



Public *Affairs*

Mobilising action for Fair Trade Public Procurement



Policy Paper on the European Commission's Guidelines for Socially Responsible Public Procurement

The European Commission is currently preparing a Guide on Socially Responsible Public Procurement (SRPP), due to be published late spring 2009. Lead by DG Employment, Social Affairs and Equal Opportunities, in collaboration with DG Internal Market and Services, this guide is intended as a manual to aid public authorities in the inclusion of social considerations in public tenders.

The *Public Affairs* project, with the support of the four main Fair Trade Networks: Fairtrade Labelling Organizations International (FLO-I), International Fair Trade Association (IFAT), Network of European Worldshops (NEWS!) and European Fair Trade Association (EFTA), collectively known as FINE, feels Fair Trade should be one of the social considerations taken into account in the drafting of this guide.



1. European Parliament Resolution on Fair Trade and Development

Fair Trade is a pioneering movement, involving a great number and a broad scope of independent actors, from producers to specialised importers and retailers, which has been around for over half a century.

In its Resolution on Fair Trade and Development¹, the European Parliament recognises the benefits of Fair Trade for development, poverty reduction and consumer awareness raising. It calls on the European Commission to develop a coherent EU-wide policy framework and to step up the EU's support to Fair Trade.

The EP resolution also "calls on public authorities in Europe to integrate Fair Trade criteria into their public tenders and purchasing policies and asks the Commission to promote this by, for example, producing guidelines for Fair Trade public procurement".

In line with this, the European Commission's future Guide SRPP should include guidelines on the inclusion of Fair Trade criteria in public tenders.

2. Fair Trade in Public Procurement

Fair Trade in public procurement (FTPP) is an excellent tool for public authorities to develop a coherent approach to social policy. Public authorities are increasingly interested in fair procurement as Fair Trade gives strong guarantees of social, environmental and economic sustainability, as well as of democratic procedures, human rights protection and gender equality, among others.

The purchase of Fair Trade products by public authorities has a great impact on the lives of producers in developing countries and provides a highly transparent supply chain, guaranteed by internationally harmonised voluntary standards for labelled and non-labelled Fair Trade products and organisations, facilitating verification in procurement procedures.

1. P6_TA(2006)0320, 6 July 2006

3. EU Member State legal and Policy framework and good practices in Fair Trade Public Procurement

There are currently several legal initiatives in EU Member States, such as Spain¹ where Fair Trade is specifically referred to in the transposition of Directive 2004/18/EC² on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts. In Italy, 5 regional laws supporting Fair Trade have been passed³, while in 4 more regions similar draft laws are under discussion⁴.

Among various other legal and policy initiatives across Europe, France has also passed a law on Fair Trade.

Alongside these legal and policy commitments to Fair Trade, a growing number of public authorities have chosen to include social considerations in their procurement by tendering for Fair Trade products and services including Fair Trade products. In Italy alone, around 150 tenders have been issued including Fair Trade criteria and more than half a million students have been involved, through the availability of Fair Trade products in school canteens.

A recent court case in the Netherlands⁵ has also brought greater legal certainty to the inclusion of Fair Trade in public tenders by deciding in favour of the Province of Groningen, which had tendered for Fair Trade coffee.

4. The need for EC Guidelines on the inclusion of Fair Trade in procurement procedures

The Directive on Public Procurement opens the door to the inclusion of both social and environmental considerations in public purchasing. However, it is of the utmost importance that the EC gives clear guidance on the introduction of such considerations, such as Fair Trade, eliminating the ambiguity on how this can (and should) be done.

1. LEY 30/2007, de 30 de octubre, de Contratos del Sector Público (BOE n. 261 de 31/10/2007).

2. OJ L 134, 30.4.2004, p. 114-240

3. Abruzzo, Liguria, Marche, Toscana, Umbria

4. LazioIn Veneto, Lombardia_ (2) and Piemonte Veneto

5. Verdict 23.11.07 DE Groningen, case number 97093/KG ZA 07-320

We call on the European Commission to:

1. Make publicly available the Study on Social Considerations in Public Procurement on which the future guide will be based on. We believe that, in line with the rules of transparency regarding official documents, stakeholders should have knowledge of the findings contained in this study.
2. Consult stakeholders on a draft version of the future guide in order to more accurately gather input from those working on the inclusion of social considerations in public purchasing on a daily basis.
3. Support the growing interest of public authorities in including Fair Trade criteria in public tenders by clarifying current EC legislation on public procurement through the production of guidelines on Fair Trade procurement, as suggested in the EP resolution.
4. The future Guide on SRPP is an excellent opportunity to do this and it is important that DG Employment closely collaborates with DG Trade, currently in the process of writing a communication in response to the European Parliament's Resolution on Fair Trade and Development, to ensure Fair Trade will also be covered by these future guidelines.
5. Include good practices regarding Fair Trade in public procurement in its guides and reports.

About the Public Affairs project

Public Affairs: Mobilising action for Fair Trade Public Procurement" is a 3 year project, running from December 2007 to November 2010. Co-financed by the European Commission, the project brings together 3 of EFTA's members - CTM-Aitromercato in Italy, IDEAS in Spain and Oxfam Wereldwinkels in Belgium - and ICLEI, Local Governments for Sustainability.

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