



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 5.5.2009
COM(2009) 215 final

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT AND THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE**

**Contributing to Sustainable Development: The role of Fair Trade and non-
governmental trade-related sustainability assurance schemes**

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT AND THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE**

**Contributing to Sustainable Development: The role of Fair Trade and non-
governmental trade-related sustainability assurance schemes**

TABLE OF CONTENTS

1.	Introduction	3
2.	Fair Trade Developments since 1999.....	4
3.	Sustainability Criteria Applied.....	5
4.	Policy Considerations.....	6
4.1.	Contribution to Sustainable Development	6
4.2.	Private Trade-related Sustainability Assurance Schemes and the WTO	8
4.3.	Public procurement	8
4.4.	EU support	9
5.	Conclusions: the role of public authorities in relation to Fair Trade and other private trade-related sustainability assurance schemes	10
ANNEX I.....		12
ANNEX II		13
ANNEX III.....		14
ANNEX IV		16
ANNEX V		17

1. INTRODUCTION

This Communication examines the current situation of Fair Trade and other non-governmental (i.e. private) trade-related sustainability assurance schemes. The Commission has long recognised that consumers can support sustainable development objectives by purchasing decisions. This Communication responds to the growing interests that have been articulated, at political level as well as in the growing level of purchases by EU consumers. At political level the European Parliament adopted a report in 2006 on Fair Trade and Development¹. The report points out the need for raising awareness among consumers, and the risk of abuse by companies that enter the Fair Trade market without complying with certification criteria. Additionally, it recognises that Fair Trade is an essentially voluntary, private sector phenomenon, and that too heavy regulatory embrace could prove damaging rather than beneficial.

The 2005 exploratory opinion of the European Economic and Social Committee (EESC) looked at "consumer assurance schemes". Key findings were to identify the need for authoritative quality assessment of consumer assurance schemes and to fix central definitions. In June 2006 the European Council adopted its renewed sustainable development strategy and encouraged Member States to promote sustainable products, including Fair Trade².

EU consumers each year purchase Fair Trade certified products for approximately €1.5 billion; which is 70 times more than in 1999 when the Commission adopted a communication on this topic. This success underlines the need for consumers public authorities and other stakeholders, including producer organisations in developing countries to measure the real impact of Fair Trade.

In this communication the term "Fair Trade" is used in conformity with standards established by the international standard setting and conformity assessment organisations, that are members of the ISEAL³, and as applied by the Fair Trade organisations. The term "other private sustainability assurance schemes" is used to describe other labelling schemes that aim to inform consumers about the sustainability of the production of the product. (A brief overview of terms and organizations is appended in Annex I).

This Communication provides an up-date on developments arising since the 1999 Commission Communication on fair trade⁴ and suggests preliminary considerations on the role of public authorities and stakeholders in the field of Fair Trade and other private sustainability assurance schemes. Issues to be addressed are relevant for several EU policy areas, e.g. consumer protection, economic and social development, trade, corporate social responsibility, environment and the EU internal market. Where appropriate, this Communication may be followed by more targeted initiatives in one or more policy fields.

¹ European Parliament Report on Fair Trade and Development (2005/2245(INI) "The Schmidt Report".

² "Member States should promote sustainable products that stem from organic farming and fair trade as well as environmentally sound products"
<http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en06.pdf>, page 13.

³ International Social And Environment Accreditations and Labelling

⁴ COM(1999)619 of 29-11-1999. Information on the 1999 Commission Communication is appended in Annex II.

This Communication does not cover sustainability and labelling schemes established by public authorities (such as the EU eco-label).

2. FAIR TRADE DEVELOPMENTS SINCE 1999

The most striking developments since 1999 have taken place in national markets where certified Fair Trade products were already present. Answering the 1999 Communication's call for a single label and the need for independent verification and control, the "Fairtrade Certification Mark" has been successfully implemented⁵.

The consumer recognition level for the Fair Trade mark in the UK was above 70% in 2008 (compared to 12% in 2000)⁶ and in France 74% in 2005 (compared to 9% in 2000)⁷. Worldwide sales of certified Fair Trade goods exceeded €2.3 billion by the end of 2007,⁸ (but still an order of magnitude behind organic food sales and still less than 1% of total trade)⁹. Europe is Fair Trade's home: between 60% and 70% of global sales take place here, with large variations between its fastest growing market, Sweden, and newer Member States where the concept is still relatively young.

