December 2011, Brussels

Secretariat 2011

- Sergi Corbalán, Executive Director
- Hilary Jeune, Policy Officer
- Tom Rottinghuis, Policy Officer (from November 2011)
- Moa Stenholm, intern (July 2011 - January 2012)
- Luca Tosoni, intern (July-December 2011)
- Riccardo Tremolada, intern (September-October 2011)
- Kristofer Karlsson, intern (December 2010 - July 2011)
- Vera Rimoldi, intern (December 2010 - July 2011)

FTAO Expert Groups

The FTAO has three expert groups, on Fair Trade, Fair Trade Public Procurement and Trade Justice. These groups give advice to the FTAO and serve as information exchange networks on relevant advocacy and policy developments.

The following participated in these expert groups in

- Aruna Anand (CEO, Network of Asian Producers)
- Aurelie Walker (Trade Policy Adviser, Fairtrade Foundation, UK)
- Christophe Roturier (Max Havelaar France)
- David Comet (IDEAS, ES)
- Edmund Butcher (Public Policy Advisor, Fairtrade Foundation, UK)
- Eline Demey (Policy Officer, Oxfam-Wereldwinkels, BE)
- Elisa Dolci (Public Affairs Coordinator. CTM-Altromercato, IT)
- François Graas (Research & Advocacy Officer, Oxfam Magasins du Monde, BE)
- Gelkha Buitrago (Policy Manager, FLO)
- Giorgio Dal Fiume (President, WFTO Europe)
- Herman Van Beek (Senior Policy Advisor, Landelijke Vereniging van Wereldwinkels, NL)
- Jim Cranshaw (Corporate Campaigns and Communications Manager, People & Planet, UK)
- Joan Karanja (Director, Cooperation for Fair Trade in Africa, Kenya)
- Karlien Wouters (Stakeholder and Policy Manager, Max Havelaar, BE)
- Malcolm Sen (Fairtrade Ireland)
- Marcela Guerrero Casas (Advocacy Officer, Fairtrade Africa, South Africa)
- Marieke Poissonnier (Policy Officer, Oxfam Wereldwinkels, BE)
- Mark Ortiz (Legal Council, FLO-CERT)
- Paul Spray (Traidcraft, Policy Director, UK)
- Peter Defranceschi (Brussels Representative, Local Government for Sustainability, BE)
- Toby Quantrill (Head Public Policy, Fairtrade Foundation, UK)

Financial results

The FTAO is grateful for the funding from the Fair Trade networks which is the main source of income and without which the FTAO would not exist.

Membership fees	€123 975
Max Havelaar (BE) Partnership	€10 000
Belgian Development Agency	€3 816

Expenditure

Staff costs	€112 350
Office costs	€12 306
Activity costs	€5 245

Audit report by KPMG available on request

In 2011 the FTAO Board of Directors agreed on the FTAO 2011-2015 strategic plan, which clearly lays down the vision, mission and scope of work for the 2011-2015 period. It also lays down that the main objectives are linked to the EU supporting Fair Trade, Trade Justice and strengthening the Fair Trade movement's political advocacy in Europe.

The strategic plan is available from www.fairtrade-advocacy.org





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