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A Message from the President

It is a privilege and pleasure for me to reach out to our members, friends and Fair Trade supporters through this report. I would like to extend a sincere gratitude to the many dedicated people who contributed through our Board, Committees and Working Groups. You have been key to making the World Fair Trade Organization a vibrant and dynamic global membership organisation.

Improving the livelihoods and well-being of economically marginalised farmers and artisans, through linking and strengthening Fair Trade Organisations, continues to be our main mission. Our vision for the WFTO as a movement of Fair Trade Organisations promoting social and economic development, sharing ideas, finding solutions, debating issues, denouncing injustice and encouraging long-term trading relationships, continue to be not just a noble idea but an increasingly necessary and realistic one.

2017 was another important year for the progress of the WFTO with essential decisions taken that can be considered milestones for the global Fair Trade movement. The most significant one is the decision to allow producers in Europe, North America and other countries, based in countries that traditionally import FT products, to become members of the wfto as Fair Trade producer organisations. With this decision, the door is now open to domestic Fair Trade all over the globe. Specific criteria for northern producer in addition to the FTO Standard has now been approved.

Another important step is the approval of our strategic plan 2018/21, which is the



result of nearly two years of analysis and engagement. This process has involved our members in various stages. This plan is tailored towards a greater visibility of the WFTO, an active membership drive and of further strengthening the recognition of the Fair Trade principles worldwide. I am sure that the approval of the new governance structure and the definition of “marginalised producer” will also have long-standing impact for the WFTO and our members.

This report highlights our achievements and activities related to each of the five main goals of our strategic plan. It also gives an overview of the development of our membership, which continues to grow, and about the stability of our financial situation.

I take this opportunity to express a word of thanks to Natalia Leal, who served as Chief Executive of the WFTO for over four years. Natalia’s energy and professionalism has been critical to the development of our organisation. Natalia finished with the WFTO on 31 December 2017. The WFTO now has a solid foundation and is ready to promote Fair Trade Organisations around the globe, which are fully committed to Fair Trade and for which traditional Fair Trade values continue to be the main target.

Rudi Dalvai
WFTO President.

A Message from the Chief Executive

I am excited to join the WFTO family – a movement that has already made such an impact on the world. The members of the WFTO are the embodiment of Fair Trade. Their persistent success, in the face of an economic and trading system tilted against them, has given the world hope that a better future awaits.

People across the world are looking for an alternative to business models that have caused spiralling inequality, entrenched poverty and stretched our planet to its limits. There is a growing appetite for change among consumers, workers, producers and citizens. The Fair Trade world has developed a vision they can get behind.

What I see across the WFTO family is a viable and desirable alternative to a business world that works for billionaires but fails the billions. The Fair Trade enterprises across the WFTO family work to a different business model, prioritising people and planet over maximising profits. They have embraced the principles of Fair Trade, and found diverse and innovative ways to instil these into their DNA.

The vision of a fairer world embodied in WFTO members can inspire the transformations that the world economy sorely needs. But this will require us showcasing the strengths of the Fair Trade model, and will require us at the WFTO to roll up our sleeves to help our members reach new markets, consumers and citizens with their stories, ideas and their products.

Our priorities are set out in the strategic plan that our members have tasked us

with, but a few points jump off the page. The rollout and promotion of the WFTO label and our Guarantee System, as well as stepping-up our marketing and communications – all whilst continuing prudent financial management are among our priorities. Fortunately, I have inherited a motivated and professional team, and strong systems that place us in good stead for 2018 and beyond.



I and the team at the WFTO are committed to a successful 2018 that sets us up as a movement that can inspire the transformations the global economy needs. I look forward to working with you in this journey.

Erinch Sahan
Chief Executive.



ABOUT US

Vision

WFTO has a vision of a world in which trade structures and practices have been transformed to work in favour of the poor and promote sustainable development and justice.

Mission

WFTO's mission is to enable producers to improve their livelihoods and communities through Fair Trade. We are the global network and advocate for Fair Trade, ensuring producer voices are heard. The interest of producers, especially small farmers and artisans, is the main focus in all the policies, governance, structures and decision making within WFTO.

World Fair Trade Organization

The World Fair Trade Organization (WFTO) has over 400 member organisations from more than 70 countries spread across five continents. We represent hundreds of thousands of small producers, providing them with credibility and identity by way of an international guarantee system.

We are the home of Fair Traders: producers, marketers, exporters, importers, wholesalers and retailers that demonstrate 100% commitment to Fair Trade and apply the 10 WFTO Principles of Fair Trade to their supply chain. We operate in over 70 countries across 5 regions (Africa, Asia, Europe, Latin America, North America and the Pacific Rim). The incredible work and achievements of our members around the world, make us a global authority on Fair Trade and a guardian of Fair Trade values and principles.

What we do

Working for a sustainable and fair global economy – it's our job!

We support, promote and bring together enterprises and organisations who are fully committed to Fair Trade. Our members are typically mission-led enterprises that have Fair Trade in their DNA. They are not ordinary businesses but are unique because they have shaped themselves to align fully with the 10 Principles of Fair Trade.

WFTO members work to a different business model that puts the needs of people and planet first in trading relationships and connects producers and consumers through greater transparency of supply chains. There are over 400 of them, across over 70 countries, and we are their organisation.

We support our members in pursuing their Fair Trade mission. This means we provide spaces for producers, exporters,

importers, retailers, and consumers to connect and work together, exchange best practices, forge synergies and speak out for Fair Trade – all working towards a sustainable and fair global economy.

Membership and Guarantee System

We are a global membership organisation of Fair Trade enterprises and their supporters. As such, we facilitate membership applications, ensure members follow the 10 Principles of Fair Trade through the Guarantee System, and improve the Fair Trade Standard.

Organisations interested in becoming a member of the largest global network of Fair Trade enterprises and organisations must demonstrate compliance with the WFTO Fair Trade Standard. Along with the five regional branches in Africa & the Middle East, Asia, Europe, Latin America,



GreenNet

and North America & the Pacific Rim, our Global Office in the Netherlands coordinates membership applications.

We work to ensure our membership has the highest standards of integrity and credibility. To ensure the 10 Principles of Fair Trade are followed, our members are periodically verified on their Fair Trade compliance through our Guarantee System. We are distinct from product certification schemes, which focus on specific raw materials contained in particular products. Instead, we verify that WFTO members (many of who produce the products) are truly Fair Trade enterprises that embody Fair Trade principles in the very essence of who they are. This includes and goes beyond the raw materials they source.

Setting the Fair Trade Standard for Organisations

We and our members are continuously innovating to advance Fair Trade business models and practices. Together, we are committed to nurturing and protecting the core values of Fair Trade. Our members regularly review and agree the detail un-

derpinning our Guarantee System, which is based on the 10 Principles of Fair Trade. This serves as the basis of the WFTO Fair Trade Standard for Organisations. By constantly drawing lessons and reflecting on the experiences of members, our Fair Trade Standard is continuously monitored and improved by the Standard and Guarantee System Committee.

Voice – Advocacy and Campaigning

We were originally established to unite fair traders around the world to speak in one voice on Fair Trade and trade justice issues, economic sustainability, the empowerment of economically marginalised producers, and the fight against poverty and climate change. We work to serve this mission with our members and partners through a range of events and activities, including the annual celebration of World Fair Trade Day and International Women's Day, as well as through international conferences, campaigns and advocacy work throughout the year. We work with other movements to foster and amplify the voice of the enterprises and organisations who embody the values and history of the Fair Trade movement. Critically, we work closely with the Fair Trade Advocacy Office in all our advocacy and campaigning work.

Market access

Through partnering with other organisations, we work to enable members to access tools and training to improve market access locally, regionally and internationally.

Global Network of Fair Trade

We connect organisations in the supply chain to exchange innovative ideas and best practices. We work together to create synergies to advance Fair Trade as a tangible contribution to the fight against poverty, inequality and climate change.

Our approach to Fair Trade



Ten Thousand Villages

“Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.

Fair Trade organisations have a clear commitment to Fair Trade as the principal core of their mission. They, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”¹

WFTO members are an embodiment of Fair Trade at the enterprise-level. They apply their values in commercial contracts and transactions, putting human relationships rather than profit maximization at the core of their work. To deliver the promise of Fair Trade, we maintain a stringent Fair Trade standard implemented through the Guarantee System. WFTO members are required to comply with the criteria of the Standard and follow a Code of Practice in order to ensure Fair Trade Principles are consistently in place in their daily operations. We and our members are on a path of continuous improvement and innovation in the way we practice Fair Trade.