Fair Trade has played a pioneering role in illuminating issues of responsibility and solidarity, which has impacted other operators and prompted the emergence of other sustainability regimes. Trade-related private sustainability initiatives use various social or environmental auditing standards¹⁰, which have grown in number and market share. The best known social standard is perhaps SA8000, initiated by Social Accountability International (SAI) in 1997¹¹. Assurances that extend into broader issues, including both social and environmental criteria, are for example Utz certified and the Rainforest Alliance (RA).

Multi-enterprise sustainability trade initiatives, in different parts of Europe, range from national arrangements to pool the results of social audits to transnational initiatives with some government backing, such as the Ethical Trading Initiative (ETI)¹². The background work by operators to fulfil and audit standards need not be transmitted by means of a certification and label for consumers; fulfilling and auditing standards can count as a company's efforts of corporate social responsibility (CSR)¹³, which is not always indicated on the product. CSR activities can be reinforced by a company committing to a recognised set of criteria or objectives, such as through the UN Global Compact¹⁴.

⁵ See further information on definitions in Annex I.

⁶ Fairtrade Foundation, 2008.

⁷ OECD, Trade Policy Working Paper No. 47. Part 1; Jan 10, 2007.

⁸ Fairtrade Labelling Organizations International, 2008.

⁹ Land, P. & Andersen, M, "What is the world market for certified products", Commodities and Trade Technical Paper, OECD.

¹⁰ See also the Portal for Responsible Supply-Chain Management, established as part of the European Alliance on CSR; www.csr-supplychain.org.

¹¹ SAI claims that "retailers, brand companies and other employers worldwide with annual sales over USD175 billion are using SA8000"; www.sa-intl.org.

¹² Other initiatives to mention in this context include the Business Social Compliance Initiative (<http://www.bsci-eu.com/>), and the Global Social Compliance Programme (<http://www.ciesnet.com/2-wwedo/2.2-programmes/2.2.gscp.background.asp>).

¹³ Communication (2006) 136 of 22 March 2006 on "Making Europe a pole of excellence on Corporate Social Responsibility".

¹⁴ www.unglobalcompact.org.

Private labelling markets can be divided between;

- (1) Fair Trade proper;
- (2) other "niche" certified products not participating formally in Fair Trade but targeting consumers aware of sustainability issues (Rainforest Alliance, Utz Certified);
- (3) products covered by baseline standards that aspire to be "industry-wide" (e.g. Code for the Coffee Community (4C's); Ethical Tea Partnership);
- (4) the rest ("no name" commodity supplies).

A single producer may sell into all four of these categories. It can be tricky for the consumer to assess the significance of various sustainability schemes. It is against this complex and evolving backdrop that political and institutional developments should be assessed.

3. SUSTAINABILITY CRITERIA APPLIED

Private trade-related private sustainability schemes use a set of criteria to assess and/or guarantee the sustainability of the products. Criteria often build on one or more of the three pillars of sustainable development; economic, environmental and social development, sometimes linking into international standards and agreements. Some schemes focus on a particular issue and objective (e.g. carbon footprint for climate change mitigation) whereas others rely on criteria in a wider sustainable development context.

This section describes the first category – Fair Trade – referred to above¹⁵ which achieved significant levels of consumer recognition in those markets where it is operating. Recognition goes with a good measure of understanding of the issues that Fair Trade promotes. The criteria and standards applied by Fair Trade are among the most comprehensive and ambitious in terms of addressing a broad set of issues and conditions that impact the producers in developing countries, including in particular a minimum price for the producer and a premium paid to the community of the producer.

Fair Trade criteria

The criteria, as defined by the Fair Trade movement and recalled in the 2006 European Parliament report are;

- **a fair producer price**, guaranteeing a fair wage, covering the costs of sustainable production and living. This price needs to be at least as high as the Fair Trade minimum price and premium where they have been defined by the international Fair Trade associations;
- **part payments to be made in advance** if so requested by the producer;

¹⁵ Appended in Annex III is a presentation of the additional private sustainability schemes; referred to in this section.

