

Annual Report

2019-2020

**Fair
Trade**

ADVOCACY OFFICE



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Global Fair Trade Advocacy & Public Policy

Fair and sustainable Covid-19 recovery policies

We could not begin looking back on 2020 without mentioning how the global Fair Trade movement and the conditions of farmers and workers in global supply chains, and therefore our advocacy work, has been affected by the ongoing Covid-19 pandemic. In March 2020, when the scale of the crisis was beginning to become apparent, we began monitoring the impact that the pandemic and lockdown measures were having on small farmers and work-

ers in global supply chains and sharing this information with partners through a live online monitoring document as well as with a broader audience thanks to a [dedicated page on our website](#). For the remainder of 2020, much of our advocacy work focused on reiterating the need for fair and sustainable Covid-19 recovery policies and packages.

Webinars on Covid-19 and global value chains

The FTAO acted as co-organiser and facilitator for three webinars on [“Covid-19: impact of the crisis on small farmers and workers of agricultural, electronics and textile value chains”](#) (in English, French and Spanish), for the Rethinking Value Chains Network in March-May 2020. In each case, a diverse range of speakers from agricultural, extractive, and industrial workers’ unions, NGO and fair trade representatives gave accounts of the short-term impacts of the crisis that were already being seen on the ground and discussed potential long-term consequences.

The FTAO’s executive director, Sergi Corbalan, also spoke at the European Parliament Fair Trade Working Group webinar on “Covid-19 and global supply chains: Recipes for a fair and sustainable recovery.” Discussion focused on the Fair Trade movement’s policy proposals for a fair and sustainable recovery from the crisis, how the best practices of fair trade value chains could be mainstreamed and how the EU can contribute to making fairer and more sustainable value chains a reality.



Build Back Fairer Statement

On 25 September 2020, the two year anniversary of the release of the International Fair Trade Charter, we launched the Build Back Fairer Statement, a call for the transformation of the economy and trade system for a just and sustainable recovery from the Covid-19 crisis. The statement, coordinated by the FTAO, brings together the demands of a wide coalition of civil society organisations, including: World Fair Trade Organization (WFTO), Fairtrade, RIPPES, CIDSE, Act Alliance EU, The International Federation of Organic Agriculture Movements (IFOAM-

Organics International), Social Economy Europe, Wellbeing Economy Alliance (WEALL), and the International Cooperatives Alliance (ICA).

As we look forward to 2021, the Covid-19 pandemic is not yet over. We will continue to work with partners to amplify and reiterate our message: we cannot return to “business as usual,” we need to build back fairer, using World Fair Trade Day (2nd Saturday of May) as a key communications moment.

Circular and fair: it should be possible!

The circular economy is having a moment- an increasing number of businesses market themselves and their products as being sustainable and circular, while 2020 saw the development of an EU Circular Economy Action Plan. At the FTAO we have been working on developing policy proposals on how Fair Trade and Circular Economy can go hand in hand.

In December 2020, the FTAO along with Circle Economy and the European Environmental Bureau launched a report on this topic: “[Avoiding](#)

[Blind Spots: Promoting Circular and Fair Business Models](#)”. The report identifies blind spots in the European textile and electronics sectors, helping policymakers and business leaders understand how they can address the manifold challenges of the post Covid-19 economy.

The FTAO is also working with the city of Bremen (Germany) on a study on how local authorities can promote Circular Economy without dropping their commitment to Fair Trade, to be published in 2021.



European Union Policy and Advocacy

Advocating for the promotion of Fair Trade initiatives through EU trade and external action policies

The 2016 EU Trade for All strategy included, for the first time, a section on “Fair and Ethical Trade.” This was thanks, in part, to advocacy action by the Fair Trade Movement. In June 2020, the European Commission launched a major review of the EU’s trade and investment policy. The FTAO has been focused on campaigning for the new EU Trade Strategy to build on the measures on Fair and ethical trade outlined in the “Trade for All” strategy and to take stock of the challenges that remain.

