



**CHANGING TRADE,
CHANGING LIVES
2016-2020**

FAIRTRADE GLOBAL STRATEGY

January 2016



**FAIRTRADE
INTERNATIONAL**



Marlinda is a member of the KBQB Cooperative, a small but influential coffee cooperative in Northern Sumatra. They sell 100 percent of their coffee on Fairtrade terms. The average Fairtrade coffee cooperative currently sells 28 percent of their coffee on Fairtrade terms. With our new strategy, we aim to help more farmers sell a higher percentage to maximize benefits. Read more about KBQB at <http://bit.ly/23tWMFG>

© Nathalie Bertrams

END POVERTY IN ALL ITS FORMS, EVERYWHERE



Fairtrade and the Global Goals for Sustainable Development.

Of the 17 Global Goals outlined by the UN, Fairtrade focuses on eight where our efforts can make a specific contribution.

- GOAL 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- GOAL 5:** Achieve gender equality and empower all women and girls.
- GOAL 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- GOAL 10:** Reduce inequality within and between countries.
- GOAL 12:** Ensure sustainable consumption and production patterns.
- GOAL 13:** Take urgent action to combat climate change and its impacts.
- GOAL 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- GOAL 17:** Strengthen the means of implementation and revitalize the global partnership for sustainable development.

See Fairtrade's report on the Global Goals at www.fairtrade.net/global-goals

INTRODUCTION

'**Changing Trade, Changing Lives 2016-2020**', our five-year strategy, comes at an opportune time on the heels of the establishment of the Global Goals for Sustainable Development and the COP21 Climate Summit in Paris.

When it comes to sustainable development, trade can be the best of servants, but the worst of masters. This is why Fairtrade works within the market, to change the market. We play a vital and unique role engaging people on the tough issues in trade and development to achieve the inclusive growth envisaged by the Global Goals. Most importantly, we stand for the empowerment of the farmers and workers who should be the heroes of global trade – not in thrall to it – and who must be at the heart of achieving the goals.

Since its beginning, Fairtrade has grown to represent over 1.65 million of these farmers and workers, most recently embracing those who work in the tough conditions of artisanal mining. Producers now co-own the Fairtrade system, shaping global strategy and running operations across three continents. We have helped put sustainability on the business agenda, showcasing the quality of small-scale farmers' organizations and the needs of workers, demonstrating how sustainable value chains contribute to the bottom line, and putting trade justice into the minds and shopping baskets of tens of millions of consumers across the world.

FAIRTRADE VISION

A world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.



Our mission is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

But we are still far from achieving our ambitious goal of a world where trade can be a true tool of opportunity and inclusion for all. Women and men across Fairtrade have highlighted the serious challenges they continue to face – adapting to climate change, accessing resources, improving wages and working conditions, pushing for better government support, finding markets and making farming attractive to young people. *(continues)*

Our strategy responds to these challenges, aiming to build on Fairtrade's powerful legacy to date and make us an even greater force for change in the coming years. We have a lofty goal in mind – a trade system that provides a living income for small-scale farmers and a living wage for workers.

Impact takes centre stage as we concentrate on where we could help achieve this ambition. We will rigorously measure our own impact on people's lives, building on what works and adapting what does not. We will use what we learn to influence wider change in business practice and government policy. We will propose and provoke, both working with and challenging governments, businesses and consumers to drive more radical transformation.

We will prioritize investment in our most important value chains to help us learn and demonstrate the interventions that have the most long-term impact – understanding where we have real power to transform the lives of men, women and young people.

We will combine consistency in our global values and principles with contextual approaches to products, geographies and markets to achieve the best possible outcomes for farmers and workers. We will unlock greater worth from standards and certification through a complementary suite of tailored services, programmes and partnerships.

FAIRTRADE GOALS

**MAKE
TRADE
FAIR**

**EMPOWER
SMALL
PRODUCERS
AND
WORKERS**

**FOSTER
SUSTAINABLE
LIVELIHOODS**

And we will continue to unlock the power of the Fairtrade brand and grassroots supporter base, bringing Fairtrade into the hearts of consumers from Washington to Warsaw and Brasilia to Bangalore. Because it is only by working together – as one Fairtrade system, as one global community – that we can change trade. And it is only by changing trade that we can change lives.