- **long-term, stable relations** with producers and producers' involvement in Fair Trade standard-setting;
- **transparency and traceability** throughout the supply chain to guarantee appropriate consumer information;
- conditions of production **respecting** the eight International Labour Organization (ILO) **Core Conventions**;
- respect for the environment, protection of human rights and in particular women's and children's rights and **respect for traditional production** methods which promote economic and social development;
- **capacity building and empowerment** for producers, particularly small-scale and marginalised producers and workers in developing countries, their organisations as well as the respective communities, in order to ensure the sustainability of Fair Trade;
- support for production and **market access** for the producer organisations;
- **awareness-raising activities** about Fair Trade production and trading relationships, the mission and aims of Fair Trade and about the prevailing injustice of international trade rules;
- **monitoring and verification** of compliance with these criteria, in which southern organisations must play a greater role, leading to reduced costs and increased local participation in the certification process;
- regular **impact assessments** of the Fair Trade activities.

4. POLICY CONSIDERATIONS

4.1. Contribution to Sustainable Development

One of the particular features of Fair Trade and other private sustainability assurance schemes is that it is an essentially voluntary, dynamic mechanism that develops along with societal and consumer awareness and demands. As the understanding of sustainability challenges develops, private trade-related sustainability assurance schemes tend to follow. In some cases, they are at the forefront of issues; raising awareness and pushing consumer interest and understanding of new and emerging sustainable development challenges. Niche markets and schemes can influence mainstream business and government policy making.

The Commission considers that it should not take a role in ranking or regulating criteria related to private trade-related sustainability assurance schemes, and their relevance in relation to sustainable development objectives. Regulating criteria and standards would limit a dynamic element of private initiatives in this field and could stand in the way of the further development of Fair Trade and other private schemes and their standards.

Sustainable development can be served by schemes that prioritise environmental, social, or economic elements.. It is important for good market functioning that consumers and producers have access to reliable information on the schemes. Here, it is possible to indicate some elements that are relevant in assessing good practice that operators should undertake according to the Commission:

Standards and criteria should be objective and non-discriminatory to avoid any (unintended) negative impact on, in particular, producers in developing countries. The Commission welcomes efforts under way towards greater definitional clarity, such as the publication of a Fair Trade Charter. To allow consumers to make their choices in a well informed manner, standards and criteria should be applied in a transparent manner. Part of the information which consumers and producers may require to maintain confidence in the market is the proportion of the extra price which is transmitted to producers¹⁶.

Ideally, there should be independent monitoring to guarantee that the products are the result of practices carried out according to a specific set of criteria balancing ecological, economic and social considerations. The nature and results of the auditing process should be available for inspection¹⁷. The Commission therefore encourages relevant parties to improve their evaluation methodology so as to allow consumers to make informed choices.

Further clarity and understanding is needed of the actual impact of the private sustainability schemes on producers in developing countries and also on their environment in a broader sense. Consumers should ideally be offered some element of objective assessment of the impact of schemes. In this area the Commission expects improvements given the work already under way and looks forward to progress which could form the basis for further policy considerations¹⁸.

Annex IV contains a list of process issues relating to consumer assurance schemes identified by the European Economic and Social Committee. The Commission encourages further work towards a common understanding of what basic process requirements it is reasonable to expect schemes to meet, while continuing to avoid entering into defining appropriate sustainability standards for private schemes.

¹⁶ The U.K. House of Commons report "Fair Trade and Development, June 2007, suggested a label to indicate the percentage of the price received by the producer.

¹⁷ Appended in Annex IV is a list of issues relating to consumer assurance schemes identified by the EESC.

¹⁸ The ISEAL Alliance is undertaking a project of writing to examine good practice for measuring the impact of standards and certification.

Principles for maximising the impact of private trade-related sustainability assurance schemes;

- Maintaining the non-governmental nature of private schemes throughout the EU.
- Exploring the scope for possible synergies between schemes and enhancing clarity for the consumer and producers.
- Achieving a common understanding of reasonable basic process requirements.
- Establishing objective facts on the relative impacts of different private trade-related sustainability assurance schemes.

4.2. Private Trade-related Sustainability Assurance Schemes and the WTO

Trade liberalisation can offer opportunities for economic growth and sustainable development. Development and the integration of developing countries into the global economy, especially the least developed, are key objectives of the WTO and of EU trade policy.

