

# INTERNATIONAL GUIDE TO FAIR TRADE LABELS

A reference tool to better understand the guarantees of fair trade labels, standards, monitoring measures and how they differ from sustainable development labels



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The **French Fair Trade Platform (PFCE)** is the leading French collective of organizations working to promote fair trade. In addition to organizing the dialogue between actors and institutional representation, the PFCE has worked with the development sector, to promote fairer and more balanced north/south relations. Founded in 1997, the PFCE has gained several years expertise in the analysis of fair trade guarantee systems.

> [www.commerceequitable.org](http://www.commerceequitable.org)



**Fair World Project (FWP)** seeks to protect the use of the term “fair trade” in the marketplace, expand markets for authentic fair trade, educate consumers about key issues in trade and agriculture, advocate for policies leading to a just economy, and facilitate collaborative relationships to create true system change.

> [www.fairworldproject.org](http://www.fairworldproject.org)



**FairNESS** (NESS: Network of Exchanges on Social Sciences) is a multidisciplinary network of researchers working on fair trade. **FairNESS France** created in 2006 after the 2nd Fair Trade International Symposium (FTIS) in Montreal, brings together about 30 young researchers from France, Belgium, Canada and Switzerland.

> [www.fairnessfrancophone.wordpress.com](http://www.fairnessfrancophone.wordpress.com)

**FairNESS United Kingdom** mirrors the continental Fairness Network and gathers UK academics. FairNESS UK primarily exists as an online platform for communication and information sharing. The two branches of FairNESS have set up and maintain a mission of knowledge exchange with practitioners, policy makers and donors concerned with themes of fair trade.

> [www.fairnessuk.ning.com](http://www.fairnessuk.ning.com)

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Agro-economist, he has been working for 15 years to support the development of various sectors: bamboo, rubber, child nutrition in Asia; rice, palm oil and coffee in Guinea; Arabic gum in Chad and Sudan; local milk in Niger. He studied the impact of origin products in ACP countries, issues related to the development of private sustainability standards, supported the recognition of Geographical Indications in Asia and Africa, CE and/or Bio certification (Guinea, DRC, Laos, Vietnam).

# FOREWORD

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This guide is an international collaborative effort between four partners: **the French Fair Trade Platform, Fair World Project, FairNESS Fr and FairNESS UK.**

This project has been encouraged by a **context of significant changes within the fair trade sector.**

Firstly, **new labels** (Small Producers' Symbol for which only organized, small-scale producers are eligible to reclaim the values of the movement and, Fair Trade USA which attempts to open it up to unorganized producers and more plantations) **have emerged** and others have been collaborating actively (Ecocert Fair Trade and Fair For Life). One label changed long-standing policies to open its certification scheme to new actors (Fair Trade International with the launch of the Fairtrade Sourcing Programs) and another strengthened its monitoring measures (World Fair Trade Organization).

As regards with legislative aspects, **regulations evolved and now incorporate references to fair trade and sustainable development labels.** This is especially the case for the **new European directives on public procurement (March 2014)** which makes the integration of fair trade criteria in public procurement easier and allows purchasers to demand private sustainable development label

as proof/evidence of conformity with social and environmental requirements.

In terms of fair trade impacts, **the demand from consumers and professionals for concrete proof of the actual impact of fair trade is growing.**

Lastly, the **proliferation of sustainable development labels and the lack of visibility** regarding their requirements has created confusion among consumers and buyers.

This guide's main objectives are as follows:

- **To provide a comprehensive overview of the issues at stake in labelling.**
- **To analyze the content and the monitoring measures of the labels** that overtly claims to be fair trade, allowing professionals and consumers to evaluate each label and compare them to others making similar claims.
- **To underline the specific features of fair trade guarantee systems/labels** in comparison with other sustainable development labels.
- **To synthesize academic research on the identified impacts** of both fair trade and sustainable development labels.

This guide has been mainly designed for professionals and institutional partners (local and

regional authorities, State services, companies, works committee) of the fair trade sector in order to make fair trade professional purchases easier.