THE WORLD TODAY & THE WORLD WE WANT



A woman carries wood along with her husband on the streets of Choco, a village located in northern Peru. Farmers there are participating in a Fairtrade climate project with the help of the NGO Progreso.

© Danielle Villasana

THE WORLD TODAY

The challenges the world faces are intricately interconnected. We cannot address poverty until we address inequality; rampant development exacerbates climate change; any approach to eradicating child labour and forced labour must address sustainable livelihoods throughout value chains; and a lack of equal rights for women inhibits progress across the board.

The UN's Sustainable Development Agenda 2030 recognizes this complexity and sets an ambitious goal of ending poverty 'in all its forms, everywhere', while leaving no one behind. Over the next 15 years, the 17 Global Goals for Sustainable Development (www.globalgoals.org) will anchor a worldwide action plan to create a better world for all citizens – North and South, male and female, young and old.

Twenty-five years ago, most businesses dismissed the problems of poverty in commodity-producing countries as a matter for governments and policy. Today, sustainability is a core activity of many companies as they realize the importance of a healthy and sustainable supply chain.

While much improvement has been made, many challenges remain. Small-scale farmers who are essential to the food security of millions in the developing world can't feed their own families adequately. Despite the wake-up call of Rana Plaza, millions of hired workers still toil for poverty wages in dangerous conditions.

Climate change is resulting in the loss of 12 million hectares of productive land each year. Young people are abandoning agriculture, swelling the ranks of the urban unemployed and economic migrants. Women work to produce 60-80% of the world's food, yet the number of women living below the poverty line has increased by 50% since the 1970s. About 168 million boys and girls around the world are engaged in child labour, mostly in agriculture.

Artisanal mining, while producing the most highly-priced precious metals, remains one of the most dangerous and poorly rewarded jobs in the world.



THE WORLD WE WANT

Our strategy recognizes the urgency of the challenges facing the world and seeks to contribute to the major changes we believe are prerequisites to achieve the ambitions of the Global Goals. Changes that could lead to a very different world in 2020, a world where:

The benefits of trade are distributed more equitably. We want to see the hard work of men and women in global value chains recognized and valued. Our ambition is to see small-scale farmers and workers earning a living income or living wage that provides them with a sustainable, dignified livelihood.

Human rights are respected at every stage of the value chain, from the largest multinational to the smallest producer organization.

Our aspiration is for farmers and workers to strengthen their role as agents of change; see women and men empowered to speak out; protect and defend the vulnerable; and provide opportunity to the disadvantaged. We want farmers enabled to deal with the devastating effects of climate change. We want commitment and leadership from the ground up to tackle child labour, promote gender equality, and foster the next generation.

Business does better. We want to enable business to become a partner in reaching the Global Goals. To do so companies must embed the principles of equity, inclusiveness, and transparency, along with respect for human and environmental rights, and a commitment to pay fairer prices that cover the cost of sustainable production allowing a dignified, decent life. We want to see the private sector making

investments in rural communities and agricultural production focused on long-term social, environmental and economic benefits for all that go beyond securing supply.

Fairness and justice come first. We strive to make Fairtrade personal, where consumers across the globe actively champion the values espoused by Fairtrade in all their choices and actions, and actively hold companies and governments to account when they fail to protect producers and adequately reward their work.

Governments and policymakers actively foster the environment required for trade to drive living income and living wage. Decision-makers must have the wherewithal to set boundaries for the market, regulate business and to incentivize a more equal playing field. There is enough money in trade chains for everyone to reap an income that permits a dignified and rewarding life; but it takes political will to get there.

Our strategy is shaped by the five headline goals that follow, and flows from our Theory of Change. These goals are designed to contribute to this change agenda; leveraging our unique strengths and enabling us to fully unlock our power to drive change in trade and transform the lives of people who engage in it. Fairtrade cannot achieve this alone, but by working in partnership with governments, with companies, with civil society and with farmers and workers so that this ambition for the world can become reality.