Multilateral trade liberalisation through the WTO system is the most effective way to expand and manage world trade, and may help to create opportunities for economic growth and sustainable development. However, trade liberalisation is not sufficient; impact of trade policies on growth, development and sustainability is in part framed by regulation and policies in a wide range of other areas that impact on growth and sustainable development.

Private initiatives that operate through essentially voluntary participation are consistent with a non-discriminatory multilateral trading system. Any government intervention or regulatory mechanisms relating to such labelling schemes, while not problematic per se, need to take account of WTO obligations, in particular to ensure their transparent and non-discriminatory functioning.

Principle in relation to WTO;

- Ensuring transparent and non-discriminatory functioning of labelling schemes.

4.3. Public procurement

A field in which important developments have been taking place is public procurement. Public authorities spend the equivalent of 16% of the EU GDP and therefore constitute a key strategic market.

In order to better respond to the contracting authorities' need for guidance to implement sustainable public procurement, the Commission has recently adopted a Communication on

public procurement for a better environment¹⁹ (complementing the Commission's Green Procurement Guide) and is currently working on publishing a parallel guide on social procurement. Together, these guides constitute a comprehensive guide to sustainable public procurement.

Many authorities are calling for tenders including sustainable objectives or "fair trade" in their procurement policies. Some Member States have gone further and require specific "Fair Trade label or equivalent". According to European public procurement rules, contracting authorities that wish to purchase fair trade goods, cannot require specific labels because this would limit the access to the contract of products which are not so certified but meet similar sustainable trade standards.

If a contracting authority intends to purchase Fair Trade goods, it can define in the technical specifications of the goods the relevant sustainable criteria, that must be linked to the subject-matter of the contract and comply with the other relevant EU public procurement rules, including the basic principles of equal treatment and transparency. These criteria must relate to the characteristics or performance of the products (e.g. glasses made out of recycled material) or the production process of the products (e.g. organically grown).

Contracting authorities that intend to purchase sustainability assurance goods should not simply take the concept of a particular label and include it in the technical specifications of their purchases. They ought instead look at the sub-criteria underlying, for example, the Fair Trade label and use only those which are relevant to the subject matter of their purchase. Contracting authorities must always allow bidders to prove compliance with these standards by using Fair Trade labels or by other means of proof.

Environmental and social criteria may also be incorporated in the execution clauses, provided these criteria are linked to the execution of the contract in question (e.g. minimum salary for the workers involved in the performance of the contract) and comply *mutatis mutandis* with the other requirements mentioned above in relation to the technical specifications.

Principles to help realise the potential contribution to sustainable development from public purchasing decisions:

- Secure that appropriate guidelines are available on how to implement sustainable public procurement

4.4. EU support

The Commission has provided financial support for Fair Trade and other sustainable trade related activities essentially through its development cooperation instruments (budget chapter 19), through co-financing actions with NGO's. Between 2007 and 2008, € 19.466 million were allocated for various NGO implemented and co-financed actions. The majority of these actions were in the field of awareness raising within the EU.

Actions financed within the framework of multiannual Country Strategy Papers and Indicative Programmes, covering agricultural and rural sectors, include activities that contribute to facilitating Fair Trade. The Special Framework of Assistance for Traditional ACP Suppliers of Bananas and the Accompanying Measures for Sugar Protocol have also contributed to

¹⁹ Commission Communication on public procurement for a better environment: COM (2008)400 of 16 July 2008.

helping farmers to sell in the Fair Trade niche. On the other side of the chain, projects in support of trade and private sector development may also contribute to facilitating trade activities, including Fair Trade.

For the budget years 2008 and 2009, additional credits of €1 million each year have been included specifically for actions related to Fair Trade in the credits for trade budget (chapter 20). These credits will be used to top up the financing under the development instruments²⁰.

The EC has provided support to "fair trade related projects" mainly on a demand-driven basis, responding to grant requests from NGOs for co-financing actions in this area, mostly related to awareness raising within the EU. The EU Commission considers paying more attention to supporting impact assessments, market transparency efforts and assessing difficulties in implementing schemes and obtaining certification. This could be further supported by similar action by EU member states to finance studies on the impact of Fair Trade.

A Commission project taken forward by UNCTAD is to develop an internet portal on sustainability claims schemes. The project aims to provide comparable information on the content and processes of the range of existing schemes, to the benefit of both consumers and producers. The intention is increase transparency on how different schemes tackle the various relevant criteria and to allow stakeholder exchanges on this.

