



## ***SUSTAINABLE DEVELOPMENT MUST ACCOUNT FOR PANDEMIC RISK***

**Covid-19 Pandemic: Fair Trade movement statement to G-20 leaders**

**15th April 2020**

The World Fair Trade Organization and Fairtrade International, supported by the Fair Trade Advocacy Office, have issued the following joint statement in relation to the upcoming G20 Action Plan in response to Covid-19.

### **Background**

Farmers, workers and artisans in global supply chains are facing a crisis like no other. As trade halts, many enterprises and supply chains that exist to create opportunities for people around the world are fighting to survive. Globally, the Fair Trade movement works with over 2 million workers, farmers and artisans. Whether it is women jointly running a coffee cooperative in Kenya, workers in a Fairtrade certified banana plantation in Cameroon, refugees employed by a Fair Trade Enterprise in Italy, or artisans in a city slum in India working with their local producer group, they all depend on fairly-traded supply chains to survive and thrive.

COVID-19, which started and continues as a public health crisis, has rapidly become an economic crisis, exposing numerous weaknesses in the current system. The recent lockdowns and the closure of borders are having an immediate negative impact on the income of the poor and vulnerable households. Where lockdowns are in place, social protection mechanisms are needed to support borderline and vulnerable households. This is not a simple option for many countries across the world.

An immediate concern relates to food security and nutrition, which are expected to be heavily impacted by the health crisis and the necessary responses, including limitations on travel and transportation and closure of public markets. Territorial markets, through which most of the food is bought in the developing world, will be affected and small-scale farmers are already losing the channels to sell the food they produce.

This crisis has reminded us how interconnected the world is, and that supply chains are only as strong as their weakest link. It is not only the food security of the Global South that is at stake. The food security of the Global North may also be jeopardised unless the farmers that grow our food can continue to work safely to supply consumers across the world. The question is not whether wealthy nations will help farmers, the real challenge is how to support farmers, in the Global North and in the Global South, to feed the world.

COVID-19 may possibly have rewritten the rules, but it has certainly made us ask what rules are the most important. We have the opportunity to radically rethink the unsustainable and

unequal global growth model and replace it with an emphasis on well-being, sustainability and equity.

### **Fair Trade Enterprises and Fairtrade supply chains at risk**

The impact of the crisis is being heavily felt by Fair Trade Enterprises and Fairtrade supply chains, which have been precisely set up by and for the most marginalised and disadvantaged producers in the Global South. Textile and flower supply chains are particularly affected by severe reductions in orders and face challenges in shipping and air freighting goods. The impacts of this are already being felt in job losses and reduced incomes which threaten to exacerbate poverty.

Fair Trade Enterprises and Fairtrade supply chains are a good practice model in how a private sector economic development strategy can be designed to achieve Agenda 2030 and the Sustainable Development Goals, such as poverty reduction (SDG 1), inclusive and sustainable economic growth (SDG 8), decent work (SDG 9) and sustainable consumption and production (SDG 12). If Fair Trade Enterprises do not survive the current economic crisis, or if Fairtrade supply chains dry out, the heaviest price will be paid by the most vulnerable in developing countries, progress towards the achievement of Agenda 2030 in recent years will be unmade.

Putting in place specific temporary support measures to ensure that Fair Trade Enterprises and Fairtrade supply chains can continue running would be therefore an investment that delivers returns in terms of sustainable development impact, many times over. Their disappearance, precisely now, would be paradoxical, as global policy-makers and business leaders have recognised how unsustainable the dominant patterns of model of production, trade and consumption have dominated so far the global economy.

### **The Fair Trade movement calls on G-20 leaders to:**

#### **1) Put people first**

Put in place furlough schemes to support workers and farmers in low-income countries where they are most at risk from poverty and hunger. Engage, whenever possible, retailers and traders in co-financing these schemes and ensuring they stand-by by their suppliers, instead of cancelling orders, as it is currently happening in particular in textile supply chains.

Ensure that adequate food and essentials needs, such as decent accommodation and access to water, is ensured to farmers and workers in any circumstance. Where national governments are not advising a lockdown of farms and plantations, rapid testing, adequate Personal Protective Equipment (PPE) and training on social distancing must be provided to farmers and workers.

#### **2) Provide urgently a stimulus package to support a green and fair transition**

Support a comprehensive stimulus package for low-income countries which includes provision to redouble investment in their public health systems.

Ensure a strong climate, environmental and biodiversity focus, to turn a post-COVID-19 investment boom into an opportunity to transition to a fair and carbon-neutral economy with sustainable and resilient supply chains.

Ensure financial support is provided directly and urgently to farmers, agricultural communities, social enterprises, cooperatives, and not only to aid agencies and governments.

Link any corporate aid packages to sign-up to a new global social contract based on clear, measurable, corporate standards of conduct. All company bailouts must be linked to clear conditionalities and comply with strict conditions: no money for polluting industries without binding commitments to address the climate change crisis, no cancelling contracts with their long-term partners in their supply chains.

### **3) Support Fair Trade Enterprises and Fairtrade supply chains**

Actively provide short-term financial support through dedicated funds as well as interest-free credits or loans to allow for sufficient working capital to enable Fair Trade Enterprises and Fairtrade supply chains to survive the crisis so they can keep doing their part to drive the sustainable development agenda by ensuring fair, resilient and safe supply chains.

Set up longer-term access to finance initiatives and retool “Aid for Trade” strategies to focus on pro-poor initiatives led by and targetting disadvantaged groups aiming at empowering them to ensure sustainable livelihoods through fair, resilient and safe supply chains.

*“This is the biggest challenge the Fair Trade movement has ever faced. If we are to retain the progress we have made to achieve sustainable development, immediate support from governments to Fair Trade Enterprises and supply chains is urgently needed.”* said Roopa Mehta, President of the World Fair Trade Organization.

*“Despite the impact of coronavirus in their communities, Fairtrade farmers and workers from the global south continue to supply consumers around the globe with the most essential and beloved products such as tea, coffee, bananas, cocoa, flowers, spices, and rice. We call on the G20 to act decisively in supporting the most vulnerable in those supply chains who play such a vital role in keeping the world fed and healthy during the crisis.”* said Dario Soto Abril, CEO of Fairtrade International.



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More information on the Fair Trade movement’s reactions to the Covid-19 Pandemic can be found on [www.fairtrade-advocacy.org/covid-19](http://www.fairtrade-advocacy.org/covid-19)