FAIRTRADE THEORY OF CHANGE



Standards & certification for supply chain businesses

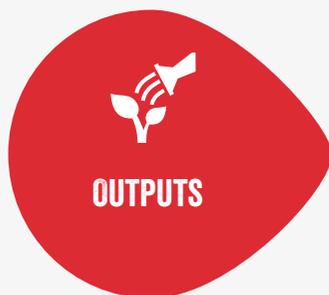
Standards & certification for Small Producer & Hired Labour Organizations

Providing support to small producers & workers & their organizations

Building & sustaining Fairtrade markets jointly with producer & worker organizations, business & citizen-consumers

Developing networks & alliances

Advocacy & campaigning



Enhanced access to fair trading conditions & fair prices for Fairtrade-certified organizations

Increased investment in small producers & workers, their organizations & communities

Stronger, well-managed, democratic organizations for small producers

Improved labour conditions & freedom of association for workers

Enhanced knowledge & capacity among small producers, workers & their organizations

Increased networking & collaboration within & beyond Fairtrade around common goals

Increased awareness & commitment to fair & sustainable trade among citizen-consumers, business & policy-makers



Resilient, viable & inclusive small producer businesses

Improved farming performance, protection of environment & adaptation to climate change

Decent work for workers, sustained by mature systems of industrial relations & increased business capacity to invest

Enhanced influence & benefits for small producers, workers & their communities

Growing proportion of trade is on Fairtrade terms (in sectors where Fairtrade operates)

Broad coalition of actors (including producers, workers & citizen-consumers) driving change in way trade is structured & practised

Values & principles of Fair Trade increasingly mainstreamed in business practices & policy frameworks



Improved income, wellbeing & resilience among small producer & worker households

Enhanced gender equality & inter-generational sustainability in rural communities

Increased environmental sustainability & resilience to climate change

Dignity & voice for small producers & workers at local, national & global levels

Transparency & equitable distribution of risks & rewards in supply chains

Fairness & sustainability embedded in business practices, policy & societal norms for production & consumption

Increased confidence, self-esteem, control and choice

Enhanced influence and status of small producers



A world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future

FAIRTRADE GOALS

Make trade fair

Empower small producers and workers

Foster sustainable livelihoods

INCREASING INFLUENCE OF CONTEXTUAL FACTORS | DECREASING INFLUENCE OF FAIRTRADE

GOAL 1:

BUILDING BENEFITS FOR SMALLHOLDERS AND WORKERS



Celia Abrego (right), a member of COOBANA in Panama, classifies bananas according to their quality. Alongside coffee and cocoa, bananas are one of the biggest selling Fairtrade products benefiting thousands of small-scale farmers and workers. A new focus on Fairtrade's three largest products will maximize impact and learning in these products that can be applied to other products.

© James Rodriguez

GOAL 1: BUILDING BENEFITS FOR SMALLHOLDERS AND WORKERS

The Fairtrade Minimum Price has proven to be an effective tool to protect producers from the volatility of global commodity markets, improving food security; the Fairtrade Premium has proven its worth in spurring improvements in the social, economic and environmental spheres. Our new strategy now seeks to make a step-change in our impact through enabling Producer Organizations to secure the revenues they need for workers to be paid a living wage and for farmers and artisanal miners to earn a living income.

Capturing greater value from sales

We know that impact on farmers and workers is stronger when the proportion of production sold as Fairtrade reaches a “critical mass” (30-50 percent). Currently 40 percent of producers sell more than 50 percent on Fairtrade terms, but too many sell far below this. Fairtrade’s new business models help producers and businesses create greater value through committed long-term relationships that enable the right kinds of investment. From 2016-2020, we will support producers’ capacity to understand and respond to evolving market demands. Through improved knowledge generation and ‘match-making’, Fairtrade producers will sell a much greater portion of their produce on Fairtrade terms.

Commodity Focus

Coffee, cocoa and bananas are very important to Fairtrade, featuring in all three producer regions and staples in every Fairtrade market. Our deep experience and engagement in these commodity sectors has shown us that it is here where we have the potential to start driving transformation. We will therefore create ambitious support programmes that maximize the impact for producers of these three global commodities.

By 2020, we aim for half of all certified coffee producers to be selling 50 percent of their production on Fairtrade terms within five years of initial certification; in cocoa over 40 percent and in bananas over 80 percent. Our aspiration is that all workers on Fairtrade certified banana plantations will be earning a living wage and small-scale farmers in coffee, cocoa and bananas will be strongly progressing toward a living income.

