



**The Sustainable Trade and Innovation Centre (STIC) -
European Hub**

**Buyer's Project Group
-
CENTRAL EUROPE Platform**

1) Introduction on STIC

STIC (Sustainable Trade & Innovation Centre) is a new venture, designed to help developing country producers to integrate market and customer requirements (especially environmental and social issues) in their production and export strategies. The aim of STIC is to promote trade between developing countries and developed countries on sustainable basis through developing innovative skills to developing country producers. It is to support and assist buyers in developed countries in implementing sustainable purchasing strategies on buying environmentally friendly and ethically responsible products and managing the supply chain.

STIC-International

STIC is the result of an international process of assessment and consultation, overseen by an advisory council chaired by Dr. Ben Ngubane, Minister of Arts, Culture, Science and Technology of South Africa. STIC has been registered as a Type II / Partnership Initiative by the World Summit for Sustainable Development in Johannesburg and has the support of the European Commission (DG Trade), EU Member States, the Dutch Ministry of the Environment and the Dutch Royal Tropical Institute, European Partners for the Environment, and Commonwealth Science Council.

STIC-Europe

STIC Europe explores ways and means for developing sustainable trade in support to developing Countries. It has its aim to mobilise support and participation from Europe for STIC International objectives and programmes. STIC will act as a platform for bringing together stakeholders from North and South to create a more cooperative context for achieving commercial, environmental and social progress simultaneously in developed and developing countries.

STIC European activities include a project named "Escalator 51" standing on two "pillars"

1. Buyer's Project Group
2. European Sustainable Trade Forum (ESTF)

STIC-Central Europe

STIC-Europe establishes Sub-regional and National level platform of Buyer project Group incorporating national public and private buyers, national government authorities, producers, exporters from developing countries. These platforms are planned to be built initially for Central Europe (Germany, Austria, Switzerland, Belgium, France, The Netherlands, Portugal, Spain, UK) as well as for the Baltic Region & some EU applicant countries (Denmark, Sweden, Norway, Lithuania, Estonia, Latvia, Poland) on a permanent basis.

The initiatives in France for French platform have already been executed with support from Committee 21, Max Havelaar, OREE, Eco-Maires with 40 French public and private companies and 200 cities.

2) Buyers Projects Group

In a free Global market, producer/exporter initiatives have no weight or leverage to get their needs and expectations fulfilled. The consumer commands as it holds the €. It is the buyer who establishes the rules of what will or will not be produced, packaged and exported. And "the client" is always right. The producer and exporter cannot influence the buyers to be more Socially and Environmentally responsible. It is at the demand-end of the equation that the

Social agents must act. STIC will act as a platform for bringing together stakeholders from North and South to create a more cooperative context for achieving commercial, environmental and social progress simultaneously in developed and developing countries.

The Buyers Projects Group has 6 priority fields of action

1. Buy sustainable products

2. Designing N/S Joint Venture

3. Public and Private Financing and Insurance Mechanisms

4. Capacity building

5. Marketing Sustainable trade

6. Support sustainable & fair trade weeks and similar promotions.

Initiatives are related to 3 sectors (agri-food, electronics and textile). They are developed by one of our partners, bilaterally between some partners or by the group itself.

