

# Transforming Trade, Transforming Lives

Supporting the Achievement of the 2030 Sustainable Development Goals (SDGs) in Asia-Pacific through Fairtrade Certification and market access for agricultural communities

**A PARTNERSHIP OPPORTUNITY**



**FAIRTRADE**  
AUSTRALIA  
NEW ZEALAND





FAIRTRADE

Transforming Trade, Transforming Lives is an ambitious vision that looks to support the achievement of the United Nation's Sustainable Development Goals (SDGs) in the Asia-Pacific by 2030 through agile, outcome-focused partnerships that leverage the Fairtrade framework.

The partnership opportunity outlined on the following pages focuses on the Asia-Pacific; a region that has been identified as having immediate potential for Fairtrade to significantly increase its impact by over 350%.

This potential has become apparent through a number of comprehensive research studies and impact evaluations and follows almost 30 years of sustainable development work by Fairtrade with smallholder farmers and their communities in the region; work that has been undertaken in partnership with a growing number of organisations and businesses (including MFAT) and has delivered a significant and growing Return on Investment (ROI).

Over the next 12 years, we are looking to deepen our partnerships with organisations who want to co-invest in building and expanding the Fairtrade framework so that it can strongly support the achievement of the SDGs in almost every country in the region.

This document is both an invitation to join us on this journey and an initial look at how a partnership with MFAT could support and enable Fairtrade's vision for helping achieve the SDGs in the Asia-Pacific.





# THE OPPORTUNITY

Over the last three decades, Fairtrade has successfully introduced its model for agricultural development to the region, helping foster economic inclusion in rural communities throughout the Asia–Pacific.

Whilst this has led to the establishment of a strong regional Fairtrade presence and numerous sustainable development outcomes, we know significant potential to increase our impact remains in a region that contains over 60% of the world’s population and both potential high growth Fairtrade producer and market countries.

ASIA–PACIFIC CURRENT FOOTPRINT	2015–16	% Global Total
Fairtrade Farmers and Workers	256,600	16%
Land Area under Cultivation for Fairtrade Products	274,000 ha	12%
Fairtrade Producer Sales Volume	279,700 MT	26%
Fairtrade Producer Sales Value	€205 Million	9.5%
Fairtrade Premium	€12.4 Million	10%
Fairtrade Product Sales	€300.4 Million	4.1%
SE Asia & the Pacific Total Population	4.4 Billion	61%
SE Asia & the Pacific Total Agricultural Land	2.1 Billion Ha	41%

# ASIA–PACIFIC GROWTH FORECAST

## 2030 FAIRTRADE PROJECTIONS BY UN SUBREGION | PRODUCER & MARKET COUNTRIES

Note: whilst not included in the UN’s definition of the Asia–Pacific Region and not included in the below forecasts, significant potential also exists in the Middle East.



### D | NORTH & CENTRAL ASIA

Kyrgyzstan, Tajikistan, Uzbekistan + Additional by 2030

METRIC	2015	2030
Producer Organisations	6	18 – 22
Farmers & Workers	1,462	3,800 – 4,750
Producer Volume, MT	1,462	2,800 – 3,500
Sales Value, €	668K	1.4M – 1.75M
Fairtrade Premium, €	82,181	162,700 – 203,400
Fairtrade Product Sales, €	–	25.0 – 41.0M

### A | EAST & NORTH–EAST ASIA

China, Japan, Republic of Korea + Additional by 2030

METRIC	2015	2030
Producer Organisations	14	141 – 175
Farmers & Workers	3,247	64,100 – 80,125
Producer Volume, MT	1,072	13,400 – 16,750
Sales Value, €	1.6M	21.6M – 27.0M
Fairtrade Premium, €	551K	7.5M – 9.4M
Fairtrade Product Sales, €	81.9M	585M – 975M

### C | SOUTH & SOUTH–WEST ASIA

Afghanistan, India, Iran, Nepal, Pakistan, Sri Lanka + Additional by 2030

METRIC	2015	2030
Producer Organisations	186	398 – 495
Farmers & Workers	168,416	336,100 – 420,125
Producer Volume, MT	208,912	626,300 – 782,900
Sales Value, €	29.4M	123.4M – 154M
Fairtrade Premium, €	3.5M	15.0M – 18.8M
Fairtrade Product Sales, €	756,420	130M – 215M

### B | SOUTH–EAST ASIA

Indonesia, Lao PDR, Malaysia, Philippines, Thailand, Timor–Leste, Vietnam + Additional by 2030