Consumers' associations, NGOs and development actors as well as academics will find in this guide accurate information to clarify their understanding of fair trade standards and facilitate their work to enhance producers' organizations in the South.

### › MAIN INFORMATION ABOUT NATURLAND FAIR



#### › CONTACT

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 Kleinhaderner Weg 1- 82166 Gräfelfing, Allemagne  
 Phone: +49 (0) 89-89 80 82-0  
 naturland@naturland.de - www.naturland.de

#### › STANDARD OWNER

Naturland e.V. is the standard owner of the Naturland Fair

#### › CERTIFICATION BODY

Naturland as the certification body

**ACCREDITED BY THE IOAS  
 ACCORDING TO ISO 17065**

#### › HISTORY

A pioneer in the German organic sector in the 1980s, Naturland is now an international association active in many areas: sustainable forest management, sustainable fishing, cosmetics, and textiles. Based on the three pillars of sustainability - agriculture, social interaction and fair relationship, the label "Naturland Fair" was launched in 2010. It is optional for companies already using the organic label "Naturland".

The association Naturland includes 43,000 farmers, ca. 270 000 ha and about 100 cooperatives engaged in organic farming in Germany and around the world. It develops frameworks, organizes the certification audits and carries out advocacy activities.

#### › GOVERNING BODY AND PARTICIPATION

- Every member of Naturland association is involved in decision making. Only farmers can become members, while processors or trader enter into a non-voting Naturland partnership.
- The general assembly gathers all Naturland members and indirectly controls the standards elaboration by nominating a guidelines committee, which proposes standard amendments, and an approval committee, which validates the changes.
- Certification and thus the decision as to whether a farmer or enterprise is entitled to sell products with a reference to production in conformity with Naturland's standards is the responsibility of Naturland's certification committee. The certification committee comprises of up to 20 members from various professions (such as the sciences and research, production, processing and

consumer protection). The intention is to have various professional and social spheres represented, besides the requisite experts in the field of organic agriculture and processing and fair trade.

- Naturland Association is not a member of the ISEAL Alliance.

#### › EQUIVALENCE AND RECOGNITION

Naturland does not recognize other labels as equivalent.

#### › RULES REGARDING USE OF LABEL ON PRODUCT PACKAGING

##### › PRODUCT CERTIFICATION

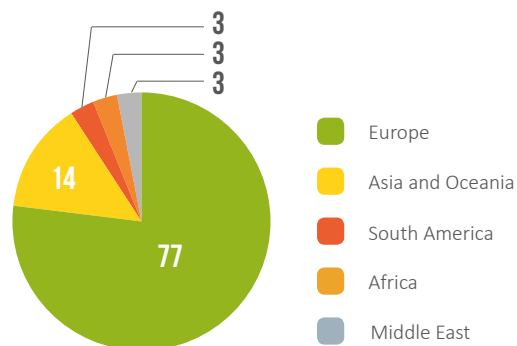
- A product can be certified "Naturland Fair" as soon as the proportion of raw materials from fair trade sources exceeds 50% (dry weight) of the product and the remaining raw materials can be proven not to be available in fair trade form.
- In this case the logo is used to label the products.



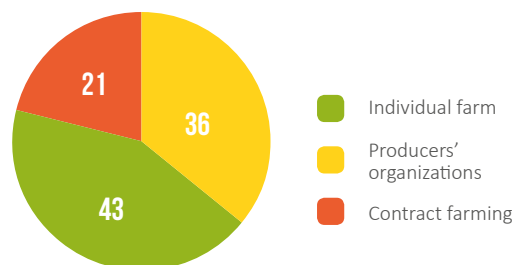
#### PROMOTION AND AWARENESS-RAISING ADVOCACY

Naturland Association is involved in consumer protection activities and awareness-raising on environmental issues. Naturland expects its members to show real social commitment (educational and health programs funding, etc.).