Principles to help the EU to use its direct support to schemes optimally;

- Identifying target areas under existing budget provisions such as studies clarifying the impacts of different schemes, supporting market transparency efforts and cost-benefit analyses of support given.

5. CONCLUSIONS: THE ROLE OF PUBLIC AUTHORITIES AND OF OPERATORS IN RELATION TO FAIR TRADE AND OTHER PRIVATE TRADE-RELATED SUSTAINABILITY ASSURANCE SCHEMES

Given the potential contribution of Fair Trade and other trade-related sustainability assurance schemes to sustainable development, the Commission intends to stay engaged and further support such schemes. Where appropriate, this Communication may be followed by additional initiatives in one or more policy fields. At this stage, the Commission;

- **Reiterates** the importance of maintaining the non-governmental nature of Fair Trade and other similar sustainability schemes throughout the EU. Public regulation could interfere with the workings of dynamic private schemes.
- **Observe** that Fair Trade has a significant presence in much of the EU market and a high level of consumer recognition linked to the development and transparency of standards and principles underlying the system.
- **Observe** that many different types private schemes can contribute towards sustainability objectives, but their multiplicity can carry risks of consumer confusion. The Commission sees scope for further reflection around the principles for maximising the impact of private trade-related sustainability assurance schemes, while avoiding entering into defining what are the appropriate sustainability standards to be followed by these private schemes: This

²⁰ Appended in Annex V are examples of current financing.

is, however, without prejudice to compliance with relevant sustainability-related standards and legislation set by public authorities.

In this context the Commission;

- **Recalls** that transparency and adequacy of information to consumers about standards of private sustainability schemes are key, and that there could be benefit from arriving at a common understanding of what basic process requirements, such as independent monitoring, are reasonable to expect.
- **Recalls** that further assessment of the impact of private sustainability schemes could be a key step forward.
- **Intends** to explore the scope for further dialogue, co-operation and, where appropriate, convergence between different private labelling schemes to promote possible synergies and enhance clarity for the consumer.

In the context of public purchasing, the Commission;

- **Underlines** the interest of providing guidance to public purchasing authorities help realise the full potential contribution to sustainable development from their decisions.
- **Underlines** that a contracting authority that intends to purchase sustainability assurance goods should use only criteria linked to the subject matter of their purchase and comply with the other relevant EU public procurement rules. Contracting authorities must always allow bidders to prove compliance with these standards by using Fair Trade labels or by other means of proof.

In the context of financing, the Commission;

- **Intends** to continue funding for relevant Fair Trade and other sustainable trade related activities in accordance with its practice to date. This does not exclude the possibility of financing also more targeted actions in order to pursue priorities identified.
- **Recalls** the need to assess the results of analyses of the impact of private sustainability assurance scheme on sustainable development parameters, including the implications for economic, social and developmental criteria in producing countries. Given the focus of private sustainability assurance scheme on the working and living conditions for producers in developing countries, the Commission considers that particular attention should be given to this aspect. Analysis should compare the impact of various private schemes so as to provide a basis for possible further initiatives in this field.

ANNEX I

FAIR TRADE DEFINITION

Fair Trade standards are the result of consultation of stakeholders and experts and are set in accordance with the requirements of *the International Social and Environment Accreditations and Labelling Alliance* (ISEAL). The alliance is a formal collaboration of leading international standard-setting and conformity assessment organizations focused on social and environmental issues.

There are two international Fair Trade standard setters that certify Fair Trade Organizations across the world, according to ISEAL principles; the *Fairtrade Labelling Organizations* (FLO) and the *World Fair Trade Organization* (WFTO) (previously the International Fair Trade Association, IFAT). The WFTO is an associate member of ISEAL. These two standard setters have produced the "*Charter of Fair Trade principles*".

In accordance with the "*Charter of Fair Trade principles*" (January 2009) Fair Trade is defined as (based on the FINE definition in 2001):

"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 Organizations, 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".

This above definition is used in this Communication. .

