



FAIRTRADE AND THE COMMONWEALTH:

**A FIVE-POINT PLAN FOR PROSPERITY,
SUSTAINABILITY AND FAIRNESS**



INTRODUCTION

In April 2018, heads of state from across the Commonwealth will gather in the UK to discuss working ‘towards a common future’.¹ And woven into the summit themes of sustainability, fairness, prosperity and security, there is a focus on *Trade for Development*.

Trade can be a great driver of sustainable economic development and the creation of decent work for all. But scratch beneath the surface and it isn’t hard to find problems. All too often, unfair trading practices tip the scales against the farmers and workers at the end of the supply chain. Cheap goods and services can ride on the back of exploitation, poverty, and human rights abuses.

It does not need to be like this. The experience and message of the Fair Trade movement – made up of thousands of businesses, and millions of consumers, campaigners, farmers and workers working together – is that another way is possible.

Commonwealth countries already trade large amounts of goods with one another and with other nations. They share a belief in human rights and sustainable development, and have the power to make a difference. In this briefing we propose five ways in which they can do this:

- 1** Commit to living incomes and living wages across the Commonwealth
- 2** Combat modern slavery through the implementation of effective measures across the Commonwealth, including legislation where appropriate
- 3** Develop trade policies across the Commonwealth guided by the Sustainable Development Goals (SDGs) and their achievement by 2030
- 4** Support Women’s Economic Empowerment, including measures to promote women’s leadership, access to finance and asset ownership
- 5** Invest in producers, including young people, and provide incentives for businesses who are actively seeking to achieve higher ethical and sustainable standards, including Fairtrade

THIS IS A CALL TO ACTION FOR LEADERS ACROSS THE COMMONWEALTH AND BEYOND TO USE APRIL’S SUMMIT TO MAKE A FIRM AND LASTING COMMITMENT TO DELIVER FAIR TRADE FOR DEVELOPMENT.

¹ <https://www.chogm2018.org.uk/>

FAIRTRADE AND THE COMMONWEALTH

Fairtrade emerged as a response to unfair treatment of farmers and workers in global supply chains.

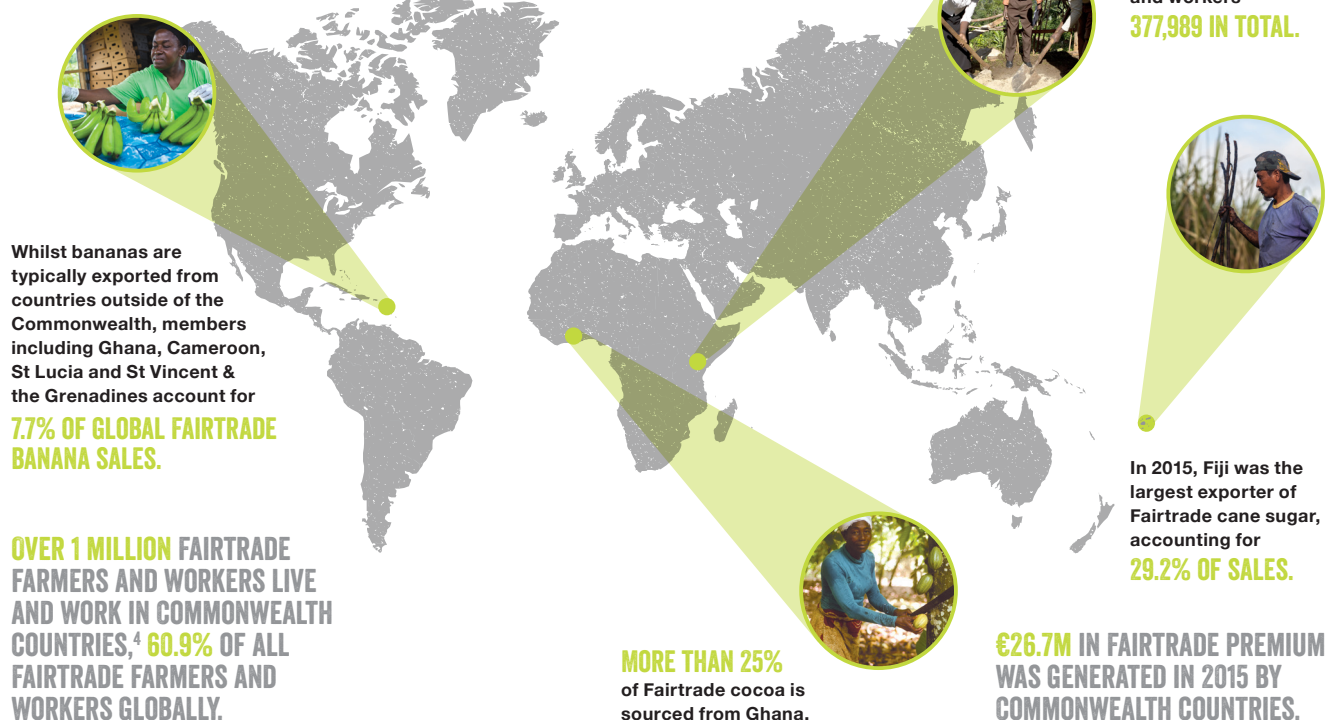
It changes the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers in developing countries. More precisely, organisations that are independently certified as Fairtrade must meet strict standards on human rights, workers' rights and environmental management. Moreover, farmers and workers directly receive an additional Fairtrade Premium to address collectively agreed social, environmental and economic development priorities.