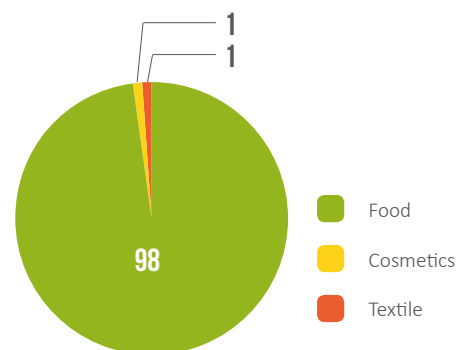
**GEOGRAPHICAL DISTRIBUTION OF PRODUCERS BY CONTINENT (%)**



**TPOLOGY OF THE CERTIFIED ORGANIZATIONS (%)**



**DISTRIBUTION OF SALES (%)**








## > ELIGIBILITY CONDITIONS<sup>1</sup>

GEOGRAPHICAL SCOPE		
<b>Developing Countries</b>	✓	The label applies to production sectors and organizations located in both southern and northern countries.
<b>OECD Countries</b>	✓	In order to define which southern countries are eligible Naturland bases its criteria on the Development Aid Committee list to determine the countries eligible for its certification. They are producers from “economically disadvantaged regions”.  For northern countries, Naturland states OECD member countries as reference.
SPECIFIC REQUIREMENTS		
<b>Organic Certification</b>	✓	To be eligible for Naturland Fair certification, every organization has to comply with the requirements of the Naturland label, including: ■ Compliance with organic farming requirements (full farm conversion)
<b>Social Responsibility</b>	✓	■ Compliance with “Social Responsibility” standards
TYPE OF ORGANIZATION		
<b>Producers' Organizations</b>	✓	Naturland certification is open to producers' organizations (with or without processing plants), individual producers and plantations.
<b>Contract Farming*</b>	✓	Naturland developed a unique standard for the three situations (Producers' organization, contract farming, hired labor).  Naturland has a less restrictive definition for smallholder than other labels and does not address size, turnover or number of employees, but only specifies that smallholders must manage their farm mainly with their family's labor force.
<b>Hired Labor*</b>	✓	Contract farming and hired labor is not restricted to some products in specific geographical zones.
SUPPLY CHAIN INSPECTION		
<b>Production</b>	✓	Production group (producers' organization, plantations and contract farming) must be inspected.
<b>First Buyers</b>	✓	First buyers and traders are audited in all cases. They are inspected against the “Buyers/processors of goods from economically disadvantaged regions” checklist, and the “Processors of goods from OECD countries” checklist, which include corporate social responsibility requirements.
<b>Traders</b>	✓	The certified buyers/processors have to give preference to social disadvantaged groups.
<b>Brand Owner</b>	✓	Retailers are inspected if their own brand products are Naturland Fair certified.
<b>Retailers</b>	✓	
Each stage of the supply chain is fully inspected: traceability and social responsibility aspects are checked. Naturland requires full commitment from the certified organizations. Social responsibility requirements are incorporated into all standards.		
TRACEABILITY REQUIREMENTS		
<b>Physical Traceability* and Documentary Traceability</b>	✓	Physical and documentary traceability are required.




1. The standards analyzed in the following document are the last versions of Naturland Processing Standards (05/2013), Naturland Production Standards (05/2013) and Naturland Fair Trade Standards (05/2012).