METRIC	2015	2030
Producer Organisations	51	136 – 170
Farmers & Workers	61,813	201,900 – 252,400
Producer Volume, MT	22,522	58,400 – 73,000
Sales Value, €	54.1M	178M – 222M
Fairtrade Premium, €	4.3M	13.6M – 16.3M
Fairtrade Product Sales, €	–	105M – 180M

### E | PACIFIC

Australia, Fiji, New Zealand, Papua New Guinea, Samoa, Tonga + Additional by 2030

METRIC	2015	2030
Producer Organisations	10	38 – 48
Farmers & Workers	21,680	69,700 – 87,125
Producer Volume, MT	45,716	101,000 – 126,250
Sales Value, €	18.8M	59.4M – 74.25M
Fairtrade Premium, €	4.0M	10.0M – 12.5M
Fairtrade Product Sales, €	218M	940M – 1.55B

### POTENTIAL ADDITIONAL COUNTRIES

- A | DPR Korea, Mongolia.
- B | Brunei Darussalam, Cambodia, Myanmar, Singapore.
- C | Bangladesh, Bhutan, Maldives, Turkey.
- D | Armenia, Azerbaijan, Georgia, Kazakhstan, Russian Federation, Turkmenistan.
- E | American Samoa, Cook Islands, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia (FSO), Nauru, New Caledonia, Niue, North Mariana Islands, Palau, Solomon Islands, Tuvalu, Vanuatu.



## THE POTENTIAL IMPACT FORECAST FOR THE ASIA–PACIFIC IS HIGHER THAN ANY OTHER REGION GLOBALLY

If the Return on Investment (ROI) is consistent with the recently delivered 5 year Pacific partnership with MFAT (\$1 invested delivered \$37 in direct income), then we could expect a 360%+ increase in income and 355%+ increase in Fairtrade Premium for smallholder farmers/ workers in the coming 12 years.

- + **Fairtrade Producer Organisations** increasing from **267** to between **740** and **925 (+250%)**
- + **Fairtrade Farmers & Workers** increasing from **256,618** to **675–845,000 (+230%)**
- + **Fairtrade Producer Volume** increasing from **280,000 MTs** to **800–1,000,000 MTs/yr (+260%)**
- + **Fairtrade Producer Sales** increasing from **€105 Million** to **€385–€480 Million/yr (+360%)**
- + **Fairtrade Premium Payments** increasing from **€12.4 Million** to **€46–€58 Million/yr (+355%)**
- + **Fairtrade Product Sales** growing from **€300.4 Million** to **€1.81–€3.01 Billion/yr (+900%)**
- + **One Fairtrade System** helping ‘Make Trade Fair’ and the SDGs a reality



## TO START TO UNLOCK THIS POTENTIAL, WE HAVE IDENTIFIED THE KEY COMMODITIES WE NEED TO FOCUS ON INITIALLY (AND IN WHICH COUNTRIES)

### TOP 10 CERTIFIABLE PRODUCTS ACROSS KEY COUNTRIES IN THE ASIA–PACIFIC

Table based on data from the 'Increasing Sustainable and Ethical Supply Chains in the Indo–Pacific' Research conducted by Swinburne University in 2016.

Product *	ANZ Trade Value (US\$)	Global Trade Volume (US\$)	Indonesia	Philippines	Thailand	Vietnam	Fiji	PNG	Samoa	Solomon Islands	Timor Leste	Tonga	Vanuatu
Cashew Nuts (Shelled)	124,265,418	1,964,308,439				Stage 1							
Coffee	102,560,104	4,578,584,916	Stage 1			Stage 1		Stage 1		Stage 1	Stage 1		Stage 2
Rice	91,992,112	5,438,804,124			Stage 1	Stage 1							
Coconut Oil (Copra)	10,957,175	788,851,770					Stage 2						
Bananas	79,320,814	1,148,627,399		Stage 2					Stage 2				
Ginger	5,052,770	45,070,895			Stage 2		Stage 1						
Cocoa	65,436,233	1,333,478,180	Stage 1					Stage 1	Stage 1				
Vanilla	1,648,848	1,901,291						Stage 1				Stage 1	
Sugar	31,504,010	2,971,493,438					Stage 1						
Coconuts (Des./ fresh/ shell)	25,870,546	431,115,476		Stage 2			Stage 1	Stage 1	Stage 1				

\* Product categories are presented using the largest category first from Asia, and then from the Pacific, sequentially. This is reflective of the orientation for both size and social Impact.