There are Fairtrade countries in every region of the world and across the Commonwealth: this includes countries such as Ghana, Tanzania, Belize and India.

There are significant Fairtrade consumer markets in the UK, Canada, Australia and New Zealand. In the UK alone, the value of the Fairtrade market was £1.6bn in 2016; young people are especially supportive. 82 percent of 13- to 20-year-olds in the UK believe companies need to act more responsibly, and 75 percent want to use products that don't harm the people who produce them.³

Traditional patterns of trade are also being shaken up. Fairtrade coffee grown in Kenya (see below) is now available for the domestic market and we hope to see more initiatives like this that 'add value' to traditional commodities, keeping more of the profits for the grower.

75 COUNTRIES PRODUCE AND EXPORT FAIRTRADE GOODS AND 33 PERCENT OF THEM – 25 IN TOTAL – ARE COMMONWEALTH MEMBERS.²



² <https://www.fairtrade.net/impact-research/monitoring-impact-reports.html>

³ Globescan for the Fairtrade Foundation

⁴ In 2015, this was a total of 1,011,177 farmers and workers, Fairtrade International



1

Commit to living incomes and living wages across the Commonwealth

Around the world, large numbers of farmers and other workers who produce the things we eat, drink and wear are denied the wage or income they need to provide for their families and live in dignity. As an example,

THE AVERAGE COCOA FARMER IN GHANA EARNS JUST 62P A DAY



well below what is needed in that country for nutritious food and access to housing, education and healthcare.⁵

Fairtrade can be part of the solution. Through the use of the Fairtrade Premium, farmers and workers are able to reduce the cost of essential services such as health, housing and education. Fairtrade Standards⁶ can also enable a shift towards living wages, as illustrated by the recent introduction of 'floor wages' in the Fairtrade Standard for flowers. However, a deeper and broader change to policy and practice is required. Fairtrade has joined with other groups, including NGOs and trade unions, to call for a shift towards genuine living incomes and living wages for all (including hired workers), in order that a household can generate sufficient income to afford a decent standard of living for all its members and enable children to access quality education. The ISEAL Global Living Wage Coalition⁷ researches living wage benchmarks around the world and to date has covered a number of Commonwealth countries, some of which are included in the table below. Low wages and incomes affect every country in the Commonwealth – this is a universal issue.