## > ANALYSIS OF THE LABEL




### ECONOMIC CRITERIA

STANDARDS	CHECKLISTS	ADEQUACY	COMMENTS
<b>&gt; FAIR PRICE*</b>			
✓		★ ★ ★	Naturland considers three different situations: <ul style="list-style-type: none"> <li>■ If an internationally set minimum price exists (orientated towards the price set by Fairtrade International), it has to be paid, at least.</li> <li>■ If this price does not exist, Naturland buyers and producers start price negotiations on the basis of the costs of production + 10%.</li> <li>■ If local average production costs are not known, the buyer has to pay a price at least 10% higher than the market price.</li> </ul>
<b>&gt; PREMIUM FOR GROUP PROJECTS*</b>			
✓		★ ★ ★	Where an internationally established premium exists (orientated towards the premium set by Fairtrade International), it has to be paid. Otherwise, the buyers have to pay in addition to the fair price, a minimum premium of 10%. As a transition measure, Naturland allows buyers to pay the premium directly included in the fair price. In that case, the fair price including the premium is at least 10% higher than market prices.
<b>&gt; ACCESS FACILITATED TO FINANCE / PRE-FINANCING</b>			
✓		★ ★ ★	Pre-financing* must be granted by the buyers if the producers' organization requests it. Where necessary, the minimum percentage of prefinancing must be defined by the producers. Pre-financing represents maximum 60% of the ordered volume.
<b>&gt; LONG TERM COMMITMENT FROM BUYERS</b>			
✓		★ ★ ★	The Naturland Fair standards mention "long term commitment" from the buyers as a requirement but the checklists are not precise on this aspect. However, Naturland insists on the reliability of the partnership. The trade partners must prove to have regular communication and must jointly plan the quantities exchanged each year.
<b>&gt; TRACEABILITY</b>			
✓		★ ★ ★	Naturland has specific processing standards for most of the raw materials and requires full traceability of the products.

## SOCIAL CRITERIA

STANDARDS	CHECKLISTS	ADEQUACY	COMMENTS
<b>&gt; INTERNATIONAL LABOR ORGANIZATION CONVENTIONS</b>			
✓		★ ★ ★	Naturland standards require the respect of the 11 ILO conventions*. Naturland includes special requirements in the countries where the right to freedom of association and collective bargaining is restricted by law. In that case, the employer facilitates the development of parallel means for independent and free association. Certified body with more than 10 workers has to implement a policy on safety in the work place.
<b>&gt; POLICY FOR MATERNITY, SICKNESS AND RETIREMENT</b>			
✓		★ ★ ★	The certified organization has to provide social security for all workers.
<b>&gt; EQUAL TREATMENT OF ALL WORKERS (WOMEN, RELIGIOUS MINORITIES, SEASONAL WORKERS, ETC)</b>			
✓		★ ★ ★	The auditor must check if employers hires and fires workers on a continuous basis to avoid responsibility for social security. Naturland explicitly focuses on protection of women workers concerning sexual harassment.

## GOVERNANCE CRITERIA

STANDARDS	CHECKLISTS	ADEQUACY	COMMENTS
<b>&gt; FORMALIZED COLLECTIVE STRUCTURE</b>			
✓		★ ★ ★	<i>Producers' organization</i> The production group must have legal status. The auditor has to keep watchful eyes on elements linked to book-keeping.
✓		★ ★ ★	<i>Contract farming and plantations</i> Naturland requires individual producers/workers (plantations) to hold regular group meetings. However, the standard lacks accuracy as no detail is given on the status of these groups. Individual producers/workers (plantations) have to elect a premium management committee.
<b>&gt; ACCESSIBLE TO MARGINALIZED PRODUCERS AND WORKERS</b>			
✓		★ ★ ★	Preference must be given to products from small producers' organizations in economically disadvantaged regions. The standards specify that the majority of the members of the producers' organization are expected to be small-scale producers who are managing their farms mainly with their own and their family's labor force.