## **BECAUSE OF THE WAY THE FAIRTRADE FRAMEWORK WORKS, WE POSITIVELY INFLUENCE EVERY ONE OF THE 17 SDGs.**

**The Sustainable Development Goals are integral to Fairtrade, as the work we do is devoted to improving the lives of farmers in developing countries and alleviating poverty by facilitating fair trading relationships.**

**The outcomes of these relationships allow farmers to invest in their own development, and in areas often neglected by their Governments such as access to education and health services in remote areas, infrastructure or security.**

**It is a fact that Fairtrade farmers invest their Fairtrade Premium earnings in solutions that alleviate the most pressing issues of their communities.**

**This ability to invest is the key to the accomplishment of every single SDG, allowing a ground-up approach that has the poorest of the poor at the centre.**

**The fact that the SDGs address issues that the Fairtrade system has been actively working on for more than 30 years, means we see incredible potential for the goals to advance our positive impact on the ground. Because Fairtrade enables communities to invest all SDGs are supported, however, the 9 SDGs highlighted in this document are those through which Fairtrade can contribute the most to a fairer and more sustainable world in the Asia–Pacific.**



WE HAVE COMMITTED TO SUPPORT GOVERNMENTS, CIVIL SOCIETY AND BUSINESSES TO ACHIEVE THE SDGS AND ARE PRIMARILY FOCUSED ON 9 OF THE 17 GOALS IN THE REGION.

**SDG 1:** End Poverty in All its Forms Everywhere for All People.

**SDG 2:** End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture.

**SDG 5:** Achieve Gender Equality and Empower All Women and Girls.

**SDG 8:** Promote Sustained, Inclusive & Sustainable Economic Growth, Full and Productive Employment and Decent Work for All.

**SDG 10:** Reduce Inequality within and between Countries.

**SDG 12:** Ensure Responsible Consumption and Production.

**SDG 13:** Take Urgent Action to Combat Climate Change and its Impacts.

**SDG 16:** Promote Peaceful and Inclusive Societies for Sustainable Development.

**SDG 17:** Partnerships for the Goals.





AS PART OF THIS COMMITMENT, WE HAVE STARTED TO ANALYSE THE GAPS THAT EXIST FOR THESE 9 SDGs IN THE COUNTRIES WHERE WE SEE THE GREATEST POTENTIAL FOR FAIRTRADE TO SUPPORT THE ACHIEVEMENT OF THE SDG TARGETS BY 2030.

INDICATIVE UN SDG METRICS FOR SELECTED ASIA–PACIFIC COUNTRIES (Indonesia & PNG included as examples only)

Table based on data contained in the ‘Transforming Trade, Transforming Lives’ Discussion Paper (2iis Consulting, 2017).

REGION/ COUNTRY	Population (000s, 2016)	Population Growth (%)	GDP per Capita (US \$)	GDP Growth (Est. Annual %)	Agricultural Value Growth (Est. Annual %)	Poverty H.count Ratio (Pop. Below the Poverty Line)	Global Hunger Index (100 =worst)	Gender Ineq. (CPIA Eq, Rating)	Global Slavery Index (Est. Population %)	CO2 Emissions (CO2–e, kt)
Indonesia	250,581	+1.1%	\$3,346	+4.8%	+4.0%	9.8%	21.9	3.5	0.29%	502K
Papua New Guinea	7,776	+2.0%	\$2,268	+8.5%	+4.6%	39.3%	Significant Concern (Minimal Data)	2.5	0.62%	7.9K
South–East Asia	660,619	+1.1%	\$3,811	+5.3%	+5.3%	12.8%	20.0	3.9	0.36%	1.8M
Pacific	39,887	+1.4%	\$7,326	+4.2%	+2.3%	11.8%	8.5	3.0	0.22%	490K
Asia–Pacific	4,454,285	+0.9%	\$9,538	+2.7%	+3.4%	3.5%	20.9	3.3	0.67%	21.9M
Global	7,432,663	+1.1%	\$10,112	+4.1%	+2.4%	10.7%	21.3	3.35	0.62%	34.8M

Source: United Nations Statistics Division, UNESCAP, World Bank & International Labour Organisation. Data from 2015 unless stated.



## AND ALL OF THIS IS SUPPORTED BY OUR UNDERSTANDING OF HOW TO ACCELERATE SUSTAINABLE DEVELOPMENT AFTER MORE THAN 30 YEARS OF ‘MAKING TRADE FAIR’

### IN THE ASIA–PACIFIC THIS IS CENTRED AROUND 7 KEY AREAS OF WORK

#### 1. Market Facing Innovations

[SDG 1,2, 8 & 12]

Facilitating market linkages is a paramount component of Fairtrade ANZ’s support to farmers. Strengthening Fairtrade ANZ’s capabilities to deepen engagement with existing partners and actively engage with new private sector players will have long-lasting impact on the economic unification of the region.