¹ Usually referred to as the “FINE Definition” this text was agreed in 2001 by Fairtrade Labelling Organizations International (FLO), International Federation for Alternative Trade (IFAT), Network of World Shops (NEWS), and the European Fair Trade Association (EFTA). IFAT has since been renamed as the World Fair Trade Organization and includes the former NEWS within its membership base.

THE GOALS OF WFTO



Our five goals

1.

Credibility & Identity

To be the leading network of the Fair Trade movement, defined by the practice of the 10 Fair Trade principles.

2.

Learning

To provide an environment for sharing and learning, that enables WFTO members and others to strengthen their Fair Trade practices.

3.

Voice

To raise awareness of and promote the Fair Trade model, and advocate for change to conventional trade.

4.

Market Access

To create market access opportunities for members through a credible Fair Trade Guarantee System.

5.

Capability

To enhance WFTO's capability to deliver a broader range of services to its members.



Our Objectives in 2017

The five overarching goals were broken down into specific objectives for 2017.

- To be an inclusive organisation, with clear membership criteria and to promote the identity and recognition of fully-committed Fair Trade Organisations.
- To listen to and guide our membership: to identify the highest priorities for the Fair Trade movement, agree on strategic goals and implement appropriate action.
- To maintain a system (the Guaranteed System approved by members) that can publicly confirm members' Fair Trade credentials.
- To provide members a physical space for discussion and learning and encourage regional debates and sharing learning experiences of members.
- Increase our brand visibility, namely at trade fairs and online.
- Advocating, campaigning and increased collaboration with international networks to promote Fair Trade and influence changes in the rules and practices of conventional international trade.
- Development of our governance capacity and promotion of the democratic membership structure, accountable and efficient leadership and
- Continue to support Fair Trade advocacy through the Fair Trade Advocacy Office (FTAO) and International Fair Trade Towns Campaign (especially in the south).
- Encourage members to be the Fair Trade voice in their own markets and community by participating in WFTO-led campaigns.

Credibility & Identity

A membership association with guaranteed committed members

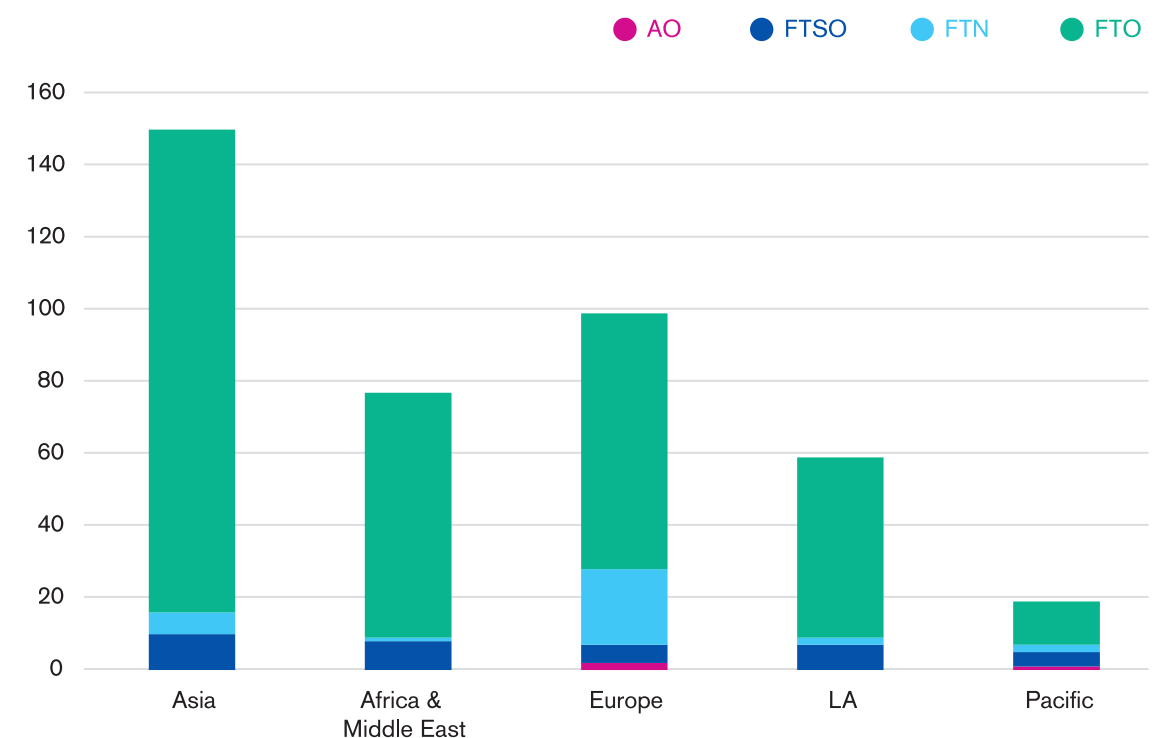
At WFTO, we constantly work on attracting new enterprises interested in becoming members, being verified as Fair Trade organisations, joining us on our journey towards a transformation across the global economy.

In 2017, thirty-six (36) organisations joined us on this journey. Unfortunately, we also had to part with twenty-three (23) members (including 15 withdrawals). The underlying causes of withdrawals were mostly related to member organisations'

financial difficulties and changes within organisational structures.

Membership at WFTO involves fulfilling two key obligations: commit to the monitoring procedure (the Guarantee System) and pay the membership fee. The WFTO Global Office, jointly with the WFTO Regional Offices, support our membership in the fulfillment of these requirements. By the end of 2017, four hundred and one (401) member organisations, three (3) associate organisations and thirty-seven (37) individual associates, spread across seventy-six (76) countries, collectively created WFTO as a network.

MEMBERSHIP TYPES PER REGION



Membership Balance 2017

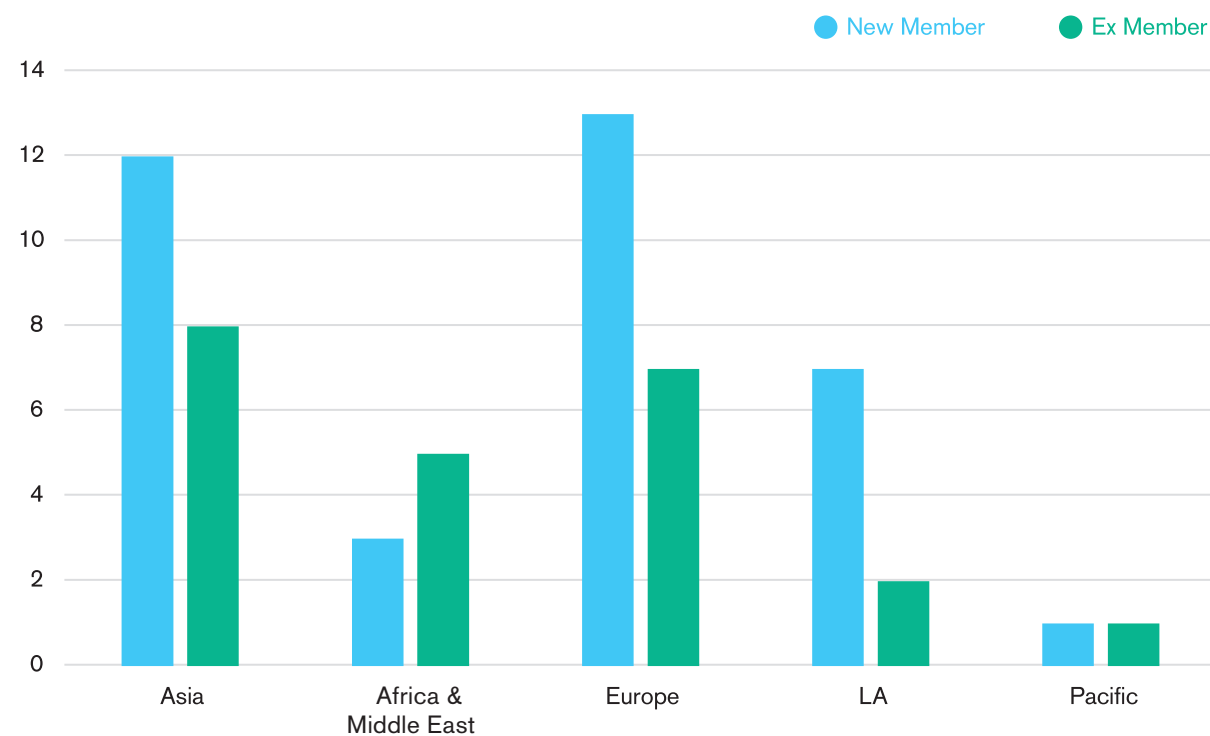
The four hundred and one (401) member organisations are comprised of: three hundred and thirty-five (335) Fair Trade Trading Organizations (FTO), thirty-four (34) Fair Trade Support Organisations (FTSO), thirty-two (32) national Fair Trade Networks (FTN), as well as three (3) Associate Organisations (AO). Most of our members (71%) are based in Africa & Middle East, Latin America and Asia. Asia has the highest number of members followed by Europe.