## GOVERNANCE CRITERIA

STANDARDS	CHECKLISTS	ADEQUACY	COMMENTS
<b>&gt; CAPACITY BUILDING</b>			
✓		★ ★ ★	<i>Producers' organization</i> With the support of the buyers, the producers' organization has to implement capacity building measures to promote the producers' capabilities. Naturland provides a list of activities as a guideline for producers' organization.
✓		★ ★ ★	<i>Contract farming</i> Even though capacity building must be implemented, Naturland standard does not require, unlike other labels, the individual producers to improve their collaboration in order to organize as an operational small producers' organization in the medium term.
✓		★ ★ ★	<i>Plantations</i> The certified body must provide further education, training and apprenticeship program to workers (continuous improvement).
<b>&gt; RIGHTS OF INDIGENOUS PEOPLES</b>			
✓		★ ★ ★	Every certified organization must comply with the United Nations Declaration on the Rights of Indigenous Peoples. A product created under conditions violating basic human rights, under gross violation of social justice or infringing indigenous land rights cannot be traded as a product certified by Naturland.
<b>&gt; DEMOCRATIC DECISION-MAKING</b>			
✓		★ ★ ★	The auditor must check that a democratic general assembly is held each year. However, beyond this requirement the standards do not include specific requirements on the general governance of the certified organizations.
<b>&gt; TRANSPARENCY OF INFORMATION</b>			
✓		★ ★ ★	Prices for producers must be based on a clear and transparent system available to all producers. The "organic and fair trade policy" of the organization has to be known by farmers and employees.
<b>&gt; PRODUCER PARTICIPATION</b>			
✓		★ ★ ★	In a joint quality assurance approach, the producers' organization has to create a forum/platform where the certified organization's management and the producers/workers communicate problems and quality requirements.
<b>&gt; NON-DISCRIMINATION</b>			
✓		★ ★ ★	Naturland insists on the necessity to take cultural and religious matters into account in order to check compliance with this criterion.

## GOVERNANCE CRITERIA

STANDARDS	CHECKLISTS	ADEQUACY	COMMENTS
<b>&gt; MONITORING OF THE DEMOCRATIC MANAGEMENT OF THE PREMIUM FOR GROUP PROJECTS</b>			
✓		★ ★ ★	<i>Producers' organization</i> The use of the fair trade premium has to be managed by a decision-making body democratically elected in a plenary meeting of producers and/or employees. An annual report on all activities financed by the premium must be written each year by the decision-making body and transmitted to the producers.
✓		★ ★ ★	<i>Contract farming and plantations</i> Naturland standard does not have additional requirements to the one listed above for democratic management of the premium in hired labor and contract farming situations.

## ENVIRONMENTAL CRITERIA

STANDARDS	CHECKLISTS	ADEQUACY	COMMENTS
<b>&gt; REDUCTION OF THE ENVIRONMENTAL IMPACTS OF ACTIVITIES (ENERGY, SOIL, WATER AND WASTE MANAGEMENT)</b>			
✓		★ ★ ★	Naturland fair standards are precise and comprehensive on these aspects: <ul style="list-style-type: none"> <li>■ Energy should be used as efficiently as possible and renewable energy resources are preferred.</li> <li>■ Natural water resources are to be used carefully and with particular respect to sustainability.</li> <li>■ Wherever waste is unavoidable, it should be disposed of in an eco-friendly manner or recycled. Organic residues should be re-used and preferably composted.</li> <li>■ Preference is to be given to procuring raw materials and goods from suppliers in close proximity.</li> </ul>
<b>&gt; PROTECTION OF BIODIVERSITY (ON THE FARM AND ON LOCAL ENVIRONMENT)</b>			
✓		★ ★ ★	Damage to ecosystems are expected to be kept to a minimum. Measures linked to protection of biodiversity are detailed for each products covered by Naturland Fair certification. To encourage healthy plants, measures such as crop rotation or humus management as well as the selection of healthy and resistant plants and seeds are the most important considerations according to Naturland Fair standards.
<b>&gt; PROHIBITION OF HAZARDOUS SUBSTANCES</b>			
✓		★ ★ ★	The use of synthetic chemical substances and growth regulators is prohibited.
<b>&gt; BAN ON GMOS</b>			
✓		★ ★ ★	GMOs are banned. The unintentional contamination of products certified by Naturland with genetically modified organisms may lead to withdrawal of Naturland fair certification.

