

SUMMARY OF FINDINGS: FAIR TRADE PURCHASING POLICIES

1. Governmental Authorities that have Adopted Ethical Purchasing Policies

In general, purchasing seems to be a decentralised activity, left to the individual government departments and municipalities to decide upon. Fair Trade purchasing decisions are often made by choice, rather than by policy, particularly at the provincial and federal level. This explains the rather scattered nature of fair trade purchasing to date in the various countries (see table 1.1). There appears to be a trend towards increasingly adopting purchasing policies which respect environmental or social criteria across all countries on all government levels. Perhaps this is because the government is now obliged to demonstrate how it is contributing towards sustainable development. Fair trade has the opportunity to integrate itself into both environmental (i.e. green purchasing policies) and social purchasing policies (i.e. ethical or socially responsible purchasing policies) across all government levels.

Table 1.1 Government Fair Trade Purchasing

Country	Federal	Provincial	Local
Canada	<ul style="list-style-type: none"> • Unconfirmed reports of the General Assembly (Senate and House of Commons) • Parts of PWGSC and Foreign Affairs 		<ul style="list-style-type: none"> • City of Vancouver. • Numerous schools, universities, hospitals, and businesses (Viareil) across the Country.
Austria	<ul style="list-style-type: none"> • Foreign Affairs Ministry • Finance Ministry • Agriculture Ministry • Presidential Palace • Federation of Austrian Trade Unions • EU Presidents Office 	<ul style="list-style-type: none"> • Lower-Austria 	<ul style="list-style-type: none"> • Numerous municipalities, including 7 in Styria. • Various universities and businesses (Mobikom, RLB NO-Wien).
Spain		<ul style="list-style-type: none"> • Catalan 	<ul style="list-style-type: none"> • Some municipalities including Cordoba in Andalucia. • Certain universities.
UK	<ul style="list-style-type: none"> • Constitutional Affairs • Treasury • Foreign Affairs 		<ul style="list-style-type: none"> • Certain municipalities, as well as other public administrations like schools and hospitals.

2. Guidelines or Ethical Purchasing Policies

Due to the decentralised nature of purchasing, different public agencies at the federal and provincial level appear to have their own purchasing practices. Increasingly, these departments are encouraged to consider social and environmental aspects as well as price when purchasing goods (see table 1.2). Thus, fair trade has a great opportunity by associating itself with broader purchasing policies already in place in the various agencies that favour environmental and social criteria. Canadian federal and provincial agencies are guided by their respective purchasing departments in their purchasing decisions. At the federal level for example, Public Works and Government Services Canada (PWGSC) - who have standing offers (open-contracts) for many goods and purchase them on behalf of other departments - make green purchasing recommendations to departments through their Office of Greening Government Operations (although their recommendations do not include fair trade products). Certain other government bodies also influence departmental green procurement¹. Mechanisms within the departments themselves to encourage greener practices exist too (such as departmental awareness and Green Citizenship Teams). Green objectives which become part of departments' Sustainable Development Strategies are monitored by the Commissioner of the Environment and Sustainable Development.

¹ According to the Policy on Green Procurement, PWGSC together with Environment Canada, Natural Resources Canada and Treasury Board of Canada Secretariat must establish appropriate directives, standards, tools, guidance, support and training.

Table 1.2 Examples of Relevant Guidelines and Policies that Encourage Social and Environmental Purchasing in Canadian Government Agencies²

Country	Policy or Guideline	Specifies Certified Fair Trade
Canada	<p>Federal</p> <ul style="list-style-type: none"> • Policy on Green Procurement (as of April 1, 2006 for all federal departments) • Sustainable Development Strategies (prepared by all federal departments every 3 years) and Departments' Environmental policies and Departmental Performance Reports • Environmental Petitions by Canadian Residents • Department of Foreign Affairs Green Procurement Checklist • Department of Foreign Affairs Kit for Ensuring Green Conferences • Environment Canada principles or practice on green purchasing, as well as a standard clause for product tenders and service contracts <p>Provincial</p> <ul style="list-style-type: none"> • The Sustainable Development Act (Manitoba and Quebec) and related Sustainable Development Procurement Policies <p>Local</p> <ul style="list-style-type: none"> • Ethical Purchasing Policies (Vancouver, Toronto, Black Diamond) 	<ul style="list-style-type: none"> • No • No (for Foreign Affairs, others unknown) • No • No • No • No • No • No