We will also identify how we can achieve greater impact in a next tier of products, such as wine, tea, cotton, flowers, rice, orange juice, gold and sugar. In other products we will find new ways of working to ensure value for money or be prepared to reduce our involvement.

Transforming Commodity Sectors

Focusing on investment and innovation when possible in key commodity categories will allow us to set benchmarks for excellence and help drive change across whole industries. For example, intensifying our research on pricing in bananas, cocoa and coffee will provide an evidence base that captures the true economic, social and environmental costs of sustainability in these value chains. Applying learning from these tools will allow us to support, encourage and challenge companies to push more value downward in all their supply chains, guiding the delivery of sector-wide living income and living wages.



GOAL 2:

DEEPENING IMPACT THROUGH SERVICES AND PROGRAMMES

Zeddy Rotich processes cow dung used to produce biogas for her family's cook stove, the remaining by-product will be used to fertilize her coffee bushes. Zeddy is part of the Women in Coffee programme in Kenya, a three-year project to empower women coffee farmers.

GOAL 2: DEEPENING IMPACT THROUGH SERVICES AND PROGRAMMES

From 2016-2020, Fairtrade will provide tailor-made support to farmers and workers to optimize their time and resources to achieve measurable social, economic and environmental impact. Fairtrade producer networks will develop and deliver targeted value chain programming across the following thematic areas by working with global advisors, and international and local partners, including national Fairtrade organizations, companies, government extension services, NGOs, trade unions, and financial service providers.

Organizational and Business Strengthening

Our support for strong, democratic and accountable organizations has always been at the heart of the Fairtrade approach. Organizational strengthening will continue to be a core focus of the producer networks across the three continents they serve. A more focused contextual approach will enable the networks to tailor additional interventions based on the needs of their members, as well as support producers to access specialist services to build business skills, and attract investment finance.

Workers' Rights

Fairtrade's continued implementation of the Workers' Rights Strategy focuses on building the conditions whereby workers have the ability and tools to negotiate their wages and terms of work. Working in partnership with trade unions and other actors, we will promote mature systems of industrial relations in Fairtrade certified plantations. We will actively support freedom of association, collective bargaining and improved wages and conditions. We will continue to be a leader in living wage work, making strong progress toward living wages in our own supply chains and driving wider sectoral change in key value chains.

Gender Equality

Increasing women's participation in decision-making is proven to increase practical impact in family lives and rural communities. We will systematically mainstream gender throughout Fairtrade operations, from the Fairtrade Standards to business partnerships, awareness raising and advocacy. By 2020, we will increase women's participation in Fairtrade certified small-scale farmers' and hired labour organizations; empower more women and girls with more equal access to the benefits of Fairtrade; and address the systemic issues hampering the realization of greater gender equality in Fairtrade value chains.

Children and Young People

Fairtrade is not only committed to fighting the root causes of child labour and preventing the exploitation of children, but also expanding opportunities for young people to realize their full potential in their communities. We believe that child labour in agriculture can only end when producers and communities themselves take responsibility for ensuring the wellbeing of children and when children and young people play a central role in determining their own wellbeing. From 2016-2020, we will continue to hone our approach, working with companies and governments to share our learning on how producer organizations can become leaders in tackling the exploitation of children in their communities, and supporting efforts to make farming a more attractive career option for young people.

Climate Resilience

During strategy consultations, Fairtrade farmers repeatedly told us that climate change is one of their most urgent problems. In direct response, our strategy will see us increase support for adaptation efforts by engaging in partnerships with organizations that can provide specialist tools and training. We will also help farmers advocate at governmental level to obtain support for adaptation and mitigation efforts.

GOAL 3:

BUILDING FAIRTRADE MARKETS



Fair Foods, The Sustainability Store in Bangalore, India is an example of Fairtrade moving beyond its traditional markets. Fairtrade aims to prioritize growth in Brazil and India, two countries that show great potential for Fairtrade sales in producer countries.