MONITORING MEASURES	ADEQUACY
<b>AUDITS</b>	
AUDITORS	★ ★ ★
MEETINGS	★ ★ ★
DOCUMENTARY REVIEW	★ ★ ★
ON-SITE INSPECTION	★ ★ ★
PRODUCER/WORKERS INTERVIEWS	★ ★ ★
FREQUENCY	★ ★ ★
SURPRISE AUDIT	★ ★ ★
<b>SCORING AND RULES</b>	
SCORING	★ ★ ★
CORRECTIVE ACTIONS	★ ★ ★
SUSPENSION/WITHDRAWAL OF THE CERTIFICATION	★ ★ ☆
<b>CERTIFICATION COSTS AND MEMBERSHIP FEES</b>	
TRANSPARENCY	★ ★ ☆
FINANCIAL ASSISTANCE	★ ★ ☆
<b>PROCEDURES</b>	
COMPLAINTS, APPEALS AND ALLEGATION PROCEDURES	★ ★ ★

## AUDITS

- › **Auditors.** Naturland entrusts certification bodies with the inspection. These certification bodies are selected according to their experience over the years and their knowledge on different cultures way of living. Equality is a criterion taken into account when auditor teams are created.
- › **Meetings**
  - Inspection’s methodology is based on the “Recommendations for Inspection of Social Standards” by IFOAM.
  - An opening meeting must be planned during the on-site inspection. The auditors have to present the methodology of the evaluation and provide an evaluation plan. A closing meeting must be planned and needs to include a presentation of the results of the evaluation and of the non-compliances identified
- › **Documentary review**
  - The review includes: inspection of the internal control system; all documents related to staff files and management (contracts, personnel records, etc.); check of purchase records and supplier certificates and sales documentation; annual report of the use of the premium; follow-up products records.
  - The inspection of grower groups mainly focuses on the group’s internal control system and evaluates whether the internal control system is functional and provides necessary information to evaluate the growers’ compliance with Naturland standards.
- › **On-site inspection**
  - A comprehensive inventory is carried out by the auditors to check how the products are processed, labeled and transported.
  - The auditor is expected to meet workers and management staff, and to attend one of the meetings of the organization.
- › **Producer/workers interviews.** All concerned producers and workers must be interviewed (precise guidelines).
- › **Frequency.** The external inspection is carried out on an annual basis.
- › **Surprise audit.** Unannounced audits may be organized if Naturland decides it.

## SCORING AND RULES

- › **Scoring.** There is a 0 – 4 ranking, the norm of 2 must be achieved by each indicator. The organization must comply with the criteria identified as "minima" at all time.
- › **Corrective actions.** In case of non-compliances, appropriate corrective or mitigating measures must be taken and added to the internal control system by the production group. There is no pre-determined deadline for the implementation of corrective measures but a particular attention has to be paid to non-compliances identified during the previous audit and to the efficiency of corrective measures implemented.
- › **Suspension/withdrawal of the certification.** Depending on the seriousness of the non-compliances (linked to the criteria included in the checklists), certification may be granted or denied. However, rules on suspension/withdrawal of the certification are not specified.

## CERTIFICATION COSTS AND MEMBERSHIP FEES

### > Transparency

- External inspection costs are made up of a daily fee for the time the inspector spends in the field, travels and writes the report. Furthermore, direct expenses such as travel costs, accommodation and postage for reports also have to be paid. Daily fees charged by inspection bodies vary between US\$150 and 350.
- The amount of membership fees is not available online.

> **Financial assistance.** Naturland does not mention any financial assistance to support production groups in their application. However, the buyer can pay the certification for the producers' organization. In this case it owns the certification of the producers' organization.

## PROCEDURES

> **Complaints, appeals and allegation procedures.** Anybody (consumers, the Naturland Fair target group, all kind of workers, smallholders etc.) can complain to Naturland (or the respective inspection body) about non-compliances.

## SUMMARY

A pioneer in the German organic sector, Naturland has become an international association active in many areas (sustainable forest management, sustainable fishing, cosmetics, textiles, etc.) and has elaborated various standards dedicated to commodities not covered by the "Organic Agriculture" label.

Naturland Fair, launched on 2010, is the result of a partnership with German company GEPA. The standard is based on the three pillars of sustainability- agriculture, social interaction and equitable relationship - the label "Naturland Fair" certifies products processed by

companies already certified through "Naturland" standards, which cover requirements on corporate social responsibility and organic production.

