



Annual Report 2018

World Fair Trade Organization

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A Message from the President

Fair Trade is about people first, and it is the people across the WFTO community that inspire us. The WFTO is a membership organisation. This means it exists to serve its members and we believe that 2018 was another year where we succeeded to do so.

The members inspire us, so we tried hard in 2018 to tell their stories and values to different audiences. We told it to young ethical consumers via social media, to new market actors through engaging ecommerce platforms, to buyers at Ambiente and New York Now trade fair, and to the public on World Fair Trade Day, International Women's Day and many other global days. We showcased the wonderful product designs of our members at trade fairs, and profiled the women's leadership achievements of our members on Instagram, and we told the world about the depth of commitment to small producers that WFTO members have.

In every instance, we found that the world is inspired by who WFTO members are. Critically, what we found resonated most was highlighting that this is a community of truly mission-led enterprises - quintessential social enterprises.

In 2018 we united with the broader Fair Trade movement to launch the International Fair Trade Charter on 25 September. The WFTO community should feel proud of the central role it has played in creating and driving this Charter. We spent several years working closely with thought-leaders from across the Fair Trade movement to draft a common vision and capture our joint values.

Over 400 organisations and networks recognised the Charter by the end of 2018, with 135 of these being WFTO members.

What is encouraging is that global NGOs and others movements focused on justice, poverty and sustainability also recognised the Charter.

We hope this document is well used by all of us and becomes even more recognised as a reference point for Fair Trade. The Fair Trade Advocacy Office played a key role in the entire process and made us proud to be their co-founder and supporter.

We know 2018 was not an easy year for all WFTO members. While some found access to new retail channels and new ethical consumers, others were impacted by the financial troubles of a few important Fair Trade importers.



The commercial challenges faced by many WFTO members remains our key concern. With very limited resources, the WFTO has worked hard to engage new channels and opportunities for our members. This work include but goes beyond trade fairs.

Organisationally, we have remained prudent and financially healthy. This is now built into the culture and systems of the WFTO and our new Chief Executive, Erinch, continues to emphasise this point. Our Guarantee System continues to strengthen, members use more and more the WFTO product label and our membership is growing at a sustainable pace. We cannot be complacent, and will continue to look for new ways to benefit our members.

I would like to end this message with a word of big thanks to all people in the WFTO office and around the world, which have contributed to make 2018 another successful year for WFTO.

Warm greetings,

Rudi Dalvai
WFTO President

A Message from the Chief Executive

I was privileged to join the WFTO in 2018 and have been struck by the innovation and dynamism of our global community. The connection and solidarity between members across the world is remarkable. I saw it at conferences, trade fairs and campaigning moments. People selflessly give their time and energy, share their ideas and pursue opportunities for each other. There truly is a common vision and a common purpose. The WFTO is powered by this vision and purpose.

When a business is truly mission-led, not operating to extract profits but truly exists to benefit people and planet, anything is possible. In 2018, the WFTO more clearly embraced the idea of being a community of businesses with a different DNA. Fair Trade Enterprises are born for impact and are the quintessential examples of both Fair Trade and social enterprise. By focusing on this unique and proud identity, we began to connect with new buyers and consumers, and become embraced by more supporters and campaigners.

2018 has also been a year where we focused on new markets. The struggles of some key Fair Trade importers has been a concern for us all, and we have tried to catalyse new opportunities. This has meant showcasing WFTO member products as innovative and high quality, and WFTO members as inspiring and reliable businesses.

New online B-B and B-C platforms have been a part of our focus, and so have trade fairs, our website and social media. We have begun to draw the interest of new retailers and wholesalers who successfully appeal to young ethical consumers.



In 2018 we rediscovered innovation across the WFTO. From upcycling and recycling, to women's empowerment and refugee-livelihoods, the innovations that benefit people and planet are phenomenal.

When combined with beautiful product designs and dynamic marketing, the future is bright for Fair Trade Enterprises.

I remain convinced that these are the enterprises of the new economy and am proud to be their champion.