The Fairtrade Labelling Organizations (FLO) is a multi-stakeholder association involving 23 member organizations, traders and external expert. The organisation develops and reviews Fairtrade standards and provides support to Fairtrade Certified producer by assisting them in gaining and maintaining Fairtrade certifications and capitalizing on market opportunities. For example the Fairtrade Labelling Organisation (FLO) sets the standards, and a separate international certification company - FLO-CERT - regularly inspects and certifies producers against these standards, and audits the flow of goods between producers and importers.

Furthermore, *the World Fair Trade Organization* (WFTO) has developed an independent third party certification system: the sustainable fair trade management system.

A distinction not easy to make is that between NGO-initiated goal-driven operations, i.e. the primary objective is to contribute to sustainable development, and mainstream initiatives that are foremost business-oriented but seek to contribute to sustainability objectives. For example supermarkets propose their own fair trade brands together with other Fair Trade-certified products.

ANNEX II

THE 1999 COMMUNICATION ON FAIR TRADE

The issues identified in the Communication of 1999 have been addressed in different instances. At a European level, the 2006 report of the European Parliament (the "Schmidt Report") and the 2005 exploratory opinion of the European Economic and Social Committee (EESC) (rapporteur Richard Adams) presented considerations relating to Fair Trade and similar private sustainability schemes. In June 2006 the European Council adopted its renewed sustainable development strategy and included fair trade in the call to Member States to promote sustainable products²¹.

Issues of relevance to sustainability labelling have also been referred to in many EC policy documents; the Communication on Agricultural Commodity chains, poverty and dependence; the EU Policy for Africa; the Action Plan on Cotton; the Aid for Trade Strategy adopted by the council in October 2007) and the Commission's Green Paper on agriculture product quality (October 2008)²². Although the Commission's 1999 Communication on "*fair trade*" remains the most comprehensive statement of the Commission's stance towards what was then called "fair trade".

The Communication pointed out three key issues; (i) the development of Fair Trade and "ethical trade" need to be dealt with in a coherent manner; (ii) Fair Trade should contribute to sustainable development through voluntary participation, and EC involvement should take WTO obligations into account; and (iii) schemes must satisfy the needs of producers from developing countries and allow consumers to make properly informed choices.

²¹ <http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en06.pdf>, p. 13.

²² The Commission's Green Paper on agricultural product quality of October 2008 addresses the issue of fair trade in the context of food quality certification schemes. A Commission Communication (forthcoming) on the same subject is planned. Paper on agricultural product quality: product standards, farming requirements and quality schemes COM (2008) 641 final of 15 October 2008.

ANNEX III

CRITERIA RELATED TO GOOD AGRICULTURAL AND BUSSINESS PRACTICE AS WELL AS SOCIAL AND ENVIRONMENTAL CRITERIA

This part refers to the section three in the Communication and provides examples for certified products targeting consumers awareness of sustainability issues.

It is common for certification schemes to include criteria related to good agricultural and business practice as well as social and environmental criteria. The Utz Certified Code of Conduct (which currently applies to coffee and is due to be extended to cocoa, tea and palm oil) includes elements such as standards for record-keeping, minimised and documented use of agrochemicals for crop protection, protection of labour rights and access to health care and education for employees and their families. In the social field, workers' protection is based on both national laws and ILO conventions but also relate to housing, clean drinking water and training for workers. Environmental criteria relate to the prevention of soil erosion, water usage, energy use and sustainable energy sources as well as deforestation.

Other private schemes have a more environmental focus: it is evident from the name that the Rainforest Alliance is one of these, although in practice the RA certification scheme combines both environmental and social concerns:

- Social and Environmental Management System
- Ecosystem Conservation
- Wildlife Protection
- Water Conservation
- Fair Treatment and Good Working Conditions for Workers
- Occupational Health and Safety
- Community Relations
- Integrated Crop Management
- Soil Management and Conservation
- Integrated Waste Management

A third type listed in the report, section 3, is standards that have been set up with the intention that they should apply "industry-wide" rather than to cater for a niche market of discriminating consumers. One example of this type of initiative is the Common Code for the Coffee Community (4C) Association, which has worked over the past five years to set the baseline for sustainable development within the mainstream coffee sector. The 4C Association standards build on the Millennium Development Goals of the United Nations and exclude the worst forms of social, environmental and economic practices in the production, post-harvest processing and trading of green coffee. Definitions are primarily based on the UN Human Rights Declaration as well as existing UN conventions and standards and, usually,

national legislation. Once the ten worst practices have been eliminated participants have to continuously improve on the other parameters set out in the Code.