Naturland Fair was one of the first labels, along with Bio Solidaire and Fair for Life, to open its certification to producers from OECD countries and since then has certified innovative products made of fair trade ingredients from Northern and Southern countries (starting with the launch of the first fair trade chocolate with fair trade milk in 2011).

Naturland pushes for a global commitment by its members and enhances this commitment with a specific logo "Naturland Partner".

Particular attention is paid to agricultural models and to food security issues: the process encourages support for small farms and requires that 80% of product ingredients come from local sources.

The Naturland association conducts advocacy and awareness-raising to change the international rules governing agricultural production and trade relations.

The 8 labels studied in this chapter all claim to be fair trade labels. The analysis evidences that they all (with one exception) integrate the basic criteria of the Charter of Fair Trade Principles in their standards but with different degrees of requirements. Only **Forest Garden Products (FGP)**, despite precise requirements on environmental and social aspects, **does not fulfill most of the fair trade economic requirements** and is less demanding on organizational issues.

## ECONOMIC CRITERIA

**As far as economic requirements are concerned, minimum prices\* and premium for group projects\* are two fundamental fair trade issues included in every standard of the studied labels.**

Regarding those criteria, we can distinguish two approaches. For Fairtrade International, Small Producers' Symbol (SPP) and Fair Trade USA those prices apply for products and are the result of a consultation between all stakeholders within the value chains. For the other labels (Fair for Life, Ecocert Fair Trade, Naturland Fair and WFTO) prices

are developed through consultation between producers and buyers for each partnership.

In both approaches **minimum prices** must be above market prices and must be based on an assessment of the production costs. Fair for Life, Fair Trade International, Ecocert Fair Trade, SPP, Naturland Fair and Fair Trade USA standards provide that a specific additional premium must be paid to the producer group in case of organic agriculture production (around 5% additional).

The majority of the studied labels require the buyers to pay a **premium for group projects**, in addition to the fair price, to producers and workers. Only the WFTO directly integrates the premium into price calculations.

In the specific case of FGP, there is no minimum price guaranteed by the guarantee scheme, or methodology for calculating a fair price. On these points, the standard is vague and states only that prices should be above the conventional purchase price. As a consequence, FGP cannot be considered as a fair trade label.

As regards with **long-term commitment** from the

buyers, the analysis demonstrates that most of the studied labels based their requirements on sourcing plans, which buyers must provide to producers' organizations. Only Ecocert expects buyers to commit to their suppliers for a determined period (3 years). Only FGP lacks any requirements on these aspects.

**Traceability aspects** are well checked by the 8 studied labels, as separation between fair trade and non-fair trade ingredients/products is compulsory all along certified supply chains (producers, traders, processors, brand owner are inspected).

Nevertheless, even though both Fairtrade International and Fair Trade USA labels require physical traceability as a general rule, both also allow mass balance for cocoa, tea, cane sugar, fruit juice. Mass balance is also allowed for cotton by the Fairtrade label, through its Fairtrade Sourcing Program.

## SOCIAL CRITERIA

**The 8 studied labels require 11 International Labor Organization\* (ILO) conventions identified**

**in the analytical framework to be respected.**

Most of them keep watchful eyes on discrimination issues: for example, Fairtrade International, Fair for Life, Naturland Fair, WFTO, FGP, Fair Trade USA and Ecocert Fair Trade all expect certified operators to elaborate policies for gender equality among the payroll.

One exception can be mentioned regarding that the Fairtrade International standards for contract farming, which do not tackle 2 aspects of the ILO conventions: safety and health of workers and freedom of association/collective bargaining.

In terms of additional social benefits (social security, sick leave and retirement scheme), most of the studied labels consider national laws as a minimum to be respected. Naturland Fair, Fairtrade International, Fair for Life, Ecocert Fair Trade and Fair Trade USA go beyond national laws and expect, especially in hired labor situations, the certified organization to implement specific measures (like extra maternity leave, for instance, or further education) as a continuous improvement requirement.