2017 saw an increase of 4 % in the membership. The steady growth in membership has coincided with upgrading of the WFTOs verification system (the Guarantee System) and more effective WFTO projects supporting members. Through 2017 thirty-six

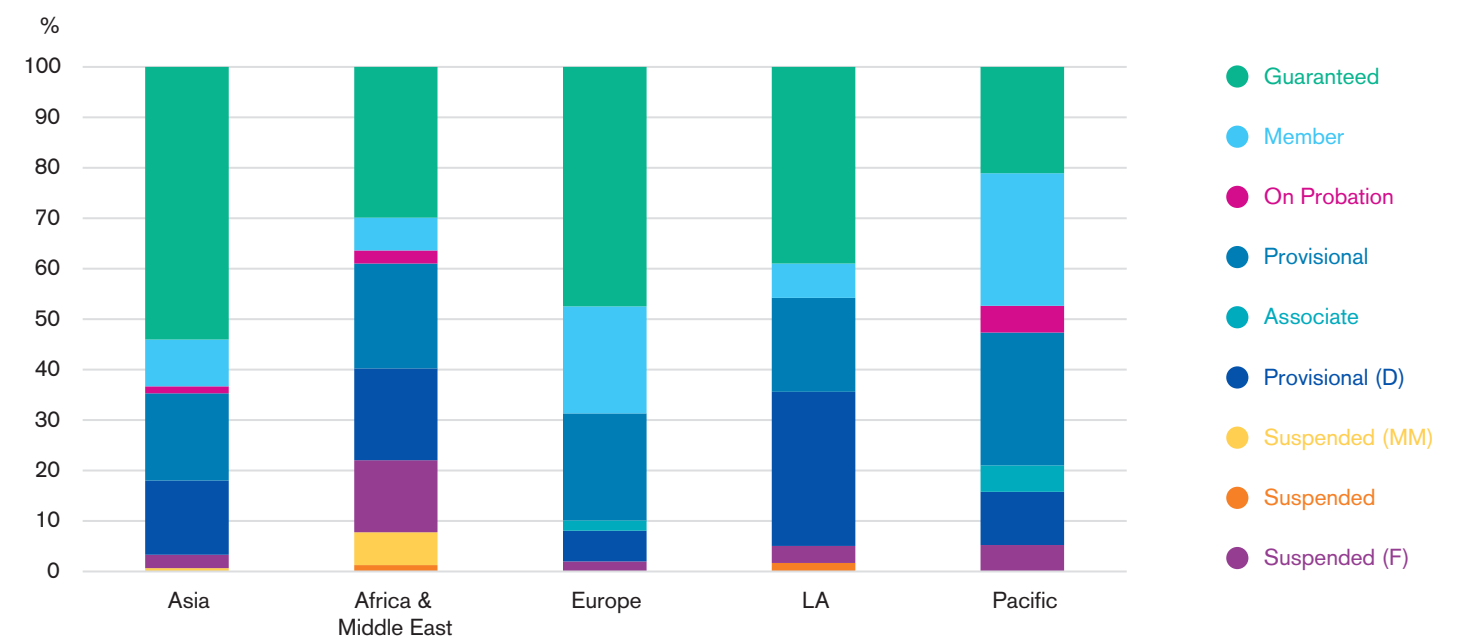
(36) organisations joined WFTO and twenty-three (23) left. All regions except Africa, experienced a slow but steady growth in the number of members. The Africa & Middle East region saw a decrease in membership with eight (8) members leaving due to financial challenges leading to them being unable to pay their membership fees.

Asia is the largest region within the WFTO. Most of these Asian members are Fair Trade Organisations, but there are also a high number of Fair Trade Support Organisations in Asia. The second largest group of members are based in Europe. The European region has markedly high number of Fair Trade Networks. In general, the geographical spread of the members is growing and they can be found in seventy-six (76) countries.

MEMBERSHIP BALANCE 2017



MONITORING STATUS PER REGION



Participatory Guarantee System

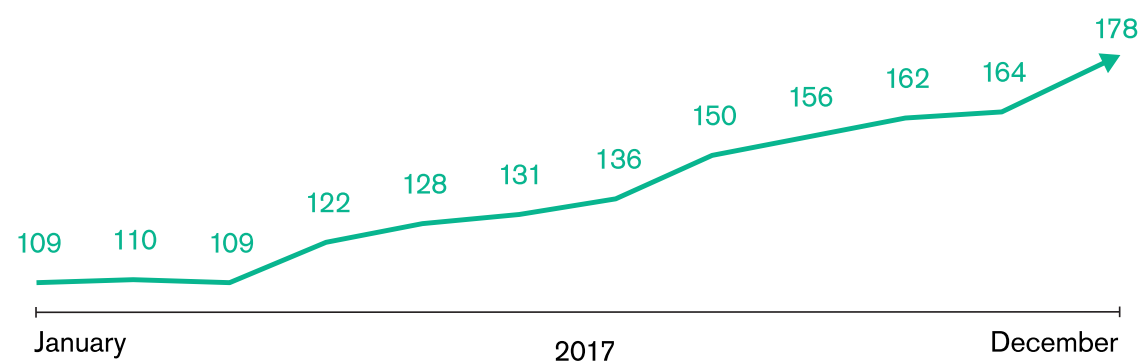
The WFTO Guarantee System was introduced in 2013. It provides a robust verification and monitoring system of the Fair Trade practices of WFTO members. After an initial screening of documentation and references, enterprises and organisations are approved for Provisional membership. Their compliance is assessed through three tools: the Self-Assessment Report (SAR), the Peer Visit and the external Monitoring Audit. After submitting an initial SAR and passing an initial Monitoring Audit, they become a Guaranteed member of the WFTO. After the completion of the first monitoring cycle, a regular monitoring schedule consisting of the submission of updated SARs, Peer Visits and Monitoring Audits is followed.

Where there are compliance issues, members are given the chance to improve and reflect upon these areas for a given period of time. Members create an Improvement Plan which is updated and checked through all monitoring cycles and tools.

The Fair Trade Accountability Watch (FTAW) on the WFTO website allows different stakeholders the opportunity to report compliance issues and concerns about WFTO members. The stakeholder may send an alert through the FTAW. In 2017, a total of three hundred and thirty-five (335) trading members were at different stages of the monitoring process. By the end of the year, one hundred and seventy-eight (178) members had completed the Guarantee System process and attained the status of a 'Guaranteed Fair Trade Organisation'. One hundred and fifty-three (153) of these had just completed their first cycle, while the remaining twenty-five (25) were already in their second monitoring cycle. In addition, all fifty-three (53) non-trading organisations had also fulfilled their Guarantee System requirements and are now full members of WFTO.

The System has been fully implemented by the end of 2017. This means that all of our

NUMBER OF GUARANTEED MEMBERS 2017



existing members, which have not had a Monitoring Audit, were demoted to a Provisional membership. A total of sixty-two (62) members were affected. Additionally, eight (8) members were suspended for not submitting their SAR or due to unpaid membership fees. The WFTO is aware that the credibility of the Guarantee System is the bedrock of the credibility of us and our members. Therefore, we are focused on maintaining a functioning Guarantee System and a full and uniform implementation of the system.

The system was designed to be as inclusive as possible. But full implementation of the Guarantee System has meant that we are still facing challenges in making the system easily accessible for all members. We remain committed to improving in this area and throughout the year we continued our partnership with Bread for the World and

Misereor to improve the inclusiveness of the Guarantee System; constantly working on formalising procedures and making them more efficient, in particular in regards to the auditing procedure.

Bread for the World (Germany) continued supporting us in ensuring existing members get adequate information and assistance regarding the Guarantee System. During 2017, 58 members were supported to become guaranteed with the support of this project.