Country	Living wage	Average wage	Minimum wage
Ghana (Lower Volta, bananas)	GHS 1,028/month	GHS 758/month (banana workers)	GHS 238/month
Ethiopia	Birr 3,367/month	Birr 697/month (mean agriculture wage)	No minimum wage for Agriculture
Pakistan (rural)	Rs. 16,993/month	Rs. 8,000 (rural prevailing wage)	Rs. 13,000/month
Malawi (rural south)	K 35,222/month	Rs. 839 (field worker w/ common in-kind benefits)	K 551/month

⁵ <https://www.solidaridadnetwork.org/sites/solidaridadnetwork.org/files/publications/Cocoa%20Barometer%202015.pdf>

⁶ <https://www.fairtrade.net/standards.html>

⁷ <https://www.isealliance.org/get-involved/our-work/global-living-wage-coalition>

Minimum wage legislation can be a useful tool in delivering a living wage, though if outdated or set too low it can sometimes become a barrier. Across the Commonwealth, there are a range of approaches to establishing minimum wages. Some countries, such as Sierra Leone, have very low national rates, often reflecting high levels of overall poverty. Others such as India devolve wage legislation to state level; some like South Africa are actively increasing the rate, and others have no minimum wage at all.

The legislative framework is important but is just one piece of the jigsaw – companies can and must go further. The Fairtrade Foundation, as a member of the Ethical Trading Initiative (ETI), asks companies to adhere to the ETI base-code⁸ and pay wages which are enough to meet basic needs and provide some discretionary income. Freedom of association and collective bargaining are associated rights which are crucial in the pursuit of fairer wages, as they give workers the ability to negotiate safely for higher wages.

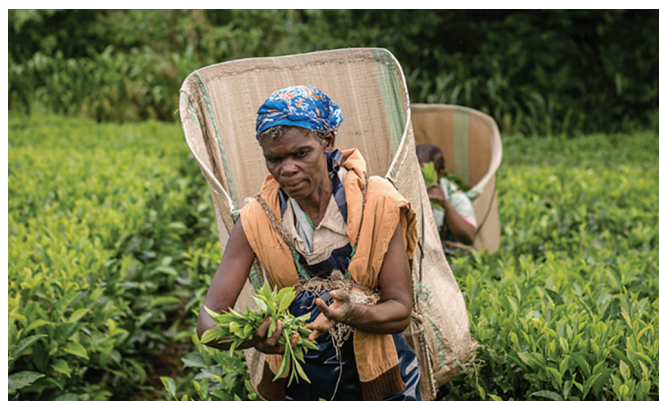
Increasing smallholder incomes can be even more complex to address. Farmer incomes fall outside wage legislation, and farm income depends on a variety of factors. The price paid for produce relates to the distribution of value across the supply chain, and can often be skewed unfavourably due to excessively low prices and unfair trading practices (UTPs) – this is why the Fairtrade Foundation supported the establishment of the UK Groceries Code Adjudicator (GCA) and is now calling for an extension of its remit to cover the whole food supply chain. Fairtrade is currently exploring other ways to improve the position of producers in the supply chain through revised standards,⁹ fairer prices, support for farmers through the Fairtrade Premium, the promotion of longer term contracts, and complementary work to improve market access and productivity.

Living incomes and wages in banana supply chains:

While the Fairtrade Premium and minimum price are making an important contribution to the achievement of living incomes and wages in the banana supply chain, we know that additional policy change and programmatic support is required. While many of the big banana exporting countries sit outside the Commonwealth, bananas are still a significant export for members. They comprise 8.5 percent of exports from Saint Lucia and 6.5 percent of exports from Cameroon.¹⁰ And India remains the world's biggest banana producer, producing over 29 million tonnes¹¹ and consuming most of its supply domestically. In a recent study which was carried out in Colombia for Fairtrade, banana farmers said that their household income had increased by an average of 34 percent.¹²

Addressing low wages in the tea industry:

Fairtrade International advocates for industry-wide change in the tea sector. Globally only 6 percent of tea is sold on Fairtrade terms and whilst this is small, there is evidence from Malawi¹³ that receipt of the Fairtrade Premium is having a positive impact for workers on those tea estates. However, systemic change will only occur when action is taken to address price pressures through the supply chain, including through the empowerment of workers and realisation of workers' rights.