The call for a greater focus on Fair Trade in the new EU trade strategy was reiterated during the European Parliament Virtual Fair Trade Breakfast in December 2020, hosted by the European Parliament’s informal cross-party Fair Trade Working Group. This event counted with a keynote speech by the European Commission Executive Vice President Valdis Dombrovskis, the participation of 19 Members of the European Parliament, and over 150 attendees. During this virtual event, Member of the European Parliament (MEP) Bernd Lange, Chair of the Working

Group highlighted the potential of EU policies in support of Fair Trade for creating real benefits for people, the planet, and the economy.

FTAO EU advocacy in 2020 also focused on the promotion of Fair Trade initiatives through EU external action policies, such as Economic Diplomacy, Green Alliances, Development Cooperation programmes and digital economy initiatives.

In December 2020 we published a report, along with CONCORD and Cooperatives Europe, on what the EU could do to better promote sustainable and inclusive business models through its external action policies.

In 2021 we will focus on advocating for economic diplomacy and trade policies that promote links between sustainable and inclusive business models in Europe and those outside the EU- through trade policy and economic diplomacy. We also see the upcoming EU Social Economy Action Plan as a potential window of opportunity for EU action on this issue.

COMMON FEATURES THAT ENABLE SUSTAINABLE AND INCLUSIVE BUSINESSES TO REDUCE INEQUALITIES

Structural characteristics: they are...

driven by a social and environmental mission

inclusively governed

led by a long-term vision



They benefit people and the planet by ...

creating decent work opportunities

empowering women and youth

reaching out to marginalised people

contributing to the green transition

Ensuring Human Rights Due Diligence legislation works for small farmers and workers

At the FTAO, we believe that to achieve large-scale transformational change towards fair and sustainable supply chains, voluntary approaches must be complemented by mandatory legislation. Given that defending the interests of small farmers and workers in the Global South is at the core of our mission, we work closely with our member organisations, including the Fairtrade system and the World Fair Trade Organization, to advocate for human rights due diligence legislation (HRDD) that leads to positive impacts for small farmers and workers.

In 2019, together with Brot für die Welt, we commissioned the University of Greenwich to conduct research on how to ensure Human Rights Due Diligence (HRDD) frameworks are designed and implemented in a way that works for small farmers and workers. The resulting report, published in June 2020, highlighted the need for HRDD frame-

works and instruments to address fair purchasing practices, living wages and living incomes.

In 2020, the European Commission launched an initiative on Sustainable Corporate Governance combining mandatory HRDD legislation and the regulation of directors' duties into one single process. The FTAO welcomed the initiative and engaged with policy-makers and other stakeholders, stressing the need for legislation that leads to concrete changes in companies' business practices. For that, the FTAO, together with the Fairtrade Producer Network CLAC, issued a paper on [Why Purchasing Practices Must Be a Part of Upcoming Due Diligence Legislation](#).

Looking forward to 2021, the FTAO is planning to continue to advocate for an effective HRDD legislation that will have positive impacts on small farmers and workers.



EU policies for fair and sustainable cocoa supply chains

Since the EU is the world's largest importer of cocoa and cocoa products, the EU bears a responsibility for the conditions of production in the countries of origin. There is, accordingly, a strong case for EU action to tackle the core issues affecting the cocoa sector, notably low prices, poverty, child labour, deforestation.

In 2019 the FTAO commissioned a report from consultant Duncan Brack "Towards sustainable cocoa supply chains: regulatory options for the EU." In 2020, the FTAO has delved deeper into the recommendations provided by the report and has used it as a jumping-off point for further policy research and advocacy for fair and sustainable cocoa supply chains. On the back of the recommendations provided by the Duncan Brack report, we campaigned for a smart mix of measures including voluntary partnership agreements between the EU and producer countries, mandatory human rights due diligence for companies, and price mechanisms to ensure adequate incomes for farmers.