The partnership with Misereor (Germany) has greatly helped in increasing the number of auditors fully accredited to 17, plus 12 in the process of being qualified. Training members on peer visits and regional staff on tools to increase the quality of support given to members were also part of the project deliverables.

Learning

WFTO Conference

Over 300 participants from 60 countries came to debate and network in New Delhi/India at the largest biennial Fair Trade Conference, from 9 to 13 November 2017. The conference created a space for people, such as representatives from the Fair Trade supply chain, policy makers, and other professionals, to discuss issues and exchange ideas

all about Fair Trade. Various sessions, talks and workshops, as well as insights and discussions transpired during the event and served to inspire and motivate an ever evolving Fair Trade movement.

The Delhi Conference was also a unique moment for many fair traders to meet the organic movement, taking up the oppor-



Opening ceremony of 14th WFTO Conference

CONFERENCE FACTS

- Over 300 participants attended the conference.
- 60 countries, represented by participants.
- 25 workshop sessions that tackled 25 topics under the theme 'Fair Trade, a path to sustainable development'.
- Conference participants rated the conference with a 4 out of 5 score, 5 being extremely useful to their work or business.

tunity to connect to like-minded movements. On the first day of the conference, several participants attended the 'Marketing and Quality Assurance' stream of the 19th Organic World Congress.

Conference keynote speakers

Geoff White (CEO of Trade Aid Importers), Vandana Shiva (activist for peace, sustainability and social justice), Tomasz Kozłowski (EU Ambassador to India), Devinder Sharma (food and trade policy analyst), and Nicolette Naumann (VP of Ambiente and Tendence, Messe Frankfurt).

Participation at the 19th Organic World Congress in Delhi

One of the motivations to hold the WFTO Conference in Delhi in November was the 19th Organic World Congress (OWC), 9 – 11 November 2017. It was a unique opportunity to bring two global networks together. IFOAM and WFTO agreed to use these two international events to build synergies between the organic and Fair Trade movements.

The "Marketing and Quality Assurance Track" of the OWC was dedicated to topics on innovative ideas like making the Organic and Fair Trade value chains more efficient, improving systems to enhance credibility in the market and cost effective for businesses, alliance building to improve marketing strategies for organic and Fair Trade and many more.

On the first day of the WFTO conference, several participants attended the 'Marketing and Quality Assurance Track' of the Organic World Congress. Members of the wfto participated in OWC sessions: Alliances of Organic and Fair Trade; Organic farming and Fair Trade approach; The AIAB Experience in Italy; Carbon, Climate



World Organic Congress

and Coffee – building alliances between Fair Trade, Small scale farmers and regenerative organic agriculture; WFTO Fair Trade Guarantee System; not just products but also people, and fair pricing and profit sharing along the supply chain from retailers to producer.

WFTO President Rudi Dalvai participated in the “Fairness for All in the Value Chain” panel discussion.

Fair Payment Working Group Report

The final draft of the Fair Payment Policy, that was sent to the general assembly at the 2017 Delhi extraordinary meeting of members (2017 EGM, 13 November 2017) for approval, was the result of a meticulous process carried out by a dedicated working group led by Rain Morgan of Turqle Trading South Africa.

The preparatory work began in 2016, but the shaping of the policy took place in 2017 leading to the final drafting. Three rounds of international consultations were held to gather inputs and feedback from Fair Trade organisation. The first consultation began in March discussion on the feedback took place in June. WFTO

members from various parts of the globe were the participants of the three consultations.

Members of the working group: Johny Joseph (Creative Handicrafts, India, and WFTO Board Representative), Frans Papma (Consultant, Dutch Association of World Shops), Luis Heller (Allpa, Peru), Eduardo Zeballos (Ayni Bolivia), Verena Albert (Gepa, Germany), Swapan Kumar Das, (Prokritee, Bangladesh), Milton Suranjit Ratna (CORR The Jute Works, Bangladesh), Michael Muchilwa (KICK Trading, Kenya, Martin Moritz (El Puente, Germany), Kate Philips (Oxfam Australia) and Rain Morgan (leader – Turqle Trading, South Africa).

International Charter of Fair Trade Working Group

The year 2017 was a year of important milestones for Fair Trade. One of the biggest achievements is the adoption of the revised International Charter of Fair Trade, single reference document for the Fair Trade movement. The idea to revise the Charter was an outcome of a closed workshop during the 2015 WFTO Conference in Milan. The workshop was or-

ganised by WFTO Europe and participated by representatives of WFTO regional offices and Fairtrade International.

The aim to revise the Charter is to update it reflecting the progress and important developments in the Fair Trade movement, also as an inclusive reference point for Fair Trade. Luis Heller (Allpa, Peru) and Sophie Tack (Oxfam Magasins du Monde, Belgium) jointly led a working group composed of experts in Fair Trade. The working group was tasked to lead a process as inclusive as possible and to organise two different broad consultation rounds leading to the shaping of the final draft. The first consultation took place in 2016 with 40 individual feedback received and 30 in 2017.

The Charter was approved by the Board and AGM of Fairtrade International in June 2017. The same document was approved by the Board and Extraordinary General Meeting (EGM) of the WFTO in November 2017.

Members of the working group: Sergi Corbalán (Fair Trade Advocacy Office), Giorgio Dal Fiume (WFTO Europe), Ian Bretman (Fairtrade International), Indro Dasgupta (CRC Exports), Andrea Fütterer (GEPA The Fair Trade Company), Dana Geffner (Fair World Project), Luis Heller (Allpa, Peru) and Sophie Tack (Oxfam Magasins du Monde).

Guarantee System Committee Report

The key undertaking of the Committee this year has been the revision of the WFTO Standard. Following the Guarantee System Committee recommendation to undertake the revision, the Board employed expert Florentine Meinshausen, who had played a key role in drafting our Standard and the procedures of the Guarantee System, to lead on the revision. Frans Papma from DAWS also contributed to the work as an observer in the group.

The work of the committee involved many discussions about effective monitoring of suppliers, clearer definitions of workers/producers/suppliers, consistent language within the Principles and Standard and the inclusion of FT Networks and Support Organisations within the Guarantee System. The revised Standard also begins to address the issues around the sourcing of raw materials. This Standard (version 4) was made available to our members at the Biennial conference in Delhi and the Guarantee System Handbook will be finalised in 2018.

Guarantee System Committee members Allison Barrett Chair (Consultant, Fair Trade verification expert, UK), Carol Wills (Chair of Standard Revision group and honorary WFTO member, UK), Jacqui MacDonald (Senior Consultant Verité, Canada), Alessandro Gallardi (Consultant Ars Qualitatis, Italy), Mike Muchilwa (Consultant, Social Entrepreneur, Kenya), Ram Bhat (Auditor, India), Gerd Nikoleit (Honorary WFTO member, Germany), Johny Joseph (Creative Handicrafts, India, Board member), Eleonora Dal Zotto (Equo Garantito, Italy).

We would like to take this opportunity to thank our Working Groups and Committees, whose ongoing dedication enables us to achieve our many successes.

Market Access

In 2017 WFTO was involved in several activities to increase the visibility of our brand and identity, namely in major international trade fairs and the online community. Additionally, more buyers of our guaranteed members have started using our first buyer label for their products.

First Buyer Label

This is a version of the WFTO Product Label that can be used by a first buyer with their own brand on products that originate at least 95% from a WFTO member. There are strict conditions for its use, which are outlined in the Guarantee System Handbook.

COMPANIES THAT WERE GRANTED PERMISSION TO USE THE FIRST BUYER LABEL (FBL)

1. [Heless, a German toy company buyer of Selyn Exporters](#)
2. [Jungle Orchard buyer of Fruandes Frutos de los Andes](#)
3. [Hirschkind buyer of Kiboko Leisure Wear](#)
4. [Kombo J buyer of Kiboko Leisure Wear](#)
5. [Chocolate Fish buyer of Trade Aid](#)
6. [Hummingbird buyer of Trade Aid](#)
7. [L'Affare buyer of Trade Aid](#)

We are very excited to announce that more commercial companies were given permission to use the First Buyer Label on their products after meeting the Guarantee System requirements. For example, in January 2017, Páramo was our first clothing company to use the First Buyer Label on their products. This British outdoor clothing brand with retail shops in the UK and Germany, has been in partnership with Colombian Guaranteed member Miquelina for 25 years.

