Fair trade with the developing countries

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In adopting the report by Mr Raimondo FASSA (ELDR, I) on fair trade, the European Parliament called on the Commission to incorporate the promotion of fair trade in its development policy and trade policy, which would require the drawing up of codes of practice for European TNCs operating in developing countries. It called for the promotion of fair trade to be included as a development instrument in the conclusion of a new agreement with the African, Caribbean and Pacific (ACP) States and the ALA countries. It urged the Commission to produce a Communication on fair trade as soon as possible and advocated the creation of a separate budget line for fair trade. The co-financing of fair trade projects should combine development aid in third countries with development education measures within the European Union. Such projects would be proposed by NGOs or other similar organisations. It welcomed the introduction of special social and environmental clauses under the new GSP and called for the creation of a common European fair trade label, which should comply with the following criteria: - direct buying: European companies importing directly from local producer organisations without intermediaries other than exporting organisations organised for the benefit of their producers and with the exception of groups which, in view of their particular situation, cannot export without an intermediary, - a fair price consisting of current market price, where one exists, plus a fair trade premium, with the proviso that these prices must not fall below a certain minimum, - part of payment in advance if so requested by the producer, - no import or sales monopolies, - price transparency, informing the consumer on the actual price received by the producer, - long-term, stable relations with producers, - conditions of production respecting ILO Conventions in the cases where hired labour is involved, - respect for the environment, production methods which promote economic and social development, - non-discrimination between men and women and no use of child labour, - protection of human rights, women's and children's rights and traditional production methods, - respect for endogenous development and encouragement for the autonomy of local population groups. Parliament called on the Commission to support only projects that were in full accordance with all of these criteria, with the proviso that the products from such projects must comply with health, safety and hygiene standards applicable in the European Union. The Commission should also take into account efforts to comply with these criteria and include among its priorities projects implemented by women. Parliament urged the main players in the fair trade sector (certifying organisations, importers, retail outlets) to operate in accordance with the criteria referred to above in order to safeguard the credibility of the fair trade movement. The Commission should also work with certification organisations to increase credibility and recognition as well as to prevent the unwarranted use of the term fair trade which could mislead consumers. It called on Member States to promote the awareness of fair trade in schools and promote consumer awareness. It called on the Commission to: - institute WTO-compatible and non-discriminatory mechanisms to support fair trade; - in connection with trade agreements, encourage a reduction in customs duties on processed goods; - provide additional preferences for products certified as produced according to recognised fair trade standards; - demand action in support of fair trade to be included in the forthcoming WTO negotiations, - increase the scope of support and harmonise internal procedures so that coherent assistance became available. Parliament recommended that all the European institutions use fair trade products in their internal services.