We took a deeper look at the question of partnership agreements between the EU and cocoa-producing countries with a joint discussion paper that we developed in tandem with a group of NGOs from Cote d'Ivoire, Ghana, and the EU. The discussion paper "Key elements for an agreement between the EU and cocoa-pro-

ducing countries, to ensure sustainability in the cocoa sector" was published in September 2020. It identifies a set of key components for partnership agreements between the EU and cocoa-producing countries and outlines how such agreements can ensure a transition towards cocoa production that is environmentally sustainable, provides farmers with a living income, free from child labour and other human rights abuses, and where gender equality is the norm.

The European Commission issued a Communication on deforestation in July 2019. Since then, the FTAO has engaged in advocacy around this policy process to highlight the deforestation-poverty link and to demand that EU policies to tackle deforestation include measures to address poverty and small-farmer incomes.

In September 2020, the EU launched the EU multi-stakeholder dialogue on cocoa, bringing together various cocoa sector stakeholders to identify how to improve the sustainability of the sector. The FTAO looks forward to participating in this multi-stakeholder dialogue in 2021 and campaigning to ensure that the agenda is producer-driven, that the issue of costs for producers is considered, that purchasing practices are addressed, and crucially, to ensure that these dialogues lead to concrete policy action.



Image: Eric St-Pierre

EU policies for fair and sustainable textile supply chains

Textile supply chains are notorious for human rights and environmental abuses. Factory workers, most of whom are women, suffer from low wages, long working hours, and limitations to freedom of association and collective bargaining, while both workers and farmers of associated agricultural fibre crops like cotton, obtain extremely low incomes, and work under conditions of high dependency. The urgency to address the many issues faced by workers and farmers in the textiles sector has led the FTAO to focus on fair textiles as an EU advocacy priority.

In 2019, along with Oxfam-Magasins du monde and the World Fair Trade Organization-Europe, we commissioned the think tank European Centre for Development Policy Management (ECDPM) to conduct research on options for an ambitious and integrated EU strategy in support of fair and sustainable textile supply chains. The ECDPM options paper, which was released in October 2019, gave us an overview of the EU's policy options for developing an ambitious and integrated strategy in support of fair and sustainable textile supply chains and demonstrated the urgency of such a strategy.

This options paper formed the jumping off point for a shadow strategy for fair and sustainable textiles which the FTAO developed along with a wide group of Civil Society Organisations. The comprehensive shadow strategy called on the European Commission to put in place a set of policy measures to address the many issues of the textile, garment, leather, and footwear value chain. The 'Shadow Strategy' was endorsed by 53 MEPs in a letter addressed to the relevant Commissioners.

In March 2020, the European Commission launched the circular economy action plan in which they committed to the development of a comprehensive strategy for textiles. The FTAO, along with other civil society organisations has been continually advocating for an ambitious strategy that goes beyond voluntary guidelines and is truly comprehensive (i.e., focusing on all the dimensions of the challenge: environmental, social, governance, etc.)

We will continue to advocate for fairer and more sustainable textile supply chains in 2021 through participating in the development of the Communication on a Textile Strategy which



the European Commission has committed to deliver by the third quarter of the year. The FTAO is part of a working group created in the framework of the European Parliament Green Deal Intergroup which will follow the develop-

ment of the Textile Strategy. We participated in the kick-off event of this working group, which took place in November 2020, and we will continue to work with the group throughout 2021.

EU competition law and cooperation agreements for sustainability

EU competition policy as it stands is not fit for purpose- it is focused on ensuring cheap prices and short-term economic benefits to consumers, which makes it difficult to implement multi-stakeholder sustainability agreements, especially those involving competitor cooperation. This approach goes counter to the EU treaties and the European Green Deal, which foresee that all EU policies should contribute to achieving a sustainable future. The FTAO has long been part of this debate, along with a wide network of civil society organisations, academics, policy makers and other actors.