In solidarity,

Erinch Sahan
WFTO Chief Executive



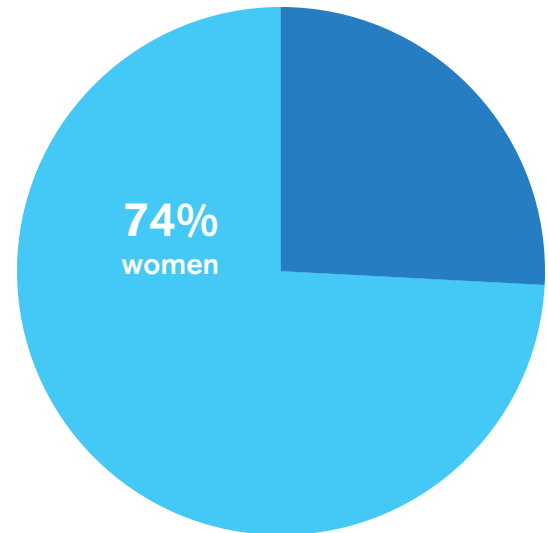
Impact of Fair Trade Enterprises

Fair Trade Enterprises are born for impact. They are social enterprises that fully practice Fair Trade. In 2018, we conducted analysis that showed WFTO members (Fair Trade Enterprises) impact 1m livelihoods, of whom 74% are women. We also found that the majority are led by women (52% of CEOs are female).

These enterprises transform local communities, pioneer upcycling, empower women, champion refugee rights and practice organic farming. Their impact goes far and wide and the WFTO is their global community.

These are the enterprises of the new economy. They support and trade with each other, speak up collectively, meet regularly and collaborate at trade fairs. It's a movement, a community and an idea.

965,700 livelihoods impacted by 323 Fair Trade Enterprises (May 2018)



Growing number of verified Fair Trade Enterprises

Our community of Fair Trade Enterprises is growing their impact. By end of 2018, there were 213 social enterprises that were verified by WFTO as Fair Trade Enterprises.

Social enterprises that join our community go through the Guarantee System procedure to verify their Fair Trade compliance. This is part of their membership obligations.

418 members in total



The Global Community of Fair Trade Enterprises

The WFTO is the home of Fair Trade Enterprises. Spread across 76 countries, members are verified as social enterprises that practice Fair Trade.

To be a WFTO member, an enterprise or organisation must demonstrate they put people and planet first in everything they do. We are democratically run by our members. This is their global community.

WFTO = social enterprise + Fair Trade

The WFTO focuses on both social enterprise and Fair Trade. Its Guarantee System is the only international verification model focused on social enterprises that put the interests of workers, farmers and artisans first.

Our members

Members are Fair Trade Enterprises: mission-led enterprises who have proven that workers, farmers and artisans are their main priority. This means they are social enterprises that practice Fair Trade.

We are a community of social entrepreneurs and campaigners, cooperatives and family businesses, innovators and Fair Trade pioneers.

We verify Fair Trade Enterprises

WFTO members are visited and verified by their peers and independent auditors against the 10 Principles of Fair Trade. The criteria is captured in the WFTO Fair Trade Standard.

In contrast to commodity certifiers, the WFTO Guarantee System assesses the entirety of a business, not just a specific product, ingredient or supply chain. It includes an assessment of the enterprise's structure and business model, its operations and its supply chains.

Once verified, a business can be considered a Fair Trade Enterprise that truly exists to put the interests of producers and their communities first.

The WFTO label is owned by Fair Trade Enterprises

WFTO members own the Guaranteed Fair Trade label and once fully-verified, they can use it on all their products. The Guaranteed Fair Trade label is exclusively used by mission-led businesses that are fully committed to Fair Trade in everything they do. It is the symbol for Fair Trade Enterprises.



**GUARANTEED
FAIR TRADE**

WFTO Projects in 2018

EC DEAR - Trade Fair, Live Fair

This project is designed to raise awareness and mobilize the European citizens towards sustainable consumption behaviour. At the heart of our project, which started in 2017 and will end in 2020, is the notion that only through citizens' better understanding of how supply chains work, can they foster the necessary change to achieve the Sustainable Development Goals.