At the municipal level, establishing formal purchasing policies can be a lengthy and challenging process. Firstly, a strong and detailed policy must be adopted once a resolution has been passed. Then, monitoring is necessary in order to assure that the policy is correctly implemented. Agencies do not have the time or funds to verify that their suppliers live up to stringent social and environmental criteria, and using independent third parties can also be a costly process. Often the onus is placed on the suppliers (using a self-declaration principle), and third parties are allowed to report on any inappropriate practices (which may terminate the contract). By specifying in the policies that certified fair trade products must be preferred, government agencies can get around this problem. The certification automatically assures the agencies that the product has been produced according to stringent social and environmental principles.

3. Financial Cost of Ethical Purchasing Policies

Due to the decentralised nature of purchasing it is difficult to find information on the costs of such policies. Information was only found for Vancouver. The city budgeted a cost increase of \$285 500³, however in the end it saw the costs actually fall by \$3 000. This is because the no-sweat segment of the ethical purchasing policy, which applied to clothing purchases, led to an annual saving of \$14 000, which offset the \$11 000 of increased costs for the purchasing of fair trade products. These increased costs were associated with certified sugar and chocolate bars (which have been dropped for the time being). Fair trade certified coffee actually resulted in lower costs.

4. Value of Government Purchasing and the Potential Fair Trade Market

In Canada, federal government purchases (excluding Crown corporations) of products and services total over \$13 billion. The Quebec government purchases goods and services worth a total of \$10 billion per year, representing between 10 to 15% of the GDP. In the UK, fair trade sales represent 6% of the foreign affairs food services, 19% of constitutional affairs food services, and 45% of the treasury food services. Regardless of the lack information available, it is clear that fair trade has great room for expansion at all government levels in all countries studied.

² Data for this table emerged from the study of the 5 research questions, although it was not a research question in itself. Thus, this table is not exhaustive and would benefit from more rigorous investigation.

³ <http://www.city.vancouver.bc.ca/ctyclerk/cclerk/20050217/cs7.htm>.

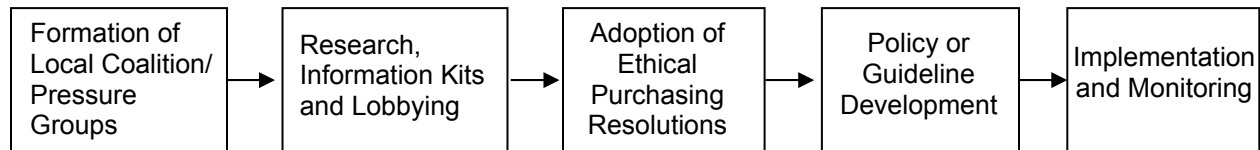
5. Organizations Involved in Lobbying the Government regarding Ethical Purchasing

In general, there is a broad spectrum of groups lobbying the government to incorporate fair trade and ethical aspects into their purchasing policies (see table 1.3).

Table 1.3 Some of the Main Organisations Lobbying the Government for Ethical Purchasing

Country	Groups
Canada	Students Against Sweatshops-Canada (SAS-C), Maquila Solidarity Network, Union of Needletrades, Industrial and Textile Employees, Canadian Labour Congress, Oxfam, Fair Trade Network, Quebec Coalition against Sweatshops (which regroups several unions like the FTQ and CSQ, the University of Montreal, Amnesty International, Oxfam-Quebec, CISO and EVB-CSQ), and members of the Canadian Coalition on Fair Trade (like Equiterre, North-South Institute, Transfair, Equita etc.).
Austria	ICLEI (Local Governments for Sustainability European Secretariat, Sustainable Procurement), Welthaus Graz, Lower Austrian Environment Ministry, Fair Trade Austria.
Spain	IDEAS and Setem (through the Clean Clothes program).
UK	Amnesty International UK, Friends of the Earth, Christian Aid, War on Want, Ethical Trade Initiative (made up of unions, NGOs and enterprises), CORE (made up of 100 organizations), One World UK.