In June 2020 FTAO released a position paper on EU Competition Law and Cooperation Agreements for Sustainability, offering concrete recommendations to EU policymakers on how competition policy can be brought into line with sustainability objectives. The FTAO has also highlighted the link between competition law and achieving the Sustainable Develop-

ment Goals (SDGs), in our contributions to the public consultation on the Dutch Guidelines on Sustainability Agreements in October 2020 and the European Commission consultation on Competition policy and the Green Deal in September 2020.

Throughout 2021 the FTAO will maintain its engagement with the European Commission and other stakeholders to advocate for an interpretation of EU competition law that goes in line with the SDGs, the Green Deal and the Paris Agreement. The Block Exemption Regulation, which is currently in force, will expire in December 2022, so 2021 will be a key year when it comes to the development of the forthcoming regulation. The FTAO's main focus will be on ensuring that the forthcoming regulation contains provisions on sustainability agreements, and that 'sustainability' is understood as a broad concept, including, but going beyond, environmental sustainability.

EU Organic Regulation

In 2018, the European Council adopted new rules on organic production and labelling. This legislation contains clauses that may threaten the livelihoods of some organic farmers in the Global South. The Fair Trade movement and the organic movement, led by the International Federation of Organic Agriculture Movements (IFOAM), have been engaging policymakers from the EU and non-EU countries to voice their

concerns. In the context of the serious impact of Covid-19 on all the actors in the supply chain, the FTAO has advocated throughout the year for the entrance into force of the regulation to be postponed. This impact-mitigation objective was achieved on 4 September 2020 when the European Commission announced that the entry into force of the legislation would be postponed by one year.

An ambitious transposition of the EU Unfair Trading Practices Directive

Agri-food supply chains are characterised by massive concentrations of (buying) power on the level of retailers and large traders. A small number of actors- supermarkets and large traders- effectively dictate the terms of business, while smaller suppliers and producers are vulnerable to being treated unfairly.

The EU Directive on Unfair Trading Practices (UTPs) in business-to-business relationships in the agricultural and food supply chain prohibits a number of abusive buying practices, common among larger actors when dealing with smaller suppliers in agri-food supply chains. The legislation sets a ‘minimum harmonisation’ requirement for member states, but nothing prevents each member state from going beyond the minimum and putting in place national laws that improve on the minimum standards of the Directive- a so-called “UTP+” legislation.

Throughout 2020 the FTAO has provided tools and coordination to the network of NGOs who are advocating for an ambitious transposition of the Directive in various member states. The FTAO has hosted regular coordination calls in which colleagues from member states that have put in place innovative and ambitious provisions in their national legislation have the opportunity to share them with others so that they can propose similar measures.

In 2021 we will continue to hold regular calls with the network and, as the focus moves from the transposition to the implementation phase, we will strengthen our role in ensuring that non-EU actors have the right tools and information to benefit from the new rules.



Global Fair Trade Movement Cooperation

Cooperation with UNCTAD

In the framework of the Memorandum of Understanding between the FTAO and United Nations Conference on Trade and Development (UNCTAD), UNCTAD hosted an event on 22 January 2020 with the title “[Value chains:](#)

[How to share benefits more equitably](#)” at the UNCTAD Headquarters, the United Nations Office in Geneva. The FTAO will aim to continue and strengthen the cooperation with UNCTAD in 2021 and beyond.

The Fair Trade International Symposium Online Panel

The eighth edition of the Fair Trade International Symposium (FTIS), was due to take place in the week of 8 June 2020 in San Cristóbal de las Casas (Chiapas, Mexico), hosted by ECOSUR. The event was postponed, due to the on-going Covid-19 crisis and is planned to take place in 2022.

Nevertheless, the FTIS Steering Committee has been busy during 2020. On 10-11 June, the FTAO co-hosted an [online FTIS event to provide](#)

[a space to step back and reflect on long-term impacts of the Covid-19 crisis on Fair Trade and resilience in supply chains](#). The event aimed also at identifying the challenges being faced by the Fair Trade movement and enabling future collaboration between researchers and the Fair Trade movement to address these challenges.