Ambiente Trade Show 2017

Ambiente is the leading international trade fair for consumer goods, attracting more than 142 thousand trade visitors from one-hundred-fifty-four (154) countries in 2017. WFTO participated to give extra visibility to members that are exhibiting at the fair. A collective stand was set up at information point for Fair Trade products displayed at Ambiente. This activity was made possible through the support of the project with Misereor. Forty-seven (47) of our members were present at Ambiente, twenty-three (23) of which were showcasing their products at our booth.

WFTO President Rudi Dalvai is a member of the jury of Ethical Style Guide of Ambiente. This guide is being used by trade visitors at the fair interested in ethical and Fair Trade products.

NYNOW Summer 2017

Together with the Fair Trade Federation (FTF), WFTO participated in the NY NOW Fair 2017 summer edition. Eleven (11) of our members participated and showcased their products at NY Now.



SOAPnSCENT

Fair Trade Finest

For the third year, eighteen (18) members participated in the Fair Trade Finest project. Led by the Dutch agency Centre for the Promotion of Imports from Developing Countries (CBI) and the Dutch Association of World Shops (DAWS), this project is aimed at increasing exports of Fair Trade Gifts & Living Products.

The project identified three strategies to achieve its goal:

1. Support selected producers with export coaching, to professionalise their business;
2. Make sure that a reliable Fair Trade label is available for these producers, and for all other interested parties (in cooperation with WFTO).
3. Pro-active matching of supply and demand, between participating producers and buyers. These buyers can be Fair Trade buyers (Worldshops) and regular buyers.

Fair Trade for Refugee Artisans

WFTO has collaborated with the United Nations High Commissioner for Refugees

(UNHCR) to ensure refugee artisans are working according to Fair Trade Standard. The Project has supported social enterprises to enable them to add refugee-made product lines to their operations and fairly connect refugee-made crafts with buyers. Products of refugee artisans are marketed under the Made51 brand. The initial collections were exhibited at the 'Maison et Objet' trade show within the CBI Pavilion in Paris, France, in September.

Trade Fair Live Fair

WFTO is part of the Pan-European consortium promoting the Sustainable Development Goals (SDGs). The 3-year project, "Trade Fair Live Fair: Raising Awareness and Mobilising the European Public to Advance Consumption Patterns that Nurture the Sustainable Development Goals", started in September 2017. WFTO key responsibilities in the project's implementation are: supporting the project with Fair Trade supply chain expertise, conducting gender research, participating in the project's public mobilisation group, and engaging member organisations in Africa, Asia and Latin America. The "Trade Fair, Live Fair" project is a grant from the European Commission's (EC) Development Education and Awareness Raising (DEAR).

As part of the project activities, WFTO staff attended the European Parliament Fair Trade Breakfast organised on the 12th October 2017, where a number of key developments and calls for action were presented. This annual meeting of Members of the European Parliament and Fair Trade organisations has provided space between two groups to dialogue. Alongside this event, the staff participated in a two-day capacity-building session on public mobilisation and project management.



Pebble Hathay Bunano-Bangladesh

Voice

World Fair Trade Day

2017 was the final year for the “Be an Agent for Change” campaign. The campaign message stems from the concept that Fair Trade is a tool for change, an instrument that producers, businesses and consumers are using as a response to address inequality.

The ‘Agent for Change’ adaptation showcased the ‘agents’ or the people in the Fair Trade chain and the works they are doing using the Fair Trade approach. It was suggesting that even the simple act of selling or purchasing a product can change the world and make it a better place.

The global celebration of the World Fair Trade Day was marked by human chains led by people in the Fair Trade movement – from producers, marketers, exporters, importers and wholesalers, and retailers. Consumers joined in the human chain to show their support for a fairer world. From the Pacific, Asia, the Middle East and Africa, Europe to the Americas, fair traders and supporters formed human chains to celebrate Fair Trade.

International Women’s Day

WFTO partnered with its European branch, WFTO Europe, and Oxfam Magasins du Monde to create a joint International Women’s Day campaign. Despite recent progress in women’s causes, women are still facing various forms of discrimination and unequal treatment. “Fair Trade fosters decent work and gender equality” was chosen as a topic to highlight ongoing initiatives and successes of Fair Trade organisations in gender equality in the workplace. The campaign aimed to demonstrate Fair Trade as an enabling approach that allows realisation of women’s potentials. WFTO members participated by telling their stories on women empowerment and leadership.

Anti Poverty Week

The Anti-Poverty Week falls in the week of the International Day for the Eradication of Poverty (17 October 2017). The weeklong social media action showcased Fair Trade various contributions in the fight to eradicate poverty, from empowering producers to innovative business models with Fair Trade at its core. Consumer citizenship was central to this year’s theme “Live Fair, Beat Poverty”.

Fair Trade Advocacy

The Fair Trade Advocacy Office (FTAO) played a key role in the drafting of the new International Fair Trade Charter (adopted by the WFTO and Fairtrade International AGMs) and was asked to support the “recognition” and public launch, which will take place in September 2018. The FTAO was asked in 2017 to facilitate a Working Group on the governance of the International Fair Trade Towns Campaign, which should present a proposal in October 2018. At EU level, the European Union launched in November 2017 the call for applications for the first “EU Cities for Fair and Ethical

8th of March 2017, Bio Fair Trade Brazil



Folk Nepal producer (Fair Monkey)

Trade City” Award. This was the outcome of years of advocacy work by the Fair Trade Advocacy Office. The objective of the award is to increase awareness on Fair Trade and provide space for cross-learning across Fair Trade towns in the EU. The award ceremony will take place on 27 June 2018, which will be followed up by a conference on “Upscaling Fair Trade: from local to EU level” on 27 and 28 June, organised by the FTAO. The FTAO is member of the jury for the Award.

On textiles, one of the two priority areas in the WFTO advocacy work plan, the European Parliament issued a Resolution on Fashion Revolution day (24 April 2017) calling on the EC “to present a comprehensive strategy on how development, aid for trade and public procurement policies can support a fairer and more sustainable garment supply chain and local micro-enterprises, by promoting best practices and providing incentives to private sector actors that invest in the sustainability and fairness of their supply chains, from the fibre farmer to the final consumer” and “to go beyond the presentation of a Staff Working Document and present a legislative proposal on binding due diligence obligations for supply chains in the garment sector.”

Last but not least, the FTAO contributed to the building of public policy advocacy capacities of the Fair Trade movement by hosting more than 12 webinars during 2017 on the Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights or national Fair Trade policy developments in Italy or France.

Fair Trade Towns Campaign

The 2017 FTT was held in Saarbrücken (Germany). The events became an opportunity for WFTO to present the Fair Trade movement from its perspective as well as new FT Guarantee System. It was also the opportunity for Fair Trade activists (including WFTO representatives) across the world to share their ideas and inspire each other. One of the main topics of the debates were: FTT international governance and the “Big Tent approach” which is a recommendation for campaigners, particularly from new countries not to focus solely on one certification mark and to invite all FT stakeholders to the coordination of FTTs at the country level.

Fair Trade
Advocacy Office



Hebras del Alma

Capability

In 2017 at WFTO we continued our efforts to increase capabilities and offer improved services to our members. This was done primarily through developments in IT and information management, human resources and fundraising. In collaboration with MISEREOR, the organisation selected and began the implementation of a cloud-based CRM software, with a membership access environment. The new system is intended to: fully replace the current physical server-based database; increase the ability of members to manage their contact details and information; enable greater transparency and tracking of progress/requirements at every stage of the Guarantee System process. Additionally, 2017 was the first year in which all membership fee invoices were issued directly through the accounting software of the wfto (Twinfield). This procedure allows statutory auditors com-

plete insight into the core income of the organisation and enables us to effectively track all sent invoices.

During the year we opened a new internship in the Membership & Monitoring team. This internship is designed to aid our administration with member communication, issuing of documentation and processing of Guarantee System-related tasks. With the intention to make this a permanently present position, WFTO aims to address the growing number of applications and guaranteed members as well as improve processing times. Finally, the capabilities of the wfto are affected by the financial resources available for its activities and operations in any given area. A separate subsection has therefore been dedicated to the topic of fundraising and financial resources.