ACTION:

- ▶ Commonwealth governments should support the ILO's push towards 'decent work' and seek to uphold the ILO Core Conventions,¹⁴ including freedom of association, through legislation and policy.
- ▶ The corporate social responsibility (CSR) sector covenants promoted by the Government of the Netherlands could be a replicable model for engaging with the business community and other stakeholders across Commonwealth countries.
- ▶ At the national level, Commonwealth governments should promote living incomes and living wages for farmers and workers in global supply chains by supporting the process of bench-marking living wages and living incomes, ensuring sustainable purchasing practices, and reviewing national minimum wage commitments.
- ▶ Governments should also consider action to address Unfair Trading Practices (UTPs) which can dramatically reduce farmer incomes.

⁸ <https://www.fairtrade.net/standards.html>

⁹ <https://www.isealalliance.org/get-involved/our-work/global-living-wage-coalition>

¹⁰ <https://www.isealalliance.org/get-involved/our-work/global-living-wage-coalition>

¹¹ <https://www.isealalliance.org/get-involved/our-work/global-living-wage-coalition>

¹² <https://www.isealalliance.org/get-involved/our-work/global-living-wage-coalition>

¹³ https://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013-04-Malawi-Fairtrade-Impact-FinalLR.pdf

¹⁴ <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>



2

Combat Modern Slavery, through the implementation of effective measures across the Commonwealth, including legislation where appropriate

The International Labour Organisation (ILO) estimates that in 2016, more than 40 million women, men and children were victims of modern slavery.¹⁵ This includes 24.9 million people in forced labour, trapped in exploitative working conditions from which they cannot escape. Forced labour occurs across a range of sectors, including domestic work and construction, but also in areas where Fairtrade can make a difference such as agriculture and mining. Child labour also remains a regular feature of many poor communities – globally, 152 million children are subject to child labour, which denies them their right to a decent education. 70 percent of child labour is connected with agriculture,¹⁶ which can also be extremely hazardous.

Modern slavery can occur in any country. The proportion of the population affected is highest in Africa, but in absolute terms, the largest number of people enslaved are in the Asia Pacific region. Countries in the global north are far from immune and recent cases in Europe have shown that some groups such as undocumented migrant workers are especially vulnerable.¹⁷

¹⁵ <http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>

¹⁶ www.alliance87.org/2017ge

¹⁷ See for example, the ETI work to counter exploitation of migrant workers in Italian tomato production: <https://www.ethicaltrade.org/resources/due-diligence-in-agricultural-supply-chains-counteracting-exploitation-migrant-workers-in>

¹⁸ <https://www.gov.uk/government/collections/modern-slavery-bill>

¹⁹ <https://www.devex.com/news/q-a-molly-harriss-olson-on-the-importance-of-a-modern-slavery-act-90799>

²⁰ <https://www.thestar.com/news/canada/2018/01/17/ottawa-creates-office-to-investigate-human-rights-abuses-linked-to-canadian-companies-abroad.html>

Stepping up to combat child labour in Belize:

BSCFA, a Fairtrade sugar cane producer association in Belize, is at the forefront of efforts to combat child labour in sugar farming. Their trigger for action was a failed Fairtrade audit in 2014. Leonardo Cano, the association's then Chairman, announced their determination 'to be best in class when it comes to rooting out child labour in the sugar industry.' With the support of Fairtrade International and its Latin America and Caribbean producer network (CLAC), BSCFA led and funded an ambitious programme to safely identify and withdraw children who were already engaged in unacceptable work and help prevent child labour in Belize's sugar cane industry. However, BSCFA also recognised that it is impossible to effectively tackle an issue as far-reaching and complex as child labour without the active intervention and support of industry, civil society and more importantly, government agencies. So in 2015, BSCFA also issued a strong call for action to the government of Belize to step up the fight against child labour. In 2017, Belize's Ministry of Labour established several bodies, including a Labour Advisory Board and National Child Labour Committee, that will be critical in safely identifying and remediating child labour in the country.

Governments, conscious of this global injustice, are adopting a range of measures in response and it is being made clear to international companies that they have a duty to address the risks in their supply chains. The UK's Modern Slavery Act¹⁸ now requires companies with a global turnover of £36m or more to produce a modern slavery statement. This has driven a great deal of interest and engagement from the private sector, although serious concerns remain about enforcement of the Act. Australia has brought forward its own modern slavery legislation, with input from Fairtrade Australia and New Zealand.