Image: Sylvain Leurent

Capacity Building for the Global Fair Trade Movement

The FTAO serves as a Fair Trade movement centre of excellence to facilitate exchanges of good practices and analysis to strengthen the

public policy and advocacy capacities of the Global Fair Trade movement.

Fair Trade Advocacy Marathon 2019

From 7 to 11 October 2019, the FTAO coordinated the Fair Trade Advocacy Marathon, an event which brought members of the Fair Trade movement together in Brussels for a week of meetings, capacity-building workshops and networking to share their knowledge on best practices in advocacy. The agenda included meetings of the Trade Fair Live Fair Consortium as well as a series of workshops covering Public Procurement, Human

Rights Due Diligence (HRDD), Climate Change, and Fair Trade in Eastern Europe.

One of the highlights was a capacity-building session on how to engage with MEPs. Led by Marc-Olivier Herman, a consultant in NGO lobbying. He explained to members of the Fair Trade movement how the EU institutions work, the role of the European Parliament, and how to engage with MEPs most effectively.

FTAO 'Open Spaces' replace the Fair Trade Advocacy Marathon in 2020

Due to Covid-19, we were forced to cancel the Fair Trade advocacy marathon in 2020. When we cancelled the marathon, we decided to replace it with a monthly 'Open Space' where Fair Trade Advocacy Network members (team members of WFTO members and Fairtrade system members working on public policy advocacy) can propose new advocacy projects, pitch new advocacy ideas, brainstorm on our future advocacy work and learn from each other. In 2020 we kicked off these open spaces with a session November in which WFTO pre-

sented plans for World Fair Trade Day in 2021, followed by a session in December in which Commerce Equitable France, Fairtrade Germany and Forum Fairer Handel discussed how taxations systems can help the uptake of Fair Trade products and Enterprises. We are looking forward to the sessions planned for 2021: first up- a session with Veselina Vasileva on how to support the uptake of Fair Trade in Central and Eastern European countries.

Online reading club 'Fair Trade Essentials'

In 2019 the FTAO set up a ['Fair Trade Essentials' reading club](#). The club is open to all who are interested in the Fair Trade movement and

meets every two months to discuss a piece of writing on Fair Trade.

Capacity-building workshops and webinars

2019

In-person capacity-building workshops

- How to engage with Members of the European Parliament (MEPs)
- Engaging with EU delegations in the Global South

Capacity-building webinars

- VAT and sustainable products
- History of Fair Trade
- Competition law and sustainability, an introduction
- EU and Fair Trade- hands-off?
- Deconstructing Fair Trade: a series of three webinars:
 - Webinar 1: deconstructing Fair Trade
 - Webinar 2: building a taxonomy of the Fair Trade movement
 - Webinar 3: identifying some common criticisms of Fair Trade.
- Implementation of the new EU Organic Rules: group certification

2020

Capacity-building webinars

- Fairer sustainable production and consumption
- How to influence the EU Council
- Engaging politicians from different political parties on Fair Trade issues
- Taking local campaigns forward: tools to understand power and evaluate change
- Advocacy good practice: case study on the EU Directive on Unfair Trading Practices
- Transposition of the Unfair Trading Practices Directive
- Fair Trade and the environment.
- Fair Trade public procurement in the EU
- Advocacy for the removal of tax levied on coffee producers in Tanzania
- Brexit and Fair Trade
- Trade and gender



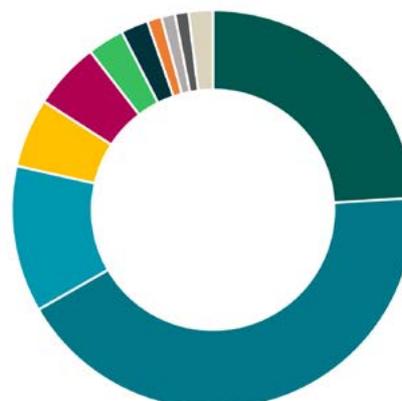
Image: Siddarth Selvaraj, Fairtrade International