Finances

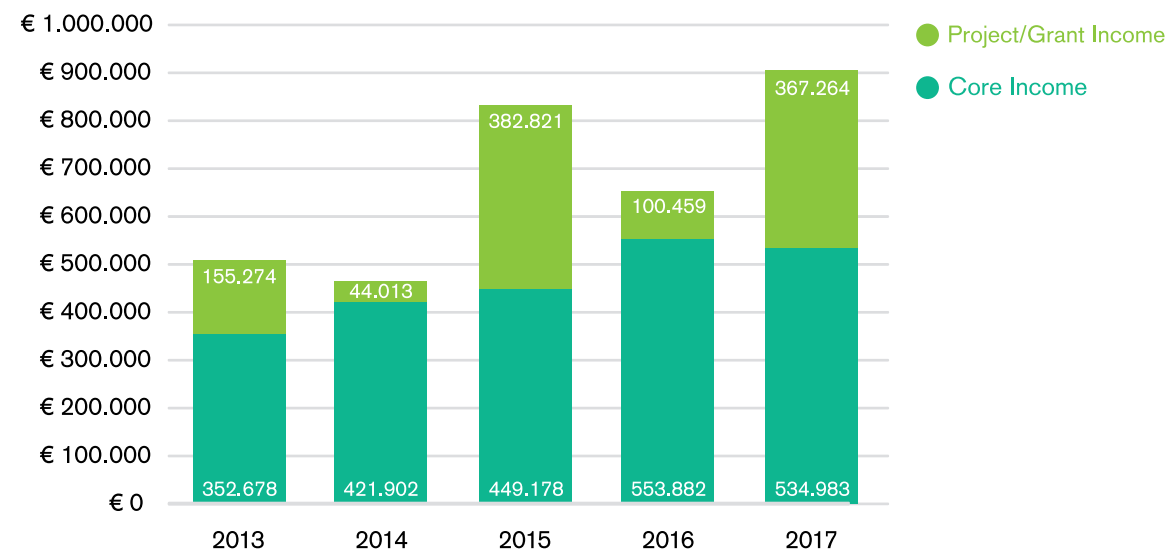
Given the number of already ongoing projects (namely Misereor and BftW) as well as the decision not to invest in calls considered unsuitable for WFTO's priorities, WFTO pursued only a limited number of projects and funding proposals in 2017.

The 2017 financial year was closed with a surplus of € 31,048. membership fees

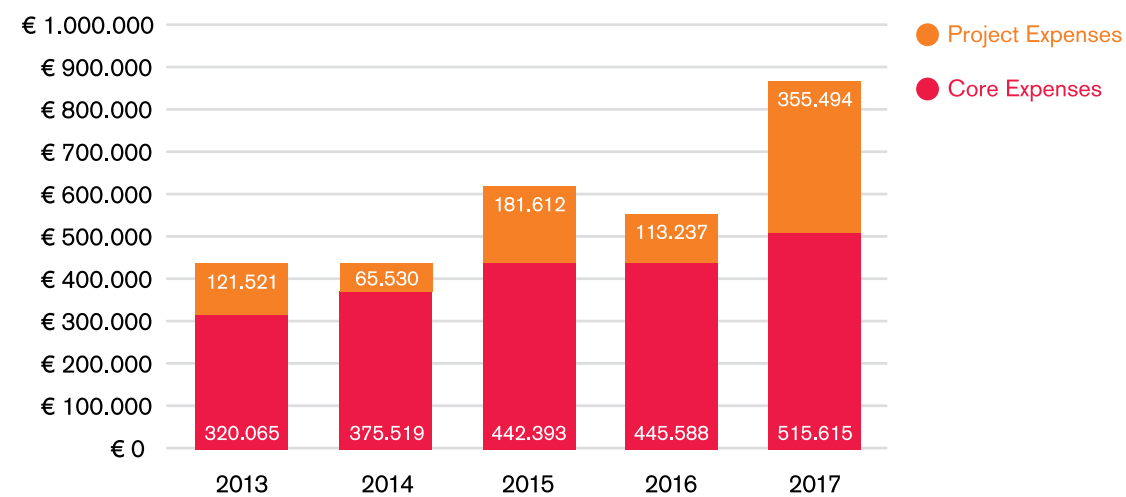
remained the main source of income for the organisation (59%). A significant increase in project income and expenditure is attributable to the Biennial conference in Delhi and several short-term project grants managed by WFTO during the year.

The historical breakdown of the income and expenditure is available in the graphs below.

CORE INCOME VS. OTHER INCOME 2013–2017



CORE EXPENSES VS. OTHER EXPENSES 2013–2017



BALANCE SHEET 2017

Time period	31st Dec 2017	31st Dec 2016
Currency	€	€
Fixed assets		
Other fixed assets	3.007	1.814
Total tangible assets	3.007	1.814
Current Assets		
Debtors & other receivables		
Trade debtors (members)		11.663
Other receivables	<u>78.536</u>	<u>108.962</u>
	78.536	120.625
Cash at bank and in hand	497.175	411.733
Total current assets	<u>575.711</u>	<u>532.358</u>
Total Assets	578.718	534.172
Reserves		
Allocated funds	42.683	23.450
Other reserves	<u>296.375</u>	<u>285.327</u>
	339.058	308.777
Current liabilities, accruals & deferred income		
Creditors	21.166	33.778
Taxation & social security	17.025	12.489
Accruals & deferred income	201.473	179.129
	<u>239.664</u>	<u>225.396</u>
Total reserves & liabilities	578.722	534.173

**INCOME &
EXPENDITURE
2017**

	Actual 2017	Budget 2017	Actual 2016
Currency	€	€	€
Income	901.460	813.215	652.557
Expenses			
Employee expenses	271.905	265.631	234.205
Depreciation fixed assets	1.534	2.500	1.191
Other operating expenses			
General expenses	71.492	33.000	55.224
Housing expenses	16.624	16.125	14.703
Activity expenses advocacy	15.000	16.500	10.000
Activity expenses WFTO	<u>489.962</u>	<u>467.668</u>	<u>241.351</u>
Total expenses	866.517	801.424	556.674
Interest income & expenses			
Interest and similar income	697	50	1.784
Interest and similar expenses	4.592	1.000	2.151
	<u>3.895 –</u>	<u>950 –</u>	<u>367 –</u>
Net (deficit) / surplus for the year	31.048	10.841	95.516
Appropriation of results			
WFTO Brand Protection			2.350
GS IT System			10.000
WFTO Brand Enhancement			6.100
Friends of Fair Trade			5.000
Projects Co-funding	20.000		
Other reserves	<u>11.048</u>		<u>72.066</u>
	31.048		95.516



Mitra Bali Fair Trade

New Strategic Plan

The WFTO Strategic Plan 2018 – 2021 was approved at the EGM in New Delhi, after an inclusive process with our members and stakeholders, including an analysis of the financial implications of the new Strategic Plan. The plan aims to reflect the past learnings and future direction that will guide the decision making processes by the WFTO through 2019 – 21. This document is reflected in the first biennial Operational Plan 2018 – 19, which focuses on activities to be implemented to achieve the formulated key-results and proposed outcomes.

Governance Structure

2017 represented the end of a 2-year process of drafting a new governance structure for the WFTO. This process included consultations with members at WFTO regional conferences and with the Boards from the different regions of the WFTO. This was approved at the 2017 EGM, in Delhi.

The new structure focuses on the importance of having a governance structure, which guarantees worldwide consistency and a defined regional autonomy at the same time. Pieter Swart (WFTO Board Member) explained at the Delhi conference, that the new governance structure is based on our shared beliefs, and aims to further develop our decision making process in an effective and accountable way so that it can leverage all the potential within our organisation.

Annual General Meeting

The 2017 Annual Meeting (AGM) took place virtually and was mostly concerned with operational issues.

At the 2017 EGM, which took place during the Conference in Delhi, our membership approved many fundamentally important resolutions in regards to our strategy, governance structure, revision of the Fair Trade Principles, endorsement of our new Fair Trade Charter and the fair payment policy.



From left to right: Johny Joseph, Roopa Mehta, Robert Chase, Rudi Dalvai, Luis Heller, Geoff White, Edwin Bett, Pieter Swart and Sophie Tack.

WFTO Team

WFTO Board

The Board of Directors changed due to the resignation of Edwin Bett as a member of the Board. At the Biennial Conference in Delhi, the majority voted for Ileana Cordon to become his successor. The current Board is comprised of the following members:

Rudi Dalvai (*President*), Ileana Cordon (*independent*), Robert Chase (*independent*), Roopa Mehta (*independent*), Pieter Swart (*Africa & Middle East*), Johny Joseph (*Asia*), Sophie Tack (*Europe*), Luis Heller (*Latin America*) and Geoff White (*Pacific*).

The Board met physically in Culemborg in March and subsequently in November in Delhi. A considerable part of Board discussions and the majority of decisions (particularly those requiring less discussion) continued to take place remotely – via the WFTO Network and via email.