The Fair Trade and Ethical Fashion movements across Europe joined forces in an ambitious project supported by the European Commission's Development Education and Awareness Raising Programme (DEAR). "Trade Fair, Live Fair" aims to foster more resilient livelihoods for the producers and workers behind many of the products that European citizens consume.

Bread for the World

In 2018 WFTO completed its joint project with Bread for the World. The project was launched in 2015 and focused on enabling producers, especially small farmers and artisans, to improve their livelihoods and communities through Fair Trade. This was done by allowing them to prove their uniqueness and provide consumers, buyers and public institutions with a credible guarantee system, recognisable by the application of an organisational label on the product itself.

Misereor

In 2018 WFTO also completed its joint project with MISEREOR which focused on strengthening the Guarantee System. Through this project, started in 2015, WFTO established its presence at Ambiente, Messe Frankfurt, and exhibited its product label to conventional businesses and the general public. Additionally the Guarantee System was taken through the process of digitalisation, with a new online system introduced for its members and auditors.



MADE 51

MADE51 - Market Access, Design and Empowerment for Refugee Artisans – is a global, collaborative initiative designed to connect refugee artisans with markets. It focuses on modernising traditional skills, building business acumen, partnering with social enterprises, and linking with retail brands and buyers. UNHCR is partnering with WFTO and other stakeholders to connect refugee-made artisan products with international markets. The cooperation started in 2017 and successfully continued throughout 2018.

The Fair Trade for Refugee Artisans project seeks to support the development of UNHCR's new global artisan initiative, MADE51, by ensuring that refugee artisans are working according to Fair Trade standards (fair wage payments, decent working conditions, environmental concern, etc.) and that their supporting local social enterprises are export-ready and have the capacity to connect refugee-made crafts with markets where they are in demand. The World Fair Trade Organization supports this through co-development of the Ethical Compliance Assessment, through technical assistance missions and through remote support. www.made51.org



Connecting members with online platforms

Some WFTO members have concerns over future sales. Broader market-facing initiatives are becoming more important for the WFTO membership to face future and current challenges.

We are also working to promote WFTO members through select e-marketplaces. E-marketplaces are a growing trend that can help expand market. Along with having a well designed websites, enterprises also make use

of these platforms, which open new market opportunities.

These platforms help to go beyond market borders and reach online buyers and consumers across the globe directly.

WFTO is working with several e-marketplaces (BtoB and BtoC) to provide greater connection with buyers and new customers for WFTO members.

WFTO presence at Trade Fairs

Ambiente

At the world's most important consumer goods trade fair, our members were able to experience all the latest trends and products first hand at Ambiente. In 2018, 4,376 exhibitors from 88 countries came to Ambiente. The same year, Ambiente attracted more than 133,000 trade visitors from 168 countries. WFTO participated to give extra visibility to members that are exhibiting at the fair. We set up a collective stand displaying products from members participating at the fair, and gave out information about Fair Trade.

This was the last year that the activity was made possible through the support of a project with Misereor. 49 of our members were present at Ambiente, 23 of which were showcasing their products at our booth.

NY NOW

WFTO took part in the NY NOW Summer 2018 fair together with the Fair Trade Federation (FTF). The show provided a prominent location at the entrance for the WFTO to exhibit a selection from members at the show. It was also an opportunity to educate buyers and other show attendees about the importance of Fair Trade. NY NOW is the largest retail-facing trade fair in the US.

15 WFTO members participated and showcased their products at NY NOW.

Voice

What connects Fair Trade producers, their products and consumers is the Fair Trade Enterprise. From production to sale, the enterprise in the chain is the constant variable. WFTO in 2018 increased its emphasis on the identity of the enterprise, its place in the broader picture of the Fair Trade movement and their role in building a fair, new economy.

Because Fair Trade Enterprises are designed to be mission-led, their behaviour and practices are often in stark contrast to mainstream business. This part of the identity of the WFTO has become a key focus in explaining why WFTO members should garner even more support and help inspire an economic transformation.

International Women's Day

On 8 March 2018, WFTO joined the entire world in calling for prioritisation of gender equality measures in the work place to end discrimination and inequalities experienced by women.

