



Brussels, 30 December 2008

Subject: Contribution to the European Commission's Consultation on Socially Responsible Public Procurement

The four main Fair Trade networks: IFAT – the World Fair Trade Organization, Fairtrade Labelling Organizations International (FLO-I), Network of European Worldshops (NEWS!) and European Fair Trade Association (EFTA), collectively known as FINE, welcome the opportunity presented by the European Commission for stakeholders to give input on the future guide for Socially Responsible Public Procurement (SRPP).

However, as part of the consultation group set up by the European Commission Directorate-General Employment, Social Affairs and Equal Opportunities (DG Employment) and Internal Market, we regret not having access to the content of the study on SRPP carried out for DG Employment by ITC-ILO, or to the draft guide being currently prepared by Commission services. We consider input from civil society would have been more accurate and fruitful had these documents been made publicly available. That said, FINE considers Fair Trade should be one of the social considerations taken into account in the drafting of this guide.

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, marginalized 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.

Fair Trade is a pioneering movement, involving a great number and a broad scope of independent actors, from producers to specialised importers and retailers, which has been around for over half a century.

Fair Trade in public procurement (FTPP) is an excellent tool for public authorities to develop a coherent approach to social policy. Public authorities are increasingly interested in fair procurement as Fair Trade gives strong guarantees of social, environmental and economic sustainability, as well as of democratic procedures, human rights protection and gender equality, among others. The Commission should support this interest by clarifying current EU legislation on public procurement and producing guidelines on Fair Trade procurement, as suggested in the European Parliament resolution on Fair Trade and Development¹.

The purchase of Fair Trade products by public authorities has a great impact on the lives of producers in developing countries and provides a highly transparent supply chain, guaranteed by internationally harmonised voluntary standards for labelled and non-labelled Fair Trade products and organisations, facilitating verification in procurement procedures.

In its Resolution on Fair Trade and Development, the European Parliament (EP) recognises the benefits of Fair Trade for development, poverty reduction and consumer awareness-raising. It calls on the European Commission to develop a coherent EU-wide policy framework and to step up the EU's support to Fair Trade.

¹ P6_TA(2006)0320, 6 July 2006

The EP resolution also “calls on public authorities in Europe to integrate Fair Trade criteria into their public tenders and purchasing policies and asks the Commission to promote this by, for example, producing guidelines for Fair Trade public procurement”.

In line with this, the European Commission’s future Guide on SRPP should include guidelines on the inclusion of Fair Trade criteria in public tenders.

There are currently several legal initiatives in EU Member States, such as Spain² where Fair Trade is specifically referred to in the transposition of Directive 2004/18/EC³ on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts. In Italy, 5 regional laws supporting Fair Trade have been passed⁴, while in 4 more regions similar draft laws are under discussion⁵. France has also passed a law on Fair Trade.

Alongside these legal pioneering initiatives supporting Fair Trade, a growing number of public authorities across the European Union have chosen to include social considerations in their procurement by tendering for Fair Trade products and services including Fair Trade products. In Italy alone, around 150 tenders have been issued including Fair Trade criteria and more than half a million students have been involved, through the availability of Fair Trade products in school canteens.

A recent court case in the Netherlands⁶ has also brought greater legal certainty to the inclusion of Fair Trade in public tenders by deciding in favour of the Province of Groningen, which had tendered for Fair Trade coffee.

The Directive on Public Procurement opens the door to the inclusion of both social and environmental considerations in public purchasing. However, it is of the utmost importance that the EC gives clear guidance on the introduction of such considerations, such as Fair Trade, eliminating the ambiguity on how this can (and should) be done.

Therefore, we call on the European Commission to:

- 1.** Make publicly available the Study on Social Considerations in Public Procurement on which the future guide will be based on. We believe that, in line with the rules of transparency regarding official documents, stakeholders should have knowledge of the findings contained in this study;
- 2.** Consult stakeholders on a draft version of the future guide in order to more accurately gather input from those working on the inclusion of social considerations in public purchasing on a daily basis;
- 3.** Support the growing interest of public authorities in including Fair Trade criteria in public tenders by clarifying current EC legislation on public procurement through the production of guidelines on Fair Trade procurement, as recommended in the EP resolution;
- 4.** The future Guide on SRPP is an excellent opportunity to do this and it is important that DG Employment and DG Internal Mark closely collaborate with DG Trade;
- 5.** Include good practices regarding Fair Trade in public procurement in its future guides and reports.

With the growing interest and support of public authorities to Fair Trade and the existing legal precedents, we call on the European Commission to take the opportunity of the SSPP guide to show its support to Fair Trade and small producers in developing countries.

We look forward to the Guide on Socially Responsible Public Procurement and trust these points will be taken into account.

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² Ley 30/2007, de 30 de octubre, de Contratos del Sector Público (BOE n. 261 de 31/10/2007).

³ OJ L 134, 30.4.2004, p. 114-240

⁴ Abruzzo, Liguria, Marche, Toscana and Umbria

⁵ Lazio, Veneto, Lombardia and Piemonte

⁶ Verdict 23.11.07 DE Groningen, case number 97093/KG ZA 01-320