FINANCES

2019

Income

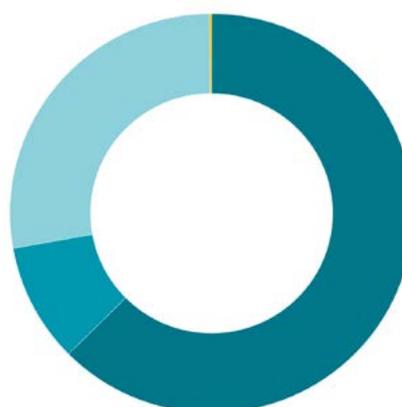
Membership fees	€ 109,519
EC funded projects	€ 193,995
OXFAM	€ 54,005
Fairtrade Germany	€ 25,506
CEE Bankwatch Network	€ 24,750
GIZ	€ 13,385
Fair Trade Belgium Partnership	€ 10,000
Charles Leopold Mayer Foundation (PFH)	€ 5,250
Commerce Equitable France	€ 5,000
Fairtrade International	€ 5,000
CIDSE	€ 2,000
Other Income	€ 1,909
Trade for Development Centre	€ 1,799
IFOAM EU Group	€ 1,500
Fédérations Artisans du Monde	€ 1,000
Bread for the World	€ 635
Total Income	€ 455,253



- Membership fees
- EC funded projects
- OXFAM
- Fairtrade Germany
- CEE Bankwatch Network
- GIZ
- Fair Trade Belgium Partnership
- Charles Leopold Mayer Foundation (FPH)
- Commerce Equitable France
- Fairtrade International
- Other income (sources less than €5,000 each)

Expenditure

Staff Costs	€ 206,225
Office Costs	€ 31,758
Activity Costs	€ 91,188
Other Costs	€ 536
Total Costs	€ 329,707

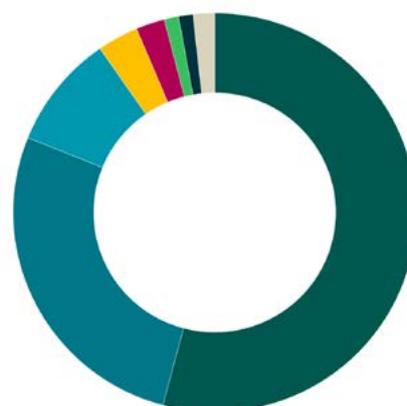


- Staff Costs
- Office Costs
- Activity Costs
- Other Costs

2020

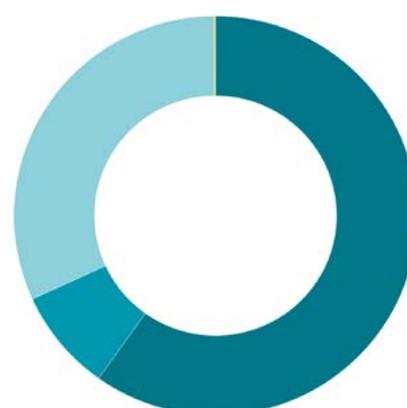
Income

EC funded projects	€ 234,499
Membership fees	€ 116,836
Charles Leopold Mayer Foundation (PFH)	€ 40,000
Make ICT Fair	€ 14,300
Fair Trade Belgium Partnership	€ 10,000
Engagement Global	€ 5,000
Freie Hansestadt Bremen	€ 5,000
Banana Link Limited	€ 3,000
Fairtrade Finland	€ 2,500
Other Income	€ 1,135
Your First Eures Job - CESOS	€ 711
GIZ	€ 115
Total Income	€ 433,096



Expenditure

Staff Costs	€ 223,326
Office Costs	€ 30,938
Activity Costs	€ 118,529
Other Costs	€ 400
Total Costs	€ 373,193



Our team

2019-2020

Sergi Corbalán, Executive Director

Fabienne Yver, Project Coordinator

Jorge Conesa, Project Coordinator

Elena Lunder, Project Advisor

Alice Sinigaglia, Project Coordinator

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Fabian Richter, Junior Advocacy Officer

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