I THINK THERE ARE A LOT OF ORGANISATIONS ACROSS AUSTRALIA SUPPORTING STRONG LEGISLATION, AND WE ARE HOPEFUL IT WILL BE AN EFFECTIVE PIECE OF IMPROVEMENT FOR THE WORLD.

Molly Harriss Olson, CEO, Fairtrade Australia & NZ¹⁹

Other legislative models adopt a wider human rights focus using a Human Rights Due Diligence (HRDD) approach. In Canada for example,²⁰ a new Ombudsperson on corporate accountability now investigates human rights abuses linked to Canadian companies operating abroad. We also hope to see governments actively support calls for a legally binding UN treaty on business and human rights, initially proposed in 2014 by South Africa and Ecuador.

ACTION:

- ▶ **Commonwealth leaders should bring forward legislation and other policy initiatives to combat modern slavery and other human rights abuses in supply chains.**
- ▶ **Businesses should ensure compliance with legislation but also go beyond legal requirements to embrace comprehensive Human Rights Due Diligence (HRDD).**



3

Develop trade policies across the Commonwealth guided by the Sustainable Development Goals and their achievement by 2030

In 2015, the largest ever gathering of world leaders at the UN agreed on the Sustainable Development Goals (SDGs), establishing global priorities for the next 15 years. These goals require policymakers to consider the *social, economic* and *environmental* consequences of trade policy and to take account of very specific targets within the framework.²¹ Fairtrade can play a significant role in meeting outcomes across the SDGs²² and governments are signed up to deliver the following:²³

- A target to double the agricultural productivity and incomes of small-scale producers
- Promotion of a rules-based, non-discriminatory and open multilateral trading system
- A target to increase Aid for Trade
- Commitments to policy coherence and policy space for poorer countries
- Implementation of duty-free, quota-free access for Least Developed Countries
- Decent work for all

²¹ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

²² https://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/15-10_Sustainable_Development_Report.pdf

²³ See also: <http://unctad.org/en/Pages/DITC/Trade-Analysis/TAB-Trade-and-SDGs.aspx>

²⁴ http://unfccc.int/paris_agreement/items/9485.php

²⁵ Target 9.B

²⁶ See for example, this report from a UK APPG on the EU-SADC EPA: <http://www.royalafricansociety.org/sites/default/files/files/APPG%20report%202017-%20Future%20of%20Africa%20UK%20Relations%20Post%20Brexit%20v2.pdf>

²⁷ The African, Caribbean & Pacific Group of States

²⁸ <https://www.fairtrade.net/new/latest-news/single-view/article/fiji-sugar-farmers-adapt-to-survive.html>

Among other things, the SDGs also require an approach to development:

- which takes account of **climate impacts**, integrating the outcome of the Paris Agreement on climate change.²⁴ For many Fairtrade farmers, climate change is a daily reality.
- **which goes beyond a traditional understanding of developed and developing nations.** The SDGs incorporate ambitions on South-South co-operation and value-addition to commodities.²⁵
- which improves outcomes for the very poorest and 'leaves no one behind'.
- which emphasises **transparency, accountability and participation** in line with Goal 16 and the target to 'ensure responsive, inclusive, participatory and representative decision-making at all levels'. Instead of the 'behind closed doors' approach which has characterised a lot of trade negotiations, including the Economic Partnership Agreements (EPAs)²⁶ between the EU and ACP²⁷ members, Commonwealth leaders should seek to move forward with trade discussions in a spirit of openness and accountability.

Fairtrade and climate change:

Fairtrade farmers²⁸ living and working in small-island states in the Pacific and the Caribbean, have experienced devastation in the wake of recent extreme weather events. In Fiji, Cyclone Winston, which struck in 2016, left 44 people dead and was estimated to cause more than \$1.4 billion in damage. Sugar cane producers in Fiji contribute between 12 and 15 percent of the country's GDP but are especially vulnerable to the creeping impacts of climate change.