The WFTO community celebrated International Women's Day with their achievements in promoting gender equity in the enterprise. Through stories, inspirational quotes and testimonies, photos and videos, our members were very proud their Fair Trade Enterprises are leading in women's empowerment and gender equality practices.

WFTO prescribed two messaging hashtags #GenderEqualityNow and #PressforProgress to promote gender equity outside the WFTO network and to show gender equality best practices of members.

The celebration was also a great occasion to highlight how members embed Fair Trade Principle 6 in their enterprises' policies and programs.

In 2015, the general assembly of members passed the 'WFTO Gender Policy,' which is based from principle 6. The policy is now part of the compliance criteria for members.

Anti-Poverty Week

As a community focused on benefiting economically marginalised producers, the WFTO is a key voice during Anti-Poverty Week. In 2018 (15-21 October), the WFTO campaign focused on highlighting the innovations that result in benefits to small farmers and artisans and drive economic opportunity in their communities.

In this campaign, the Facebook reach was 15.5 thousand and engaged 1,400 people.

On Twitter, there were almost 2 thousand impressions. The approach was to build deeper engagement and interaction with a select group of followers.

World Fair Trade Day (WFTD)

World Fair Trade Day is the biggest Fair Trade celebration on the planet. WFTO members in over 70 countries led the celebration in their own small and big ways! From Christchurch to Palestine, to Edinburgh, to Santiago, members celebrated Fair Trade Day with workers, producers, buyers, consumers, partners, government authorities and partners organizations through offline and online activities.

"Live fair, one product at a time" was the celebration message for 2018 targeting ethical consumers. This call is a response to the growth of global ethical consumption. Most of these ethical consumers are looking to support Fair Trade. This is a great opportunity to showcase how Fair Trade Enterprises practice the highest degree of ethics and embody the most transformative vision for a fair and sustainable global economy.

Each year, more and more people are joining the World Fair Trade Day celebrations. In 2018, over 4,500 posts shouted #LiveFair on social media reaching over 1.3 million online accounts. Offline, our members went out to the streets, held commercial activities in their shops and in malls to promote fair consumption. Fair Trade Group Nepal organised a big rally in Kathmandu, Bangladeshi members went to their communities to spread Fair Trade awareness at the grassroots, Peruvian members invited government authorities to promote Fair Trade commerce and tourism, and Fair Trade Lebanon celebrated with food showcasing the agricultural products from rural areas to promote fair rural food production. Across Asia, Africa and Latin America, members of the WFTO celebrated Fair Trade Day showcasing their latest product collection.

WFTD 2018 is a subcampaign of the "Trade Fair, Live Fair" project, co-funded by the European Commission.





International Fair Trade Charter Launch

WFTO, together with Fairtrade International and the Fair Trade Advocacy Office, launched the International Fair Trade Charter on 25 September 2018. It was a successful collaboration with over 400 organisations expressing their recognition of the Charter.

One hundred thirty-five (135) of these are WFTO members. Organisations who recognise the Charter include: Oxfam International, IFOAM-Organics International, RIPESS (Intercontinental Network for the Promotion of Social Solidarity Economy), International Cooperative Alliance, Transform Finance, Misereor, Bread for the World and CAFOD.

The social media at launch was abuzz with around 1.5 thousand posts that reached almost 2 million social media accounts with around 7 million impressions. The Charter launch video had 5 thousand views a week after the launch with overall likes, shares and comments of around 1.5 thousand. By the end of the year, the video had almost 10 thousand views in total (WFTO Facebook and YouTube profiles).

The new International Fair Trade Charter enshrines the common vision and fundamental values of the Fair Trade movement to put us on the path to realising the Sustainable Development Goals. Rising inequality, entrenched poverty and a deepening ecological crisis have led the global community to seek new models of business and trade that drive fair and sustainable economies. Fair Trade is central to this.

Visit <https://www.fair-trade.website/> to learn more about the Charter.