We can observe that fair trade labels created by

organic certification bodies, like Naturland, Fair for Life and Ecocert, have included "corporate social responsibility" as a precondition to be fair trade certified.

**ORGANIZATIONAL CRITERIA**

This guide mentions **three kinds of production organization: producers' organization, contract farming and plantations.**

SPP is the only label that restricts eligibility to producers' organizations. This label is also the most demanding regarding the size of production units and works only with producers' organizations composed of at least 85% of smallholders.

The other labels have opened their certification to new actors. Some of them like Fairtrade International and Fair for Life have elaborated new standards to cover these situations. Others have included specific requirements within their existing standards.

As a general trend, we can observe that **as far**

**as producers' organizations are concerned, democratic and participatory requirements are comprehensive and precise.** Monitoring is efficient and relevant; it includes documentary review and regular on-site visits with interviews with producers and management to triangulate sources. Every label elaborated specific requirements for the transparent and efficient management of the premium for group projects. In addition to the premium, all the studied labels expect the certified organizations to implement regular capacity building activities for their members.

As regards with contract production and hired labor, Fairtrade International, Ecocert Fair Trade, Fair for Life and Fair Trade USA expect individual producers and workers to gather into a collective body, in charge of the management of the premium for group projects and of the dialogue with the contracting company / management of the plantations. However, the possibility given to representatives of the contracting company to take part in the producers meeting dedicated to the monitoring of the premium for groups projects should be questioned regarding the core values of producers' independence defended through fair trade.



### ENVIRONMENTAL CRITERIA

**Four of the 8 studied labels are specialized in organic certification** (Fair for Life, Naturland Fair, Ecocert Fair Trade, FGP) and base their requirements on organic norms. Related standards and control checklists are relevant and accurate.

**Fairtrade International, WFTO and Fair Trade USA have their own criteria for assessing environmental aspects.** They broadly cover the main issues linked to biodiversity and environmental impacts, with an emphasis on continuous improvement rather than mandatory requirements. They encourage producers to improve their environmental practices by granting a special premium to the production group in case of organic certification. **SPP also has their own requirements**, though they are weaker than other labels; at this time about 90% of producer groups that are members of SPP also have organic certification.

### CONCLUSION

As a general trend, **the monitoring measures implemented by fair trade labels are relevant and trustworthy.** Every label based its certification on a third-party audit run by professional inspectors and control on a regular basis the certified organizations in order to monitor the respect of core requirements and evaluate improvements over time. This analysis highlighted that WFTO, an historical actor of the fair trade sector, has recently strengthened its monitoring measures by introducing external audits in addition to its peers visits and "Self Assessment Report".

In **terms of promotion, advocacy and awareness-raising** on fair trade issues, we can observe **significant differences between pioneers of the fair trade sector and new labels** (except Naturland). While all accepted definitions of fair trade insist on these dimensions, only WFTO and Fairtrade International and Naturland invest in the promotion of policies and practices that support the fair trade sector and the producers from developing countries.



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# INTERNATIONAL GUIDE TO FAIR TRADE LABELS

**W**hy are labels and guarantee systems necessary to guarantee fair trade practices? What are the main fair trade criteria controlled by the labels? Are the certification processes relevant to ensure that the basic fair trade principles have been fulfilled? What are the main differences existing between fair trade labels and sustainable development labels? What do we know about fair trade impacts?

In order to meet all these issues, this guide examines 8 labels and guarantee systems claiming to be fair trade labels - **Ecocert Fair Trade, Fair for Life, Fairtrade International, Fair Trade USA, Forest Garden Products, Naturland Fair, Small Producers' Symbol and World Fair Trade Organization** - and offers a comparison with 5 sustainable development initiatives which are sometimes confused with fair trade labels - **4C Association, Bonsucro, ProTerra Foundation, Rainforest Alliance and UTZ Certified**.

This publication is the result of an international collaboration between four stakeholders involved in the fair trade sector: **the French Fair Trade Platform (PFCE), Fair World Project, FairNESS France and FairNESS United Kingdom**.

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