“ SUGAR CANE YIELDS ARE DOWN, PRODUCTION IS AFFECTED, AND SEVERE CYCLONES DESTROY THE CANE. ”

Mohamed Rafiq, Chairman,
Labasa Cane Producers Association

As a result of Fairtrade certification, producers are able to use premium income to combat the effects of climate change by adopting environmentally friendly farming practices. Fairtrade has also supported them to engage in the climate change negotiations and share their stories.

ACTION:

- ▶ The Commonwealth Secretariat could help by facilitating an exchange of ideas on how to effectively integrate the SDGs into trade policy at the national and global levels, including commitments on climate change, value addition and trade preferences.
- ▶ At the national level, governments should actively seek to integrate the SDGs into policy, plans and budgets.
- ▶ Commonwealth governments should ensure that trade legislation and policy is developed in a transparent and participatory way, in a manner consistent with the SDGs.



4

Support for Women's Economic Empowerment, including measures to promote women's leadership, access to finance and asset ownership

The role and position of women in trade has often been overlooked but was brought into sharp relief by the Rana Plaza tragedy in Bangladesh, in which more than 1,000 garment factory workers were killed.

WOMEN HAVE OFTEN BEEN DENIED A VOICE

AT WORK, CAN FACE SEXUAL HARASSMENT AND OTHER FORMS OF ABUSE, AND CAN OFTEN FIND THEMSELVES DOING THE LOW-PAID JOBS THAT MEN DO NOT WANT.



There are also particular challenges for female smallholder farmers who often do not own the land or have the assets they need to expand their businesses and access finance. We know that this can sometimes be a barrier to their full participation in co-operatives and so Fairtrade is prioritising change in this area. Below we set out three different ways in which Fairtrade has been working with women to empower them in their work.

Addressing sexual harassment in the workplace:

Female workers can often be vulnerable to sexual harassment, discrimination and other forms of abuse. Power dynamics will mean that this goes unreported unless the structures are in place to build women's confidence and hold perpetrators to account. In response to this, Fairtrade Africa and Workers' Rights Watch helped to develop a Model Sexual Harassment Policy with the Kenya Flower Council and Fairtrade has now established gender committees across the 39 certified flower farms in Kenya. This aims to give those vulnerable to or facing abuse, including women, a safe setting in which they can come forward and report harassment.



Fairtrade, Women in Coffee and adding value:

Fairtrade Africa, in collaboration with the Fairtrade Foundation and Solidaridad East & Central Africa, has been supporting an initiative aimed at empowering women in the coffee value chain. The 'Women in Coffee' project began with a decision taken by the Chair of Kabng'etuny Farmers' Cooperative Society to transfer the ownership of at least 50 coffee bushes, from male co-operative members, to their wives and daughters (pictured below). This enabled them to participate more fully within the co-operative, to open bank accounts and receive training. It has resulted in more than 500 smallholder women coffee farmers from Kabng'etuny and Kapkiyai Cooperative Societies developing their own brand of coffee – Zawadi coffee. Working through the Kipkelion coffee mill, this coffee is being launched alongside Kipkelion Union Champion Coffee which has been roasted locally and developed for the Kenyan domestic market, representing an innovative example of the combined role that local value-addition and markets can play for smallholder farmers.



THE IMPACT OF EMPOWERING WOMEN STRETCHES INTO THE COMMUNITY. TRAINING WOMEN – THE GREATER PART OF THE WORKFORCE IN MOST COFFEE CO-OPERATIVES IN KENYA – MEANS NOT ONLY THAT THEIR COFFEE PLANTATIONS CAN BECOME MORE PRODUCTIVE, BUT THAT THEY LEARN ABOUT DIVERSITY AND HOW TO GAIN A SECONDARY INCOME FROM THEIR SMALLHOLDINGS.

Marion Ng'ang'a, Fairtrade Africa

Supporting women in leadership:

Fairtrade, with support from the Co-op and Compass Group UK & Ireland has set up the Women's School of Leadership to support female cocoa farmers to generate more income through smarter farming, and give them the confidence and skills to set up businesses and take on leadership roles. The one year programme of training activities is broken down into ten modules and over the next two years, the programme will be scaled up to hundreds of participants expanding in 30 co-operatives, each adopting a 'train the trainer' approach.