From left to right: Michael Sarcauga, Flora Seube, Lea Strub, Anton Delchev, Teresa Zuna, Flavia Alessandrini, Tamara Cobussen, Natalia Leal

WFTO Staff

2017 was a year of change at the WFTO, as it was Natalia Leal's last year as the Chief Executive. She has given an immense contribution to provide the WFTO with a clear structure, as well as professional operational procedures, rules and regulations. We are very honored to have had her as our Chief Executive for the past four years, and are proud of the role she has played to shape a solid foundation on which the WFTO can build its further growth. As we look ahead we could not be more confident in our position, strategy and prospects, thanks to Natalia's dedication and leadership. We wish her all the best.



Natalia Leal

The WFTO Staff 2017

Chief Executive:
Natália Leal

Communications Coordinator:
Michael Sarcauga

Guarantee System Manager:
Tamara Cobussen

Finance and Administration Officer:
Anton Delchev

Membership and Monitoring Officer:
Lea Strub

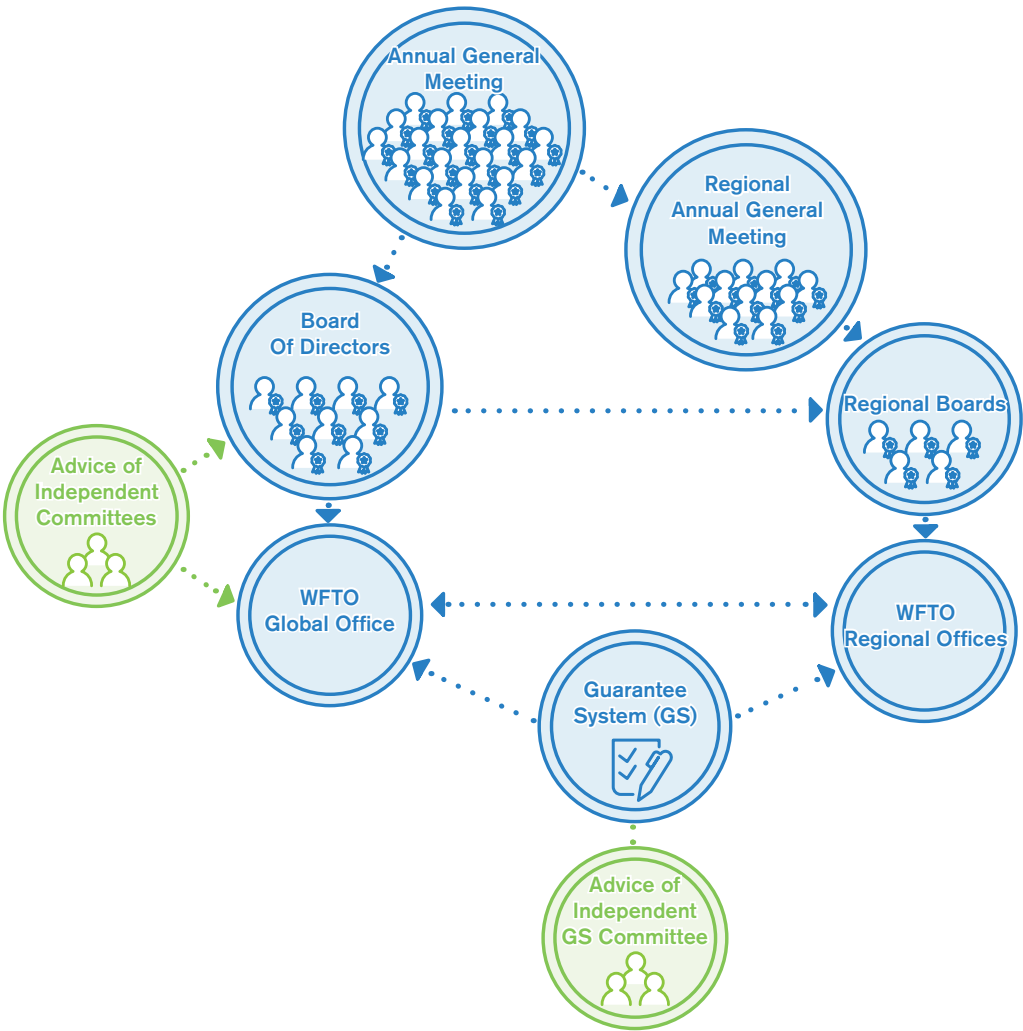
Projects and Events Assistant:
Teresa Zuna

Executive Assistant:
Jette Ladiges

WFTO Interns and Volunteers

Flora Seube,
Flavia Alessandrini,
Hugh Junior Fontenelle,
Dora Zupka,
Giselle Magana (online),
Aparna Pipersenia,
Daeun Diane Lee (online),
Josh Whittingham (online)

WFTO WORLDWIDE

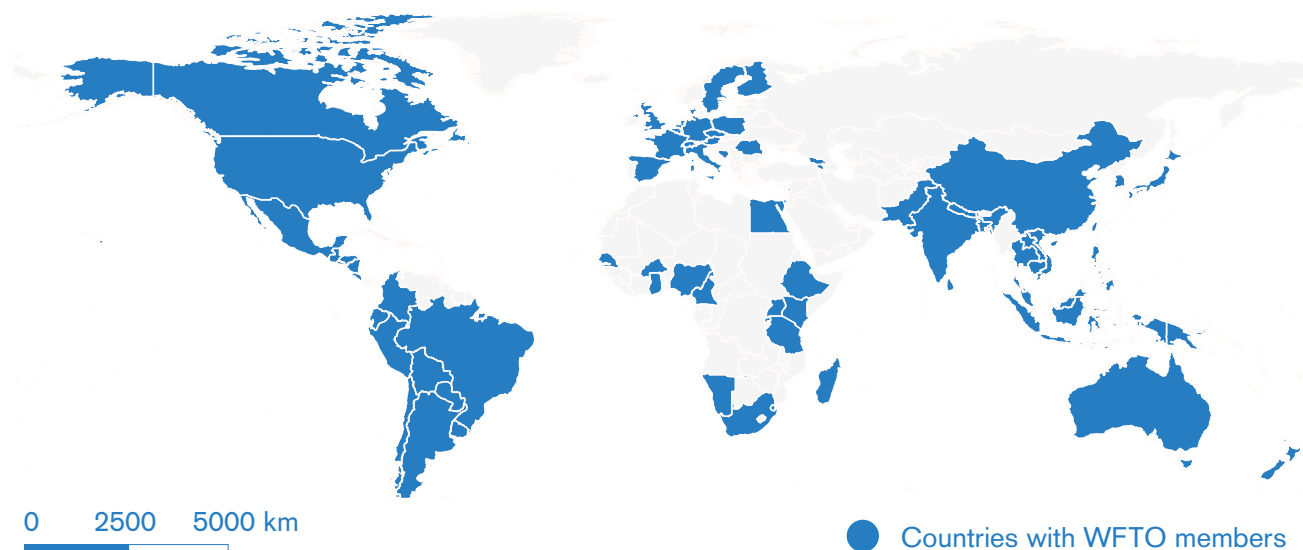


WFTO presence spans across the five major continents. We operate through five regional branches located in Africa & the Middle East, Asia, Europe, Latin America and the Pacific (covering North America and Oceania).

Members of each respective region gather during their own (regional) Annual General Meeting (AGM). They elect their own regional Board of Directors (according to their respective Constitution), which coordinate closely with the global Board and also hire regional staff. Regional

operations are closely coordinated with the global office and other regions.

The coordinators or representatives of the regional offices met in Culemborg in May as part of a training and alignment workshop to ensure WFTO is working cohesively and consistently across the world. Among other topics, the meeting included training on updates coming from the revised WFTO Guarantee System Standard that had been approved by the Board. Discussions on how to coordinate campaigns and visual identity were also held.



WFTO Regions

WFTO ASIA

Online Gender Course

In February, WFTO Asia launched a series of online training sessions on gender: 'Introduction to Gender'. This pilot capacity building programme aims to improve knowledge and awareness of WFTO Asian members on gender issues and to effectively implement Fair Trade Principle 6 in their daily operations.

Gender Working Group Asia

The WFTO Asia Gender Working Group released a unity statement to commemorate International Women's Day. The letter affirms Fair Trade as being fully committed to taking action for progress towards gender equality.

Fair Trade for Life Campaign

In March, WFTO Asia launched 'Fair Trade for Life'—a series of events designed to help individuals and communities incorporate the Principles of Fair Trade into their everyday life. The events are focused on networking and

building communities of individuals who are fighting for a fairer future.