ANNEX IV

Range of process issues relating to consumer assurance schemes identified by the European Economic and Social Committee:

a) Scheme Governance

Where does ultimate control of the scheme lie?

b) Scheme Goals

Are the goals clearly defined?

c) Scheme scope

Does the scheme address the "problem" as normally defined?

d) Scheme standards or terms

Do the standards set and monitored by the scheme express the goals?

e) Impact assessment

Is there credible assessment of the impact of the scheme on the goals?

f) Independent review

Is there any independent review of the scheme's operation?

g) Cost-benefit analysis

Is there any process to monitor and evaluate the costs of the scheme borne by suppliers, traders and consumers in comparison to the progress made to achieve the goals?

h) Public claims

Do the public claims by certified companies or suppliers match the goals, standards and outcomes of the scheme?

ANNEX V

THEMATIC PROGRAMMES "CO-FINANCING WITH EUROPEAN NGOS" and "NON STATE ACTORS AND LOCAL AUTHORITIES IN DEVELOPMENT"

2007 and 2008 Projects including the promotion of Fair Trade among its objectives and / or activities

Contract year	Title	Contracting party	Nationality	Budget	DAC Code
2008	<i>ESTRATEGIA PARA EL FORTALECIMIENTO DE INICIATIVAS COMUNITARIAS PRODUCTIVAS ACORDES CON EL DESARROLLO SUSTENTABLE</i>	FUNDACION TIERRA VIVA	Venezuela	49968	15150
2008	<i>COMPETITIVIDAD PRODUCTIVA Y COMERCIAL DE LA RED DEPARTAMENTAL DE PEQUEÑOS PRODUCTORES DE HABA CONVENCIONAL Y ORGÁNICA (ASOHABA) EN EL MERCADO COMUNITARIO Y DE COMERCIO JUSTO</i>	CREDI FUTURO ASOCIACION		380000	43040
2008	<i>Cafe amigable con la naturaleza Santa Cruz - Bolivia</i>	ASOCIACION CENTRO DE PROMOCION AGROPECUARIA CAMPESINA	Bolivia	515267	43040
2008	<i>OntunLan, N"do Botor - Turismo Socialmente responsavel no sector de Quinhamel</i>	INSTITUTO MARQUES DE VALLE FLOR FUNDACAO	Portugal	496389,32	33210
2008	<i>Espaço por um Comércio Justo: alternativas em rede</i>	CENTRO DE INFORMACAO E DOCUMENTACAOAMILCAR CABRAL ASSOCIACAO	Consortium	370011,99	15150
2008	<i>Decent Life - decent work. Enhancing international strategies and policies of trade unions</i>	SUDWIND DIE AGENTUR FUR SUD NORD BILDUNGS UND OFFENTLICHKEITSARBEIT GMBH	Consortium	662264	99820
2008	<i>Mobilizing for a sector dialogue for the improvement of working conditions in the globalized toy industry</i>	SUDWIND DIE AGENTUR FUR SUD NORD BILDUNGS UND OFFENTLICHKEITSARBEIT GMBH	Consortium	929043	99820
2008	<i>F.R.A.M.E. (Fair and Responsible Action in MEiterranean area)</i>	CONSORZIO CTM-ALTROMERCATO SOCIETACOOOPERATIVA	Consortium	494821	99820
2008	<i>Network Sustainable Consumption</i>	SUDWIND DIE AGENTUR FUR SUD NORD BILDUNGS UND OFFENTLICHKEITSARBEIT GMBH	Consortium	647023	99820
2008	<i>Creating Coherence. Trade for Development: Development Aid for Trade</i>	MOVIMENTO PER L AUTOSVILUPPOL INTERSCAMBIO E LA SOLIDARIETA	Consortium	968233	99820