One cocoa farmer in Côte D'Ivoire, Madeleine, felt so empowered after the course that she conquered her fear of public speaking, standing up in front of her fellow farmers at a co-operative meeting, and speaking about the rights of women. Other participants have been able to negotiate a budget within their co-operative to carry out further training activities, and one member, having better understood her rights as a result of the programme, has embarked on a process to secure inherited land which is lawfully hers. This project is currently being run in Côte D'Ivoire and subject to evaluation, it is the kind of training that could benefit women in other countries including those in the Commonwealth.

ALTHOUGH WOMEN MAKE UP ALMOST HALF THE AGRICULTURAL WORKFORCE IN DEVELOPING COUNTRIES, THEY ACCOUNT FOR JUST OVER ONE FIFTH OF THE PRODUCER ORGANISATIONS THAT ARE CERTIFIED BY FAIRTRADE AND REQUIRE FUNDING TO ENABLE THEM TO TAKE MORE IMPORTANT ROLES IN THE FARMING COMMUNITY. BY PARTNERING WITH FAIRTRADE, WE ARE ADDRESSING THE ISSUES OF AN UNSUSTAINABLE COCOA INDUSTRY AND TAKING STEPS TO ADDRESS THE SUSTAINABLE DEVELOPMENT GOAL 5 OF GENDER EQUALITY.

Brad Hill, Fairtrade Strategy Manager, Co-op

A number of important recommendations²⁹ were made by the recent UN High-Level Panel on Women's Economic Empowerment which included individuals from India, Tanzania, South Africa, Canada, Uganda, the UK and Pakistan, serving in a personal capacity. This report highlighted the need for a positive 'enabling environment', including macro-economic policy which works for women, and then identified seven drivers:

- Norms and Women's Economic Empowerment
- Ensuring legal protection and reforming discriminatory laws and regulations
- Investing in care: recognising, reducing and redistributing unpaid work and care
- Building assets: digital, financial and property
- Changing business culture and practice
- Improving public sector practices in employment and procurement
- Strengthening visibility, collective voice and representation.

ACTION:

- ▶ Commonwealth leaders could think about applying the UN HLP framework on Women's Economic Empowerment, identifying areas for action and financial support.
- ▶ At the national and local level, attention should be paid to laws and practices that restrict land and asset ownership.
- ▶ Financial support should be made available to develop the leadership skills of women, including through training on finance, negotiation skills and decision-making.
- ▶ Global political leadership is key, given the uphill struggle against discriminatory norms and practices, and the persistent under-investment globally in women and girls.

MORE WOMEN IN LEADERSHIP POSITIONS WON'T JUST GROW OUR ECONOMY, CREATE JOBS, AND STRENGTHEN OUR COMMUNITIES. IT WILL ALSO LEAD TO INNOVATION AND CHANGE IN THE WORKPLACE – INNOVATION AND CHANGE THAT WORKERS SO DESPERATELY NEED.

Justin Trudeau, Davos 2018

²⁹ <http://hlp-wee.unwomen.org/-/media/hlp%20wee/attachments/reports-toolkits/hlp-wee-report-2017-03-taking-action-en.pdf?la=en>



5

Invest in producers, including young people, and provide incentives for businesses who are actively seeking to achieve higher ethical and sustainable standards, including Fairtrade

While Fairtrade is delivering real gains for workers and their communities, it can still be hard for some producers to make the investments required to improve standards, achieve accreditation and access the growing Fairtrade market. And while the market is growing, a major challenge to progress for many farmers remains increasing the volume of sales they make on fair terms. For example, a study for Fairtrade focusing on cocoa farmers in Ghana has shown that producer organisations need more Fairtrade sales to truly thrive.³⁰ This is impacting on the 'next generation' of producers, as young people are struggling to see a future for them in the agricultural sector – the average age of a cocoa farmer in Ghana is now 55 years old.

