Basic information

1996/2244(INI) INI - Own-initiative procedure	Procedure completed
Fair trade with the developing countries **Subject** 6.20 Common commercial policy in general 6.40.12 Relations with developing countries in general	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development and Cooperation	FASSA Raimondo (ELDR)	21/11/1996

Committee for opinion	Rapporteur for opinion	Appointed
RELA External Economic Relations	SMITH Alex (PSE)	18/12/1996

Key events

Date	Event	Reference	Summary
15/11/1996	Committee referral announced in Parliament		
19/05/1998	Vote in committee		Summary
19/05/1998	Committee report tabled for plenary	A4-0198/1998	
02/07/1998	Debate in Parliament		
02/07/1998	End of procedure in Parliament		
20/07/1998	Final act published in Official Journal		

Technical information

Procedure reference	1996/2244(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/4/08425

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A4-0198/1998 OJ C 210 06.07.1998, p. 0006	19/05/1998	
Text adopted by Parliament, single reading		T4-0406/1998 OJ C 226 20.07.1998, p. 0013-0073	02/07/1998	Summary

Fair trade with the developing countries

1996/2244(INI) - 02/07/1998 - Text adopted by Parliament, single reading

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.