© Didier Gentilhomme

GOAL 3: BUILDING FAIRTRADE MARKETS

Twenty-five years ago, Fairtrade pioneered a new way of doing business. The Fairtrade Mark, the most widely recognized and trusted ethical label globally, remains the most visible sign of our work. But Fairtrade has always meant much more than a label. During the next five years of our evolution, we will complement the mark with ways of working that range from product labelling to enabling business engagement in programmes, always centred on the Fairtrade principles of empowerment, capacity, transparency and fair pricing that are the prerequisites of sustainable development.

Enabling Business to Do Better

Fairtrade will bring its experience and the perspective of producers to designing new and innovative engagement models, enabling companies to achieve their own sustainability and sourcing objectives while driving the changes needed to meet producers' needs. Companies, as well as producer organizations, will have better and faster access to data and information on the impact of Fairtrade on the ground, enabling learning and adaptive strategies to improve the lives of farmers and workers. We will offer optional monitoring and evaluation services to corporate partners to support their sustainability impact measurement and ensure that future interventions are based on strong evidence of what works.

Global Consumer Power

The powerful connection between producers and consumers remains a fundamental pillar of Fairtrade. This strategy will see us continue to engage consumers in places where Fairtrade is already known and trusted and in countries where people are just getting to know us. From 2016-2020 we will establish a truly global support base for Fairtrade, putting products on ever more shelves across the world. We will prioritize growth in Brazil and India, building on already solid progress which demonstrates the enthusiasm of shoppers in producer countries to champion farmers and workers locally as well as fair trade globally.

Committed Citizen Action

Fairtrade is unique in the strength of our grassroots support within our markets. Many of these supporters go beyond buying Fairtrade products; acting as ambassadors in their schools, universities and communities and actively campaigning for trade justice. Our strategy aims to enable more people to take action in more places. We will leverage the power of social media to connect our supporters across the globe, raising people's awareness of the real cost of their food and other products, illuminating the path to a more sustainable lifestyle and encouraging them to join us in campaigning for change.

GOAL 4:

INFLUENCING GOVERNMENT POLICIES

Victor Biwot, a Fairtrade tea farmer, attended the COP21 Climate Summit in Paris in 2015 making sure the voice of small-scale farmers was heard at this important venue. We will increase our work amplifying the voices of farmers and workers in key policy debates.



GOAL 4: INFLUENCING GOVERNMENT POLICIES

The global development agenda is shifting from a focus on poverty in developing countries to tackling global inequality and promoting sustainability. This represents a powerful opportunity to improve the lives of the 1.3 billion small-scale farmers and agricultural workers who play a vital role in producing our food and stewarding our planet. Over the next five years, Fairtrade will play a much greater role in supporting the wider change process needed to effectively deliver the Global Goals for Sustainable Development.

Greater influence for small-scale farmers and workers

Of the 169 action points underlying the Global Goals, nearly every one is somehow related to food and farming. Small-scale farmers and workers must play a central role in the implementation of the goals if they are to deliver food security for the world and change for them. As governments increasingly look to the private sector as partners in delivering the global goals and national plans, Fairtrade has a unique role to play in ensuring these efforts result in positive impact.

We will work to amplify the voices of farmers and workers in key policy debates, supporting them to confront policies at the national, regional and global level that impede fair trade and sustainable business. Together with producers we will advocate for government policies that create an enabling environment for fair trade – from their own procurement policies to their position on trade negotiations and business regulation.