Many businesses want to achieve higher ethical standards, but are concerned about meeting the costs without losing ground to competitors, so progress remains too slow. Governments need to encourage and incentivise businesses that are committed to the SDGs, to human rights, and to Fair Trade. Some producers and businesses also want to go further and are eager to develop additional programmes to address some of the pressing problems set out in the briefing paper.

³⁰ https://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/1704_At_a_Glance-ICRAF_Ghana_cocoa_baseline.pdf

³¹ Wayanad Social Service Society (WSSS)

³² SDG 12 includes a target on public procurement practices to achieve sustainable consumption and production: <https://sustainabledevelopment.un.org/sdg12>

Investing in Fairtrade Gold:

It is virtually impossible for consumers to know about the conditions in which gold in their jewellery and smartphones was mined. The risks in artisanal, often unlicensed small-scale mining, are multiple: smuggling, child and forced labour, human rights abuses, reliance on mercury, environmental exploitation and tax revenue losses, for example. The Fairtrade Foundation in the UK has identified significant consumer demand for ethical sourcing in this sector and in 2017, we were delighted to receive the first ever shipment of Fairtrade Gold from Uganda, with support from Comic Relief. Investment is now desperately needed in order to meet demand, and to help improve the lives of miners across East Africa. Fairtrade has helped to set up an investment facility with the aim of leveraging 2 million USD private sector finance to invest in enhancing the productivity and Environmental, Social & Governance (ESG) performance of East African mine sites over the next three years.

Fairtrade and organic – improving quality and productivity:

The WSSS³¹ Organic Farmers Fair-trade Association (WOFFA) was created in 2008, uniting three small co-operatives in the state of Kerala, southern India. WOFFA grew out of a need to organise, gain knowledge and tackle social, economic and environmental challenges facing farming families, such as cycles of debt, over use of chemicals, and low access to credit. Today, it has nearly 8,000 members farming coffee and spices, all certified Fairtrade and organic. Being part of a Fairtrade-certified organisation has helped farmers get a better price for their crops and created a positive cycle of investment; the communities are able to invest in better farming practices, training and workshops, which in turn increases production and efficiency. Among other things, WOFFA members have decided to invest their Fairtrade Premium in a warehouse and equipment to increase value addition and improve quality control, in tarpaulin sheets to improve the drying process, and in making compost which increases productivity and delivers higher returns for the farmers.

ACTION:

- ▶ Commonwealth governments should do all they can to unlock investment in fair and sustainable trade.
- ▶ Fair Trade can be supported through country export strategies and other policies, including legislation that safeguards human rights and environmental standards, and through procurement policies that support the SDGs.³²
- ▶ ODA and Aid for Trade programmes can support improved standards, provide training and strengthen the social infrastructure – such as co-operatives and trade unions – that advance the position of producers in the value chain. Development Finance Institutions should also consider how to leverage additional funding for impact at scale and systemic interventions.
- ▶ Businesses could consider partnering with Fairtrade and other like-minded organisations to develop programmes and interventions that address intractable problems in their supply chains.

MOVING FORWARD WITH FAIR TRADE

We urge Commonwealth Heads of Government to back our five-point plan and put an end to exploitative trade.

In proposing that the Commonwealth take action to promote Fair Trade for Development, we are not proposing that the Commonwealth should detract from similar global initiatives or work undertaken by countries outside its membership. Rather, the Commonwealth should be a space for strengthening development outcomes through collaboration and collective action which could be extended beyond its immediate membership. It can also give strong backing to the work of key global institutions including the World Trade Organisation (WTO) and United Nations (UN) with the power to shape the future of trade, poverty reduction, human rights and sustainable development.

Our hope is that Fair Trade for Development will be a rallying call, not only for the leaders' summit, but also across the four CHOGM Forums: Business, People, Women and Youth. Commonwealth members are already intimately connected through shared values and practical connections, not least trade. By making a commitment to Fair Trade for Development, the UK summit's vision of a common future, of shared prosperity and fairness for all, will send a strong signal that leaders are serious about the inclusion of producers in this effort in order to 'leave no one behind'.



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