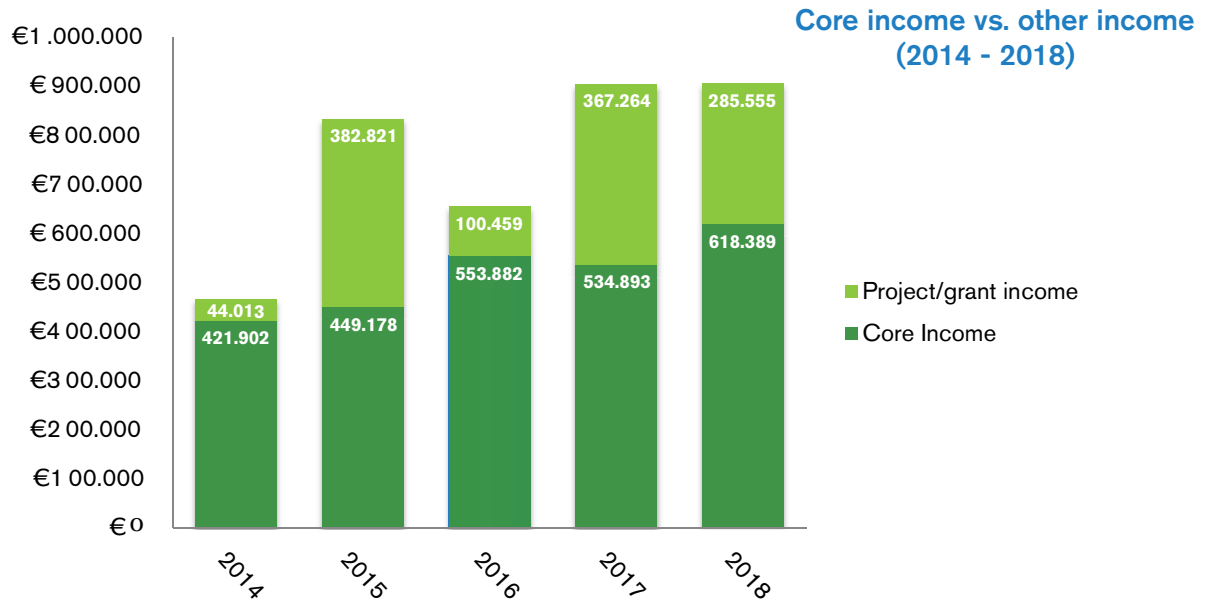
Finances

Balance sheet (€)

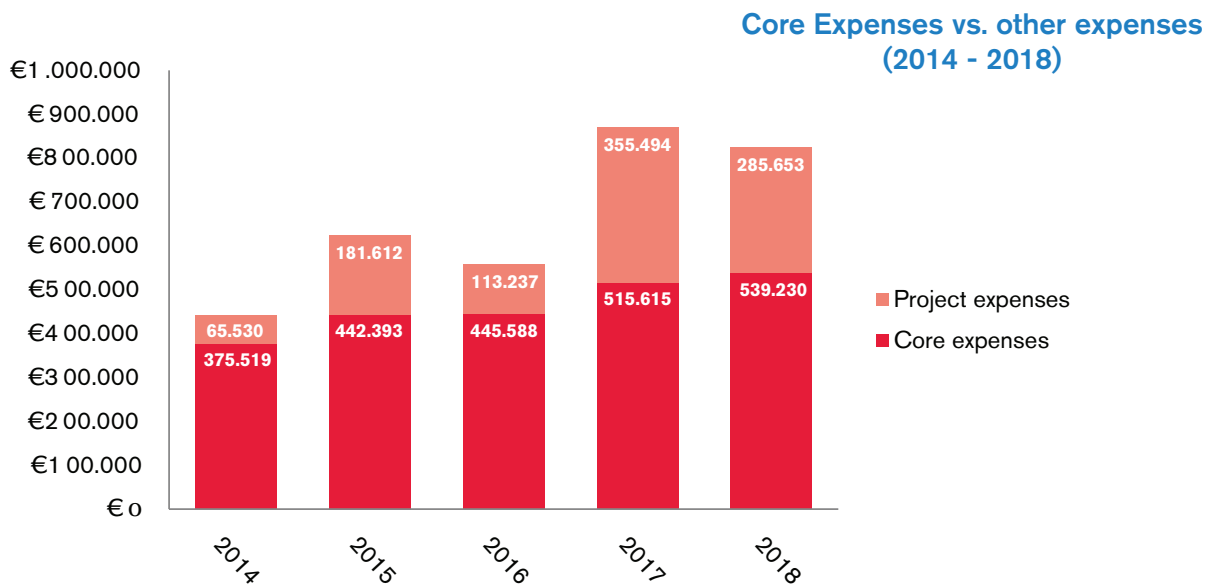
	31st December 2018	31st December 2017
FIXED ASSETS		
Tangible fixed assets		
Other fixed assets	2.841	3.007
Total tangible assets	2.841	3.007
CURRENT ASSETS		
Debtors and other receivables		
Trade debtors (members)	6.463	0
Other receivables	110.194	78.536
	116.657	78.536
Cash at bank and in hand	517.322	497.175
Total current assets	633.979	575.711
Total Assets	636.820	578.718
RESERVES		
Allocated funds	117.017	42.683
Other reserves	300.429	296.375
	417.446	339.058
CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME		
Creditors	39.825	21.162
Taxation and social security	17.313	17.025
Accruals and deferred income	162.236	201.473
	219.374	239.660
Total reserves and liabilities	636.820	578.718

Income statement 2018 (€)

	Actual (2018)	Budget (2018)	Actual (2017)
INCOME	903.944	642.860	901.460
EXPENSES			
Employee expenses	305.011	303.111	271.905
Depreciation fixed assets	2.208	1.000	1.534
	2.208	1.000	1.534
Other operating expenses			
General expenses	37.845	31.328	71.492
Housing expenses	21.188	19.276	16.624
Activity expenses Advocacy	20.000	15.000	15.000
Activity expenses WFTO	438.631	264.643	489.962
	517.664	330.247	593.078
Total expenses	824.883	634.358	866.517
Interest income and expenses	79.061	8.502	34.943
Interest and similar income	235	45	697
Interest and similar expenses	908	5.200	4.592
	673-	5.155-	3.895-
NET (DEFICIT)/SURPLUS FOR THE YEAR	78.388	3.347	31.048
APPROPRIATION OF RESULTS			
WFTO Brand Protection	-		-
GS IT System	-		-
WFTO Brand Enhancement	-		-
Friends of Fair Trade	-		-
Projects Co-funding	-		20.000
Temporary Support staff	77.643		
Other reserves	745		11.048
Total	78.388		31.048



Annual membership contributions comprised the biggest proportion of income: 61,8%. Other less significant contributions were collected through the First Buyer Label and the Ambiente stand. Project income was utilized in accordance with donor needs and requirements and constituted approximately 31,6% of the annual income.



Employee expenses comprised the biggest proportion of core expenses: 37%. Project expenses constituted approximately 34,6% of the total annual expenditure.



WFTO Team

WFTO Board

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 February and September. 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.

In March 2018, Erinch Sahan joined the WFTO as the new Chief Executive. Erinch came to the WFTO after a career at Oxfam, and having worked in business, government and academia.

WFTO Staff

Chief Executive

Erinch Sahan

Communications Coordinator

Michael Sarcauga

Guarantee System Manager

Tamara Cobussen

Finance and Administration Coordinator

Anton Delchev

Planning & Projects Manager

Jette Ladiges

Project Manager

Teresa Zuna

Communications Officer

Leonardo Grasso

Membership and Monitoring Officer

Lea Strub

Membership and Monitoring Officer

Sarah de Lange

Junior Communications Officer (Intern)

Rolf Jensen

Finance and Administration Interns

Nathan Bouray-Esnault & Mathilde Laroche

Membership and Monitoring Interns

Leonie Weber, Caroline Torre, Dora Zupka

Projects Volunteer

Irene Giacchetto

Online Interns:

Natalia Popielska

Ania Puciata

Josh Whittingham

Giselle Magana

Fang-hua Sung

Partners



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.



Messe Frankfurt (Germany) for the free booth space and their support throughout Ambiente trade fair, Frankfurt, February 2018.



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.



New York Now (USA) for their support in all the preparations and throughout the NY NOW summer trade fair, NY, August 2018.



Wolters Kluwer Tax & Accounting Netherlands (The Netherlands) for providing WFTO with four years of Twinfield, an online financial accounting software without charges.