Figure 1.1 Ethical Purchasing Policy Process



The ethical purchasing process generally involves five steps (see figure 1.1) at the municipal level. Firstly, local coalitions are formed and background research is conducted. Secondly, these coalitions provide City Councillors, the mayor and City staff, with information about the rationale behind their campaign, the potential costs of the policy, its legal ramifications, as well as positive examples from other public institutions that have already adopted such policies. In Vancouver and Ottawa, for example, information kits were assembled and distributed to City Councillors prior, and campaign members were offered to meet with the Councillors to answer any questions and address their concerns. Public outreach activities were also conducted to rally the support of a broad constituency. This was generally done through events such as “No Sweat” fashion shows, information booths set up in various venues, visits to local schools, etc. Step 3 is the adoption of ethical purchasing resolutions, an easier step than the subsequent one. The fourth step, where the policy itself is developed, requires rigorous attention to detail. Whilst steps 3 and 4 tend to be very formal at the municipal level, evidence suggests that it may be much more informal at the provincial and federal level. Some departments in the UK, for example, do not have a formal resolution or policy in place, but tender specifications and contracts with merchandisers do specify that certified fair trade is preferred. This is also the case for several other European nations. Those departments that have some sort of requirement ensuring that their procurement officers choose the most socially and environmentally responsible option all other factors being equal (i.e. price, quality etc.), would presumably choose fair trade certified products ahead of others if they are well informed. Monitoring, part of the fifth and final step, is relatively simple and hassle-free as certified fair trade products already have a monitoring system in place.

6. Potential Opportunities and Strategies

FEDERAL LEVEL

Focus energy on targeting a few key departments - Deputy-heads of certain departments (who are obliged under the Policy on Green Procurement to ensure that green procurement objectives are realised), environmental groups within the departments themselves (such as the Green Citizenship Team in Foreign Affairs), procurement officers, and other individuals sympathetic to fair trade could be contacted. Demands could include: (1) incorporating certified fair trade into their sustainable development policies, as one of the concrete actions they will take towards sustainable development (which would then be verified by the Auditor General of Canada to ensure that it is implemented); (2) specifying certified fair trade in their green procurement policies and green conferences checklists; and (3) ensuring that certified fair trade is specified in contract tenders, conditions and/or standing offers. Once these departments are on board, their experience could be used to sell the idea to other departments. PWGSC could be lobbied in parallel too, so that they encourage fair trade certified products in their recommendations to other departments, and invite fair trade representatives to future government green procurement consultations.

Submit an environmental petition – Ask all federal departments why they do not purchase certified fair trade products (coffee, tea etc.), or why fair trade certified products are not included in green or ethical purchasing policies or sustainable development policies. The environmental petition process is a formal way for all Canadian residents to bring concerns about the environment and sustainable development to the attention of ministers and obtain a timely response, as petitions are verified by the Commissioner of the Environment and Sustainable Development.

Target winners of environmental awards – Each year Environmental Awards are awarded to government employees who succeed in implementing green initiatives as part of the Partners for a Green Hill⁴. These individuals could be targeted and supported in setting up fair trade purchasing in their own departments, as they are already well-connected change-agents sympathetic to such causes. Such individuals could be key to not only pushing fair trade purchasing through within their organisations, but also for providing information for the Coalition on which buttons to push from the outside too.

PROVINCIAL LEVEL

The same strategy suggested for the federal level could be used for the provincial level, in terms of forming a coalition to focus efforts on a few key departments, and once they are on board, expanding to include others. The provincial purchasing agencies could also be targeted in parallel, as they probably also influence purchasing decisions in their provinces. Where such an environmental petition or government environmental award exists at the provincial level, this may provide a much faster method for reaching influential individuals and effecting change. Specifically for Quebec, a letter could be written to the Public Finance Commission asking them to readdress the discussion about responsible investment which began in 2002 but was dropped by the new government.

LOCAL LEVEL

Several initiatives with municipalities are already underway but not yet adopted (e.g. in Ottawa, Brandon, Victoria, and Quebec). The coalition could dialogue with the coalitions lobbying these municipalities and find out how they could support these efforts already underway, thereby reinforcing and strengthening these initiatives. The example of Vancouver is certainly a good sales point for efforts within other municipalities, and this result could be used as a blue-print for other efforts (as could the document about winning and implementing ethical purchasing policies at the municipal level which is currently being prepared by Ian Hussey of the Canadian Student Fair Trade Network). Also, fair trade groups could seek inclusion in ethical purchasing symposiums which take place in Canada for all government levels (like during the last National Roundtable of the Environment and the Economy), as in Spain and Austria.

⁴ See <http://www.parl.gc.ca/Information/About/Greenhill/programs/Awards2006-e.htm>.