To date Fairtrade ANZ’s services have proven efficient in market access and in improving rural communities’ business capacity and livelihoods. To scale up the impact of this approach, Fairtrade ANZ wishes to implement a new Offer to Business – designed and developed internationally, a portfolio of services opened to Fairtrade buyers, businesses in New Zealand, Australia and other nations, who are committed to sustainability and social impact beyond certification.

#### 2. Market Research Programme

[SDGs 8 & 12]

In partnership with trade research institutions and universities, Fairtrade will establish an ongoing research component to inform both its own supply chain investments and the decision-making of its supply chain partners. Targeted and timely analysis of supply and demand trends will allow for a proactive and relevant approach to supply chain development.

At origin, this information will serve as a pool of knowledge for producers, producer organisations and other relevant stakeholders, to support investments that will catalyse their market-readiness.

In market, research will provide businesses with insights into supply opportunities and risks and consumer markets trends.

#### 3. Supply Chain Development Co-Investment Fund

[SDGs 8, 10 & 12]

The Fund will increase the capacity of relevant private sector actors (producers, exporters, processors, importers and brands/ manufacturers) in the Pacific, Southeast Asia, Australia and New Zealand, to unlock development outcomes for small farmers in their respective regions through increased incomes, employment opportunities and increased investment capacity on community and business projects.

#### 4. Strategic Partnerships Programme

[SDG 17]

Fairtrade ANZ wishes to scale resources and activities to better support partnership development as well as advocacy on policy issues that affect the region.

A partnerships development program will facilitate linkages with relevant organisations and governments, and will open new opportunities for greater impact.



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### 5. Cross Cutting Issues Programme

[SDGs 1,2,5 & 13]

Overall evidence supports that Fairtrade ANZ is having significant impact for small producer groups across the region in a number of areas. To maximize this impact going forward, Fairtrade ANZ aims to increase its efforts to sustainably address gender equality and women’s empowerment, strengthen producer organisations’ resilience to climate change, protect children in producing communities from the danger of child labour and engage the next generation of farmers.

### 6. Certification Advice & Support Programme

[SDGs 8 & 10]

Fairtrade ANZ will continue to implement its producer development path and will increase its human resources in the field to widen its engagement with a greater variety of producer set-ups.

Increased investment at origin will respond to commercial partnerships both within and outside the certification market and reflect Fairtrade’s core principles of inclusion and development.

### 7. Monitoring, Evaluation & Learning Programme

[All 17 SDGs]

Fairtrade ANZ aims to capture its future impact both at origin and in market across a variety of social, economic and environmental indicators, in order to clearly articulate its impact to partners, donor agencies, businesses and consumers; and to continually evolve its approach to remain leaders in the ethical market in the face of new challenges and with the overall goal of fostering economic development among rural communities.

## MOST IMPORTANT OF ALL, WE KNOW WE WILL ONLY SUCCEED IN OUR 2030 VISION WITH A NEW APPROACH TO PARTNERSHIPS

The vision of Fairtrade becoming a key enabler for countries in the region to achieve the SDGs will only be possible with an expanded & innovative partnerships approach.

Some of the partners we want to work with are already known to us and include the United Nations, MFAT, IFAD, DFAT and Council for International Development.

Others we will need to find along the way.

Fairtrade ANZ has a proven track record of partnering to enable the delivery of the SDGs with integrity, transparency and measurable outcomes.

Building on this record and finding ways to accelerate our impact will help avoid the continuing poverty and hardship for millions of farmers and workers in the region and is why Fairtrade has placed partnerships right at the heart of our **‘Transforming Trade, Transforming Lives’** plan for growth.

## SOME OF OUR CURRENT REGIONAL BUSINESS PARTNERS

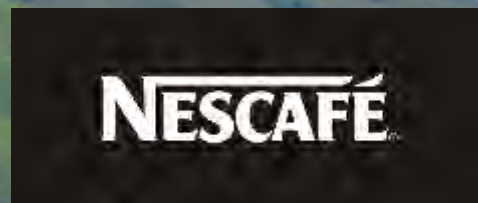
AEON



amazon



FERRERO  
ROBBERO



MARS

NESPRESSO

Mondelez  
International



SUNTORY



## THE PARTNERSHIP OPPORTUNITY



Fairtrade ANZ wishes to establish a regional strategic partnerships programme that will be supported by a co-investment fund; the fund is designed to accelerate economic development and to improve the livelihood of farming communities through Fairtrade in the Asia-Pacific countries. Fairtrade has identified high potential for impact in a cluster of countries that produce Fairtrade Certifiable commodities and where key SDG gaps exist.