2008	<i>A NETWORK FOR THE DEVELOPMENT</i>	PROVINCE OF PESARO AND URBINO	Consortium	115621	99820
2008	<i>Frauen und Globalisierung: Decent work for ALL! – Informations- und Mobilisierungskampagne für menschenwürdige Arbeit für Frauen in der globalen Exportindustrie am Beispiel Bekleidung</i>	CHRISTLICHE INITIATIVE ROMERO EV	Consortium	720446	99820
2008	<i>Verantwortliche Öffentliche Beschaffung und Menschenwürdige Arbeit JETZT!– Öffentlichkeits-, Bewusstseins- und Lobbykampagne zur Durchsetzung sozialer und ökologischer Beschaffung von Öffentlicher Hand und privaten Institutionen</i>	CHRISTLICHE INITIATIVE ROMERO EV	Consortium	701163	99820
2008	<i>Local capacity building for Fairtrade in Sweden, Finland and Estonia</i>	FORENINGEN FOR RATTVISEMARKT SVERIGE	Consortium	823148	99820
2008	<i>Network of Schools and Local Communities contributing to the achievement of the MDGs</i>	POLSKA AKCJA HUMANITARNA	Consortium	999000	99820
2008	<i>Fair Flowers - a gift to all involved. Raising the awareness of local authorities, consumers and traders on the production of cut flowers in developing countries</i>	FIAN FOODFIRST INFORMATIONS & AKTIONS NETWERK SEKTION DER BUNDESREPUBLIK DEUTSCHLAND EV	Consortium	669087	99820
2008	<i>A case for poverty reduction: Consumer awareness and action in 6 EU member states</i>	CONSUMERS INTERNATIONAL LBG	Consortium	857713	99820
2008	<i>Introducing the MADE-BY label for sustainable fashion in the United Kingdom</i>	STICHTING INTERKERKELIJKE AKTIE VOOR LATIJNS AMERIKA SOLIDARIDAD	Consortium	770000	99820
2008	<i>La sensibilisation sur les interdépendances entre Nord et Sud : un enjeu pour la mobilisation des citoyens européens en faveur du développement.</i>	ASSOCIATION FRERES DES HOMMES	France	789205,5	99820
2007	<i>Export Trade from Kenya – Enabling the poor to share the fruits.</i>	AFRICA NOW LBG	Royaume-Uni	408000	31191
2007	<i>Appui aux familles vulnérables dans deux zones cotonnières du Mali</i>	ASSOCIATION VETERINAIRES SANS FRONTIERES - CENTRE INTERNATIONAL DE COOPERATION POUR LE DEVELOPPEMENT AGRICOLE VSF CICDA	France	740614,53	43040
2007	<i>Empowering Emerging Farmers through fair trade development in South Africa</i>	STICHTING INTERKERKELIJKE AKTIE VOOR LATIJNS AMERIKA SOLIDARIDAD	Pays-Bas	1000000	33120
2007	<i>PUBLIC AFFAIRS - Mobilising action for Fair Trade Public Procurement</i>	STICHTING EUROPEAN FAIR TRADE ASSOCIATION	The Netherlands	568200	99820
2007	<i>Campaign for sustainable purchasing of computers: Making public purchasing in Europe work for development by raising awareness of the working conditions and environmental issues in the global supply chain of computers.</i>	WELTWIRTSCHAFT, OKOLOGIE & ENTWICKLUNG - WEED EV	Germany	1038334,5	99820

2007	<i>Enlarging FAIR</i>	PANGEA - NIENTE TROPPO SOCIETA COOPERATIVA SOCIALE SCSARL	Italy	448198,2	99820
2007	<i>Expanding Fair Trade Awareness in Slovakia and the Czech Republic</i>	NADACIA INTEGRA	Slovakia	202779	99820
2007	<i>Fair consumption</i>	MAGOSFA KORNYEZETI NEVELESI ES OKOTURISZTIKAI ALAPITVANY		99880,26	99820
2007	<i>Supermarkets, supply chains and poverty reduction</i>	WAR ON WANT	United Kingdom	360000	99820
2007	<i>Decent work, trade and development: raising awareness among trade unions and women´s groups of the employment implications of international trade relations</i>	WAR ON WANT	United Kingdom	720000	99820
2007	<i>Education for Global Sustainability, Responsible Consumption and Fair Trade</i>	UUSI TUULI RY		496579,78	99820
2007	<i>FEEDING AND FUELLING EUROPE</i>	MAGYAR TERMESZETVEDOK SZOVETSEGE	Hungary	1078521,66	99820
2007	<i>Médiatiser la face invisible du développement</i>	ASSOCIATION COMITE FRANCAIS POUR LASOLIDARITE INTERNATIONALE	France	346591,06	99820
				19.466.102,80	