Fair Trade for Life-Fashion Revolution Edition Event

WFTO Asia, in partnership with WFTO members in Thailand, joined the Fashion Revolution campaign to raise awareness for promoting a safe and transparent fashion industry. The event was attended by the Mayor of Chiang Mai and over 200 supporters. Main activities included a Fair Trade pop-up market, Fair Trade fashion show, film screening, and clothing swap.

WFTO Asia's Raw Material & Product Search Engine

WFTO Asia launched the Raw Materials & Product Search, the first of its kind for a WFTO search platform. The search engine aims to expand market opportunities for WFTO members in Asia.

WFTO Asia Official Office Opening

WFTO Asia regional office moved to a new office. They are now housed at the

Payap University in Chiang Mai, Thailand. The new office opening was attended by local government leaders, President of the Payap University, Consul Generals of various countries, and academics.

World Fair Trade Day

As part of the World Fair Trade Day campaign, the WFTO Asia Secretariat, along with Northern Thailand's WFTO members and Fair Trade supporters, formed a Fair Trade Human Chain to mark our commitment to Fair Trade and the Planet.

WFTO AFRICA & MIDDLE EAST

Market Access for African Producers

WFTO Africa & Middle East launched the implementation of Livelihoods for Fair Trade (LIFT) Producers Support Project targeting Namibia, Zambia and Zimbabwe. The 3-year project is funded by Misereor (Germany). The Project has 3 main objectives: 1) Sales growth and employment creation, 2) business transformation and improvement of working conditions, and 3) strengthening of WFTO membership.

Membership Growth in Africa

Through the support of Equity Project, that is being implemented in Ghana, Burkina Faso, Ivory Coast, Togo and Mali by the French Fair Trade Platform and partners, the WFTO Africa & Middle East regional office has negotiated for support for a part time Membership Support Coordinator, to spearhead the growth of WFTO members in the targeted French speaking countries. The one-year position is based in Burkina Faso.

Governance

The region elected a new chair, Lawrence Muze of Kwanza Collection, Tanzania. Lawrence replaced outgoing chair Basma Barham (Holy Land Handicraft Cooperative Society, Palestine).



Selyn

WFTO EUROPE

The EU Cities for Fair and Ethical Trade Award

WFTO Europe took part in shaping the criteria and process for the EU Cities for Fair and Ethical Trade Award. The award is an initiative of the European Commission to form part of the EU's commitment to its 'Trade for All' communication on trade and investment. The award was launched in December and the ceremony will be on 27 June 2018 in Brussels.



Cojolya

The Fair Trade Marathon

WFTO Europe participated in Belgian Fair Trade Week in October. A key highlight from the event was the Fair Trade Breakfast at the European Parliament, a meeting of Fair Trade leaders from across Europe and representatives of the European Parliament and European Commission. Other relevant activities include: a comics strip contest related to Fair Trade, where the WFTO Europe regional coordinator was part of the jury, as well as various workshops and capacity building sessions.

Business for Fair Trade

During Belgian Fair Trade Week, WFTO Europe organised an event called “Business for Fair Trade” at the Université Libre de Bruxelles (ULB). The aim was to present Fair Trade as an alternative business model to university students and young people through the World Café method. Representatives of Oxfam-Magasins du monde, Enable-Belgian Development Agency, Fair Trade Advocacy Office, Belvas, Group One and Equo Garantito gave speeches that highlighted the vision and ideas of Fair Trade.

Women in Fair Trade

WFTO Europe was one of the partners in the global observance of International Women’s Day.

Fair Trade Towns Conference and engagement in Fair Trade initiatives

WFTO Europe, together with WFTO Global and Fair Trade representative from across the world gathered in Saarbrücken from the 14th to the 17th of September 2017 for the 11th International Fair Trade Towns Conference. The theme “Fair Trade Across Generations” focused on the idea that, while Fair Trade enterprises are most often run by adults, Fair Trade Cities, and the schools and universities involved with these projects, are mostly organised by the youth. WFTO Europe, thanks also to the participation of its representative in the International Fair Trade Towns Steering Committee, actively contributed to the event and encouraged member organisations to have a more active role in promoting this campaign at national level.

WFTO LATIN AMERICA

Market access

With support from the Municipality of Bolzano, members from Chile (Calypso, Beas y Tapia), Guatemala (Kiej de los Bosques-Wakami) and Peru (Raymisa, Royal Knit, Pimalpaka, Manos Amigas) received financial assistance to participate at the Ambiente Trade Show in Germany, in February.

World Fair Trade Day

Members in the region celebrated the 2017 World Fair Trade Day with various activities such as trade fairs, workshops and fashion shows to promote Fair Trade and raise awareness on fair consumption.

also visited the premises of Fundación CHol Chol, a member of the wfto in Chile.

Luis Heller participated in the Fair Trade Towns Conference in Korea. At the conference, Luis presented the growing number of Fair Trade Towns and Cities in Latin America.

WFTO Conference in Delhi

Fourteen (14) members from Latin America participated at the WFTO conference in New Delhi, India. This was made possible with assistance from the Municipality of Bolzano, the regional secretariat of IM Sweden in Guatemala and the support through WFTO projects funded by Misereor and Bread for the World.

Fair Trade Towns and Cities Campaign

Members in Ecuador celebrated Quito as a Fair Trade City. They organised Fair Trade workshops in the Habitat III 2017 event, held in Quito in October. Several activities were held under the framework “Ciudades y Pueblos Latinoamericanos por el Comercio Justo” (Fair Trade Towns and Cities in Latin America) promoted by the three main Fair Trade networks in Latin America: CLAC, WFTO Latin America and SPP. At the end of 2017, six Fair Trade Cities were declared: San Isidro (Costa Rica), Rio de Janeiro (Brazil), Poços de Calda (Brazil), Boa Esperança (Brazil), Riobamba (Ecuador) and Quito (Ecuador). New cities (Arroyos y Esteros in Paraguay, Tibasosa in Colombia) have joined the campaign and are now working on meeting the criteria to become Fair Trade Cities.

Luis Heller, as representative of WFTO Latin America within the regional committee of the campaign Ciudades y Pueblos de Comercio Justo, participated in an activity held in Temuco, by the National Coordinator of Fair Trade in Chile. Temuco is aiming to become a Fair Trade Town and they are now working to attain the status. During the visit in Temuco, Luis Heller

WFTO PACIFIC

Market Access

The WFTO Pacific region represented WFTO at the NY NOW trade fair in August through a joint Fair Trade showcase stand with Fair Trade Federation. The stand was located at the entrance, where visitors are directed to the booths of Fair Trade exhibitors.

WFTO Pacific representative Tony Hall helped the shared stand. He also took the opportunity to promote WFTO membership and answer queries on the procedure. The Pacific group met in Delhi during the WFTO Conference in November. Members of the Pacific region attended the 360° Fair Trade Federation Conference and Expo in Louisville, Kentucky.

Organisational Structure Change

In October the responsibility of administration and support of the membership from the Pacific region moved to the WFTO Global Office. Tony Hall, who has volunteered in this role since early 2012, has taken over new Fair Trade responsibilities. The WFTO family would again like to thank Tony for his time, energy and dedication to the WFTO Pacific Region.

SUPPORTERS



WFTO supporters have been key to our success. Some of the activities developed and results achieved throughout 2017 would not have been possible without the contribution of organisations and individuals who have supported our work – whether financially or otherwise. WFTO would like to thank them all and extend a particular appreciation to the below external donors who have supported activities in 2017:



Misereor (Germany), for their support towards the implementation of the Guarantee System, including the training of auditors, peers, regional staff and participation in Trade Fairs.



Bread for the World (Germany), for their support towards the implementation of the Guarantee System, including the provision of technical support to WFTO members and organisation of expert meetings.



The UN Refugee Agency (Switzerland), for its commitment to improving the livelihoods of refugees worldwide and for engaging WFTO in this process.



The European Commission, for supporting fair and ethical trade, and especially its engagement in awareness raising on gender equality.



Fair Trade Finest project (CBI and DAWs, The Netherlands) for cooperating with WFTO on increasing member's access to international markets, including export coaching, business advice and product development, as well as the implementation of the Guarantee System to their participants.



Messe Frankfurt (Germany) for the free booth space and their support throughout Ambiente trade fair, Frankfurt, February 2017.



New York Now (USA) for their support in all the preparations and throughout the NY NOW summer trade fair, NY, August 2017.