

## Report on the Fair Trade Workshops held at the World Social Forum Nairobi 20<sup>th</sup> to 25<sup>th</sup> January 2007-01-28



The WSF was held at the Moi sports stadium slightly out of the city centre. It was estimated that between 40,000 people attended.

### Workshops

On the last day, January 24<sup>th</sup>, there was a workshop to collate common issues from all the workshops related to Fair Trade. The issues identified were

- More links between national and international organisations
- Charter elaboration
- Certification
- Participative method consolidation
- Bridges between different national platforms
- Information about what services are available
- Connections for producers in Africa
- Representation in all countries (Congo etc)
- Finance
- Market access
- What kind of products can be Fair Trade?
- FLO social fund
- Lack of knowledge
- Governments want free trade
- Partnership initiatives tend to be northern driven
- Need more impact on the government to achieve change
- Promoting fair trade
- Lack of structures
- Need more exchange of information between west and east Africa
- Confusion between fair trade and external actors
- Confusion between certifiers and networks
- Regional and local markets are needed
- One standard is hard to have
- Reflection of sustainable development
- Need for state recognition of Fair Trade
- Fair trade in Government procurement and dialogue with government
- Need for Fair Trade through out the chain
- Need for individual internal change
- Taking Fair Trade to the slums
- The 'South' is not all the same
- South South markets can be difficult
- Northern products are perceived as better
- Needs to be not only products but also knowledge lobbying etc
- How to build a common chart of values taking into account differences

In more detail

### **1 Advantages and Challenges of African organisations entering the Fair Trade Network – Uqam**

The issues that arose included:-

Confused relations between actors in fair trade and those outside fair-trade its role.

Lacks of communication – Producers are certified but their role in the network is not very clear to them.

Lack of coordination between the two certifiers leading to duplication and repetition – open dialogue should be encouraged.

Relationships between fair trade organizations and governments are not amicable.

Improving of South to South relations

Focus to develop regional and local markets other organizations such as the solidarity economy can also do the same.

There should be an increased focus on trade values.

The role of sustainable development and the difficulties in defining standards was noted.

There should be a shift in thinking on the state of economic wellbeing to reaching social development and equity. Fair trade should make a profound reflection on sustainable development by helping marginalized through empowerment and transforming the roles of trade.

## **2 Is it possible to develop an African certification for fair trade products? ENDA**

## **3 The possibility of increased South to South marketing of products. ENDA**

### **Summary of Discussion:**

Projects should be based on participatory approach between governmental structures and organizations.

Work should be done on values and global structure of fair trade.

Agreement to form a West African platform and what fair trade means to West African nations.

Challenges faced include: -

Lack of interest in fair trade certification by African partners.

Building links with larger organizations such as IFAT.

Developing a certification process is expensive and difficult but it is possible to have the same relate to African realities on the ground.

It was also noted that the process should be one of consolidation and participation that bridges gaps between different platforms.

## **4 Enabling trade in Africa IFAT COFTA**

Participants included Shared Interest, Kenyan Organic Network, Cofta and Ifat. The workshop looked at the services available to fair trade groups and producers.

## **5 Connecting Producers In Africa IFAT COFTA**

Council of Europe, IFAT, FLO, COFTA, and two producer groups were represented

### **Summary of Discussion:**

The Challenges faced by the organization within the African context include the following:-

There has been a challenge on the continued expansion of Cofta and Ifat outside Eastern Africa to all parts of Africa.

Strengthening and increasing country presence in the continent.

Increase and strengthen advocacy and lobbying and campaigning.

Promotion of fair trade in Africa and globally

Capitalizing on opportunities such as giving a great opportunity in South to south marketing and also between regions such as the Asian continent and countries in the South

Improving Infrastructure and communication.

### **QUESTIONS ASKED:**

What type of help can you offer in terms of funds to producers in Central Africa. They require transport for their produce and provision of further infrastructure.

What types of products can be produced for fair trade markets?

What standards are applicable? Is there a particular standard or can these be amalgamated rather than having them separately. E.g FLO, Ecology etc

How do producers get the premium? What are the benefits to workers?

