





# Fairtrade Labelling Organisations International (FLO)

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# Fair Trade: the basic principles

**The basis of FLO's activities is Fairtrade, defined as:**  
“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.”

**Central values:** partnership, dialogue, transparency, accountability, respect, (gender-)equity, sustainability



# FLO International Mission

FLO International's **mission** is to enable the sustainable development and empowerment of disadvantaged producers & workers in developing countries through Fairtrade labelling by:

- setting international Fairtrade standards;
- certifying production and trade according to these Fairtrade standards;
- facilitating producers' compliance with the standards, and facilitating producers' access to the preferential fairtrade market
- promoting the case for trade justice



# FLO International is made up of two organizations

- 1) **FLO International e.V** is a publicly recognized non-profit multi-stakeholder association involving FLO's 20 member organizations (or Labelling Initiatives), producer organizations, trader and external experts. It develops and reviews Standards and assists producers in gaining and maintaining certification in order to capitalize on market opportunities.
- 2) **FLO-CERT GmbH** is a limited company that coordinates all tasks and processes related to the inspection and certification of producers and traders. Operating independently from any other interests, it follows the international ISO Standard for Certification Bodies (ISO 65).



# Who does what?

## FLO e.V (not-for-profit)

- Setting of Fairtrade Standards
- Policy
- Licensing FLO Label (Non-LI countries)
- Producer Support: Advisory Standards Compliance / Market Access support (PBU / Liaison Officer)

## FLO Cert (Ltd.)

- Certification Producer and Traders / local inspectors

## LI Functions

- Market development, Awareness raising
- Licensing the FLO Label, Trade Certification of Licensees (some)

## Producer Networks

- Producer Voice in the FLO Governance



# Setting of Fairtrade Standards

## 1. Producer standards:

- Small Farmers / Hired Labour
- Generic / Product specific
- Minimum requirements / Progress requirements

## 2. Trade standards:

- Generic Trade Standards (ongoing)
- Minimum Price
- FT Premium
- Pre-financing
- Medium/long term commitment

**Standards Committee: Stakeholder participation**



# Trade Cocoa Standards

- Quality
- International Customary Conditions
- Long Term and Stable Relationship
- Pre-financing /Credit
- Pricing and Premium





# Producer Business Unit

- Support producers' compliance to FLO standards (both certified and new producers)
- Facilitating producers' access to the preferential FT market
- Linking producers organisations to known financial and business assistance opportunities

**With local support (Liaison Officers)**



# FLO-Cert Certification Process

- Ltd Company – FLO-Cert
- Follows ISO 65 standards for certification bodies
- Functions
  - **Producer certification:**
    - conformity to FT standards
    - FT benefits are used for social and economic development
  - **Trade certification:**
    - to cross check reported sales and reported purchases



# Labelling Initiatives (20)





# FLO International Scope

- 20 National Fairtrade Labelling Initiatives in 21 countries
- 739 FLO certified Producer Organisations in 58 producing countries
- 1935 registered/certified traders worldwide
- 2764 licensees worldwide



# Labelled Fairtrade: *a viable trade alternative*

## 1. For producers

- A fairer deal in a globalised market
- An effective tool for autonomous development through trade
- Empowerment of producers and producer organisations

## 2. For consumers

- An informed choice in (mainstream) shopping behaviour
- Consumers' responsibility



# Who are the Fairtrade producers?

**Small farmers:** they are part of organizations, which are able to contribute to the social and economic development of their members and their communities and are democratically controlled by their direct members.

**Hired labour:** Organizations which use hired labour can only participate in Fairtrade if they are organized, normally in unions, and if the company they work for (farm, plantation, etc.) is prepared to promote workers' development and to pass on to the workers the additional revenues generated by fair trade.



# Impact of Fairtrade for producers

***“I represent producers in Africa. The increased sales is great news for our members. The Premium has enabled members to build new schools, provide clean water and improve health for their communities. However more is needed. Poverty remains the major challenge for producers in Africa. Some groups are still selling just a small percentage of their produce to Fairtrade. It is crucial to grow the Fairtrade market so that these producers can benefit more from Fairtrade sales.”***  
Raymond Kimaro, former Chairman of the Africa Fairtrade Network (AFN)



# Impact of Fairtrade for producers...

**FT means that producers receive a fair price but it goes far beyond a simple economic transaction:**

- Producers and workers get experience in organising themselves to defend their rights
- Producers learn about the international trade of their product and acquire export experience
- improve the quality of their product through close cooperation with Fairtrade registered importers.
- Workers learn what their rights are and how the organisation is managed.
- They are also involved in project definition of the Fairtrade premium income.





# Sales Figures

- Continuous strong growth in worldwide Fairtrade sales
- Worldwide consumers spent over **2.3 billion Euros** on FT certified products in **2007**, representing a **47% increase** from 2006.
- Over 1.5 million producers and workers in 58 developing countries now benefit from Fairtrade sales.



# Key Examples in W/A

## **Ghana-Kuapa KoKoo Union (40,000 farmers)**

Sells about 5,000 tons FT cocoa

- Invest Fair-trade premium earnings in over 1,300 communities projects - schools, water and sanitation
- Attractive to both local and international businesses

## **Cote d'Ivoire**

- 6 certified producers (5,425 tons)
- 20,000 tons available FT Cocoa



# Sustainability

- Social - Transparency, accountability, social inclusion, and democracy
- Economic-Guaranteed min price, Fairtrade premium
- Environmental- Responsible Use of agrochemicals, adoption of best production practices



**Thank you for you attention!**

**Merci pour votre attention!**

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