The goal of Fairtrade's strategic partnerships programme is to enable farming communities to improve their businesses and have access to international markets, while working on key areas such as gender equality, climate change, living wage and child protection with the support of expert organisations closely associated with Fairtrade.

Through its work with communities around the world, Fairtrade has learnt that market access for small communities under fair conditions is key to their economic empowerment, and that this impact can be exponentially multiplied by simultaneously addressing developmental gaps such as low levels of education, poor market infrastructure and climate change.

Substantial resources and expertise are required to support farming communities meaningfully, hence, Fairtrade encourages the development a coalition of regional partners to work with Fairtrade communities with a coordinated and collaborative approach that enable development outcomes and greater impact. An initial task for this initiative is to identify and create new solutions to resource this work in the near future.

The proposed fund would be used to invest in programs implemented within Fairtrade communities and in partnership with a governance committee that includes organisations such as MFAT, DFAT and members of ACFID and CID. The committee will ensure transparent oversight of the identification of partners and allocation of resources to achieve the impact needed to reach specific SDG targets, while using the Fairtrade framework for development.

Structuring the fund in this way will help communities improve their livelihoods and boost economic & social development whilst also enabling specific SDG goals to be addressed with long term sustainable solutions and market transformations.

Clearly this is an initial outline of a potential partnership only, with the intent it will inform a discussion with potential partners before a more detailed concept note is developed.



## ABOUT FAIRTRADE

Fairtrade is an alternative approach to conventional trade based on a partnership between producers, traders, businesses and consumers.

The international Fairtrade system – made up of Fairtrade International and its member organisations – represents the world's largest and most recognised Fair Trade system.

Fairtrade is a market-based development mechanism with demand driven via the FAIRTRADE Certification Mark. As the most widely recognised and trusted ethical label in the world, the Mark allows consumers to identify products that have been produced and traded under international standards for sustainable production and equitable trade; and also enables growers to improve the visibility and credibility of their commodities on supermarket shelves.

[www.fairtrade.com.au](http://www.fairtrade.com.au)



## FAIRTRADE ANZ'S STRATEGIC OBJECTIVES TO 2030

1. Leverage the Fairtrade model through a holistic approach to supply chain development, increasing benefits for all actors in Fairtrade supply chains, while maintaining smallholder farmers and their communities at the centre:
  - a. Maximise their position in the global market, through proactive engagement with international trade policy and flexible responsiveness to market needs;
  - b. Strengthen their resilience to climate change, by leveraging Fairtrade innovations and engaging expert organisations; and
  - c. Ensure they are future-proofed:
    - i. Youth, as a result of Fairtrade's unique offer to producers, have renewed engagement in the agricultural sector;
    - ii. Environmental sustainability is at the core of Fairtrade production, and through Fairtrade's new innovation with traders is encouraged throughout the supply chain;
    - iii. Women and men benefit equally from their engagement in Fairtrade supply chains; and
    - iv. Modern Slavery is addressed.
2. Strengthen engagement with committed Fairtrade commercial partners, and mobilise a new generation of businesses committed to Fairtrade sourcing through innovative new models;
3. Lift awareness of the Fairtrade model for sustainable development to the regional policy level, with representation in government policies in Asia-Pacific and Oceania;
4. Increase Fairtrade producers' position as lead actors in the development of their communities, and change makers in their regions and countries of origin;
5. Fairtrade's approach remains timely and supply/demand driven, and leverages learnings and innovations from the region and the international Fairtrade system; and
6. Embed into Fairtrade's approach targeted tools to measure and report on the 17 SDGs to demonstrate our impact in the South-East Asia & Pacific regions.

‘THE SUSTAINABLE DEVELOPMENT GOALS PROVIDE FAIRTRADE WITH A UNIQUE OPPORTUNITY TO DRIVE OUR VISION OF FAIRER TRADE AND INCLUSIVE DEVELOPMENT FOR ALL.

WE MUST DO ALL WE CAN TO ENSURE THE ACHIEVEMENT OF THESE GLOBAL GOALS, AS DOING SO WILL IMPROVE THE LIVES OF MILLIONS OF FARMERS, WORKERS AND PRODUCERS IN EVERY CORNER OF THE WORLD.’

Darío Soto Abril, CEO Fairtrade International

For more details, please contact:

Molly Harriss Olson, CEO Fairtrade Australia & New Zealand  
[info@fairtrade.com.au](mailto:info@fairtrade.com.au) ([click here](#))

The 'Transforming Trade, Transforming Lives' discussion paper is available for download from:

[www.2iis.com.au/fairtradeintheasiapacific](http://www.2iis.com.au/fairtradeintheasiapacific) ([click here](#))



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