What is being done to reduce the costs of certification so as to increase access to small producers?

What is being done to improve access to northern markets by fair trade groups such as Cofta?

Summary of issues

Lack of access to finance

Confusion on what product ranges can be fair trade and what do not.

Confusion on FLO certification and IFAT

What IFAT and COFTA are doing to improve market access

## **6 Fair Trade in Africa**

The following obstacles to fair trade in Africa were identified:

Access to useful information is limited.

Limited capacity that leads to affected quality and quantity that can be produced.

Lack of awareness of the potential of trade.

Lack of technical support for producers.

Governmental preference for free trade as opposed to fair trade leaving the opportunities available unexploited.

Partnerships are generally set up by partners in the north.

The capacity of producers to affect the political framework.

Liberalization of international trade has brought about an increase of competition worldwide.

Low level of access of finance for small scale producers.

Lack of infrastructure for promotion of trade.

## **7 The Brazilian Experience of Fair Trade- FBES**

One workshop held on Solidarity Economy and fair trade. Participants included a representative from the Brazilian government, the landless and the producers. The issues that came up were among others:-

The importance of partnerships with government in promoting fair trade.

Fair procurement by fair trade organizations and government should be developed.

Fair prices in the process of production should also be increasingly developed to integrate different regions and their peculiarities.

## **COMMENTS**

### **LUCA – ITALY**

The solidarity economy seems to connect to the consumer and producer more than fair trade does. A lifestyle change is more pertinent in solidarity economy since there is a greater emphasis for self education for the producers and consumers unlike in fair trade which stresses education for producers and exporters.

### **CHRISTOFE – FLO**

Dynamics in South countries are different with the different regions and thus the situations should be noted. South to South markets have difficulties that are barriers to trade. Education is also needed to rid Southern consumers of a mentality that products from the north are the only good ones.

Politically, countries such as Brazil and Senegal have relationships with government which has been possible through lobbying and advocacy on all social issues including fair trade.

At the moment the concept of fair-trade does present difficulty. It requires a universal value system that will be more adaptive to the local context. A common charter of values should take into account all these issues.

40 EPA workshops have been held in the World Social Forum this year. In the World Trade Organization, some African countries have taken steps on negotiating agreed pricing for products from African countries. Negotiations should also be about involving small scale producers as well as corporations. The bounds of trade can also be extended from commodities to include other products such as handicrafts. The ISO certification has also moved in recent years to provide certification for fair-trade products. However, this has only been done through consumer associations only. There is a need to make a real fair trade standard.

### **GOVT OFFICIAL BRAZIL- SOLIDARITY ECONOMY**

The relationship between the Brazilian Government and the solidarity economy is very amicable. There are fifteen thousand solidarity economy enterprises which have potential to get their produce to fair trade markets. One million five hundred persons are within the movement that grosses three million a year. The challenges between governments and the civil society are still present.

### EPAs

- Group countries into trading blocks – Africa, Caribbean, Pacific
- The EU (not USA) will then form Free Trade Agreements with each block
- Under GATS, trade liberalisation and privatisation is encouraged, but under EPA's, it becomes actively legislated
- Countries can then be sued for failing to comply with legislation

### What does it involve for African countries

- Removing all trade tariffs on imports from the EU
- Removing all technical barriers to trade which currently protect African markets to some extent
- This will allow subsidised EU products (e.g. milk, chicken) to completely flood African markets with food sold at below the price of production
- African companies can also sell products more freely in the EU, but most are insufficiently developed to be able to compete with European companies

### Possible consequences for Africa

- Complete loss of revenue from trade tariffs is likely to result in significant welfare cuts + increasing privatisation
- African countries may become locked into a scheme where raw goods are produced in Africa, and then processed in the EU.
- impact on industrialisation of Africa
- Efforts at achieving food sovereignty will be completely undermined

### The Agreement

- Economic partnership agreements have not yet been finalised
- They are being negotiated throughout 2007, and will come into place in January 2008
- EU is currently proposing an "Aid for Trade" agreement