

Speech of Commissioner Cecilia Malmström at the Organic, Fair & Ethical Trade Event

CTICC, 19/02/2019

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Dear Deputy Minister,
Dear Ambassadors,
Ladies and gentlemen,

Thank you for inviting me to your today's event. It is always a pleasure for me to have the opportunity to talk about fair and ethical trade.

Fair and ethical trade is vital for sustainable and inclusive development, both in Europe and worldwide. It makes a huge difference notably for small producers in our countries. It empowers consumers to make informed choices.

Every time someone chooses an ethically sourced product, he/she makes a difference in the lives of the people who produce it. It means the difference between a farmer keeping the lights on or off. A factory worker working reasonable hours and in safe conditions. Sustainable local economies and stronger communities. The right to choose what we buy is a fundamental economic freedom, but all rights come with responsibilities – and ethical consumption is one of those responsibilities.

We promote such approach in European Consensus on Development – which emphasises the importance of fair and ethical trade. This Consensus means engaging more with a responsible private sector to boost entrepreneurship and support economic growth and decent jobs for those who need it the most.

Fair and ethical trade is about putting people at the centre. Promoting sustainable livelihoods for small often rural producers. Together we want to promote responsible value chains, environmental social and human rights. But also standards.

Our “*Trade for All*” policy strategy shares a vision of how we can use trade policy as a tool for change. Our goals are clear:

- supporting inclusive and sustainable development,
- guarantee responsible management of supply chains,
- defending human rights, including women's economic empowerment,
- promoting fair and ethical trade.

We put these values at the core of our trade policy. This ensures that economic development goes hand in hand with

- social justice,
- respect for human rights,
- high labour and environmental standards.

One way we do this is by including Trade and Sustainable Development Chapters in our trade agreements.

Another approach is by promoting fundamental values through unilateral trade instruments.

The EU's Generalised Scheme of Preferences and its arrangement *Everything But Arms* allow partner countries to benefit from reduced customs duties or tariff free, quota free access to the EU market.

In return, the partners ratify and commit to make progress in implementing international conventions on human and labour rights, environmental agreements and to follow good governance practices.

Our standards and values are central to trade. But our efforts do not stop there.

Trade is a powerful tool for change. It has lifted millions out of poverty, and built lasting connections across borders to create peace and prosperity.

What we say in our agreements is important. It says a lot about us and our intentions. It ensures our standards are embedded in how we do trade, and that we export and import more than just goods – we share values too.

Trade is a big and complex topic. It involves everything from geopolitics and development, to detailed product standards and cultural relations. When transforming something as large as trade, you need broad support. It cannot simply be a top down approach – cities, regions, civil society, media, citizens and politicians. They all need to do their part.

The EU wants to encourage everyone to get involved. That is why in June last year we have launched the first *EU Cities for Fair and Ethical Trade* award.

Through this award we wanted to recognise and encourage fair trade initiatives across European Union, as well as share best practices and encourage new projects. We saw many interesting projects and initiatives.

Across European Union there are well practiced and established approaches, as well as creative new experiments. We have seen:

- public procurement projects transforming how a government buys goods, services and work.
- projects focused on clothing, food and furniture in supply chains,
- fair trade fairs, film screenings and talks to raise awareness and encourage action.

And much more besides. I was especially happy to see projects focussing on schools and university campuses. There are fair trade university campuses selling ethical coffee, and schools whose cafeterias stocked with fairly sourced food.

There are even day care centres on the list – it's never too early to start people's awareness about what it means to be fair and ethical consumers! And make sure that we make responsible and conscious choices.

The first winner, Ghent, is a Belgian city that has an impressive commitment. They have a packed programme of events and creativity. Ghent will use the EU Cities for Fair and Ethical Trade award money to fund a project of their choice.

It has to be a field level intervention with a partner in third country and it should raise awareness on fair and ethical trade. This way the knowledge on benefits from fair and ethical trade keep spreading.

The value of this award goes beyond simply rewarding good efforts made by towns and cities. Our overarching objective is to connect cities across borders. To bring people together that care about fair and ethical trade. Because, at the end of the day, the real winners are farmers, workers and producers who become real partners in making trade sustainable.

Efforts to raise awareness are fuelled by knowledge.

The more we know about the impact of fair and ethical trade, the more responsive to it we can be. This is why we are working on a market study on sustainably-sourced products in the EU. We are doing this in association with UN/WTO agency, the International Trade Centre. We interviewed retailers to understand the interest in fairly and ethically produced products. We hope to release the results of the study around April next year. But, we have first data available. And it is encouraging! 96% of the retailers we talked to, have sustainable sourcing strategies. What is even more important - 92% of them expect their sales to increase in the next five years.

This means more responsibly produced food, beverages and clothing. This means they will be looking to buy goods from producers that meet sustainability commitment.

And why not from South Africa or from other SADC EPA countries?

This is how we build support, and how we expand our coalition for fair and ethical trade. And we are expanding this coalition in other ways too. The EU Delegations beyond our borders are working hard. They organise events and projects in Columbia, Vietnam and Brazil. And today I'm here in talking about fair and ethical trade with you.

All of these actions also feed into our updated Aid for Trade Strategy.

Aid for Trade aims to work more closely on the ground with non-state partners like yourselves. The goal is to improve our support to sustainable production and development. We do this by helping small producers and companies seize the opportunities offered by EU trade policy. Many of our development programmes aim to connect small-scale farmers to market opportunities.

Here in South Africa we have financed a project on indigenous flora. This contributes to the sustainability and resilience of natural habitats and of communities living in the Cape Floral Region. Another good example is the Timbali Technology Incubator. This is a project that connects young, inexperienced or unemployed rural people to sophisticated markets. And 75% of the clients of this project are women!

Another focus for us is conflict minerals. The EU has provided €5 million of support to a project in that area. It aims to promote the sustainable development of local artisanal and small-scale mining communities.

And in the garment sector, we're working to improve the sustainability of value chains. We do this through the economic empowerment of women, decent work, and transparency and traceability.

These initiatives all feed into one another. They help our partner countries expand their economies, and integrate into global trade in a sustainable way.

Conclusion

Trade is not just about profits, it is about partnerships and participation, it is about social, labour and environmental issues. By transforming our policy, we have been showing people that fair and ethical trade is a critical part of the EU's efforts to improve the world through our trade policy.

In Europe, we need to encourage people to make the right choices. We must incentivise businesses to provide those choices in full transparency.

Outside Europe, we need to make sure our trade works for the local communities and individual people too supporting fair prices, living wages and community benefits for all.

If we all do our part,
little by little,
what we will achieve,
will become a lot.

Thank you for your attention.

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