Living Income and Living Wage

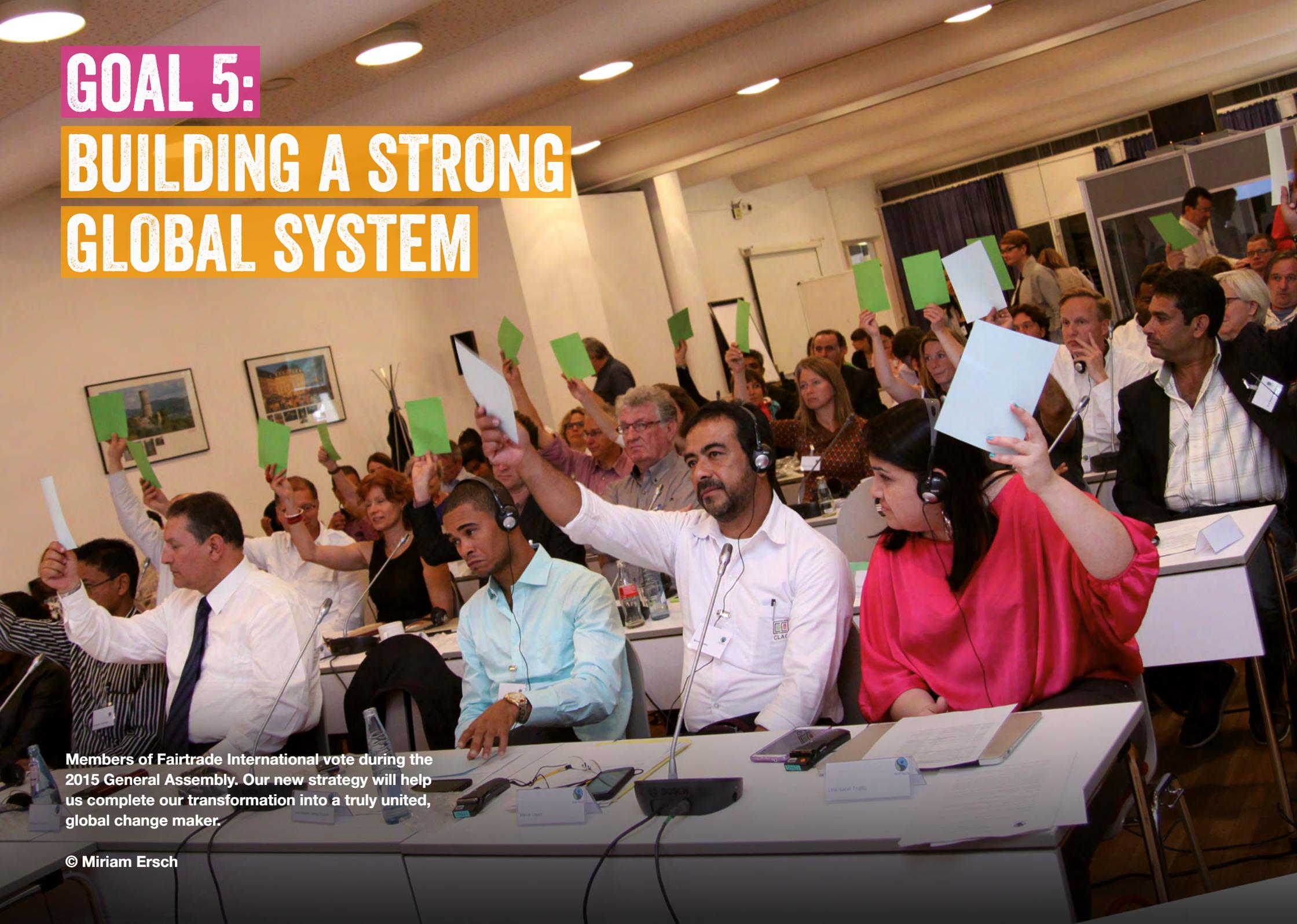
The transformation required to achieve the Global Goals requires a fundamental readjustment of how profits are distributed within supply chains. Progress toward living incomes and living wages in Fairtrade supply chains is core to this strategy. Fairtrade will use our direct experience to influence policies and practices that make sustainable pricing a ‘must-have’ ingredient for living incomes and wages. We will pressure institutions and governments to enforce regulations, set boundaries for the market, and incentivize a more equal playing field.

Coalitions and Partnerships

To achieve the radical shift required for a truly fairer trade system, we must work together. Fairtrade International is part of the wider trade justice movement, alongside the World Fair Trade Organization and other national and local fair trade platforms, and dedicated fair trade producers, exporters and importers. This strategy will see us strengthening links with the wider Fair Trade movement; with other certifiers; with fellow civil society actors and with those private sector companies who are truly dedicated to transformational change. We will support Fairtrade producers to join wider national and regional platforms relevant to them, be it organic agriculture, land-rights, trade or farmers unions. We will continue to play an active role with other social and environmental initiatives through ISEAL.

GOAL 5:

BUILDING A STRONG GLOBAL SYSTEM



Members of Fairtrade International vote during the 2015 General Assembly. Our new strategy will help us complete our transformation into a truly united, global change maker.

GOAL 5: BUILDING A STRONG GLOBAL SYSTEM

The international Fairtrade system is a story of countries in consumer markets partnering with producers under one global banner to push for change to the way global trade is done. In 2011, the system went further when Fairtrade farmers and workers took on half of the decision-making power in Fairtrade. Our 2013-2015 strategy focused on ‘unlocking the power of the many’, driving collaboration and a spirit of oneness; our new strategy will help us complete our transformation into a truly united, global change maker.

Working as One

We will maximize our impact by working together as one system, finding the optimal global-local balance to create a whole that far outweighs the sum of its parts. Our member organizations and the people within them will be better aligned with our global strategic goals and understand their role in achieving them. We will build a stronger culture of partnership, transparency and shared accountability. Internally, our Global Operations Team will evolve into a Global Leadership Team with the authority to allocate responsibilities and resources to achieve strategic targets, report to the Board, and take corrective action if needed.

Producer Leadership

With our last strategy, Fairtrade began to ‘unlock the power’ of inclusive bottom-up ownership and the strong commitment of producer networks to serve and represent their members’ best interests. Our new strategy will accelerate investment in the producer networks to strengthen governance, transparency, and accountability to their members, as well as building operational and external capacity. We will focus on developing

leadership at all levels – from local producer platforms, to regional and continental networks, and support them to develop the knowledge and skills required to exert more influence, inside and outside of Fairtrade.

Learning at the heart of impact

Fairtrade’s Theory of Change (www.fairtrade.net/impact), developed with farmers and workers, is the launchpad for a step change in our ability to understand, analyse and adapt our interventions. We will incorporate learning tools and impact data into all planning and decision-making processes. We will provide open access to impact information, most importantly to producers, but also to business partners. We will involve farmers and workers in learning processes and facilitate peer learning. Platforms for constructive engagement will promote learning partnerships with stakeholders in the public, private and civil society sectors.

Effective use of resources

We realize that delivery of an ambitious strategy requires additional investment to help producers better leverage Fairtrade certification, sales and Premium. National Fairtrade organizations have committed a greater portion of their license fees to this work, particularly to spur excellence in our work on cocoa, coffee and banana supply chains. We will be financially self-sustaining for our core work to build strong producer organizations that respect human rights and we will seek partnerships with donors, companies, civil society organizations, as well as with producers themselves, to drive deeper impact through quality, context-specific programming. We will implement a Value for Money approach, assessing our interventions against a clear cost-benefit framework.

OUR INVITATION TO YOU

Trade can and should be used as a means to help close the gaps that exist across society. A system of fairer trade can induce sustainable change that helps narrow the gaps between rich and poor. It can transform people's economic and social prospects, embed respect for human rights, and guard against exploitation.

'Changing Trade, Changing Lives 2016-2020' is an ambitious yet realistic strategy. While there are no quick fix solutions to tackling inequality, creating opportunity and ending exploitation, Fairtrade is proud of our achievements and confident about our role in supporting sustainable value chains and confronting injustice in trade.

Developing this strategy was a collaborative, wide-ranging effort integrating the thoughts and opinions of individuals throughout our system – farmers and workers, traders and brands, NGOs and consumers – into a vision of how Fairtrade can be a greater force for change.

Our strategy aims to offer more. More benefits for producers. More options for companies. More ways for consumers to contribute to change. More learning for governments and policy makers. As we move forward, we invite all of you to reach out and walk with us on this next exciting stage of our Fairtrade journey, so we can all do more – together.

Working effectively together as a network and in partnership with the many organizations and governments who share our values, we are confident that this strategy will enable us to achieve greater and deeper impact for small-scale farmers and workers.

Find a Fairtrade organization near you at www.fairtrade.net/near-you.



© Santiago Engelhardt

CONTACT DETAILS

FAIRTRADE INTERNATIONAL

Bonner Talweg 177

53129 Bonn

Germany

Tel +49 (0) 228 949230

Fax +49 (0) 228 2421713

www.fairtrade.net

DESIGN

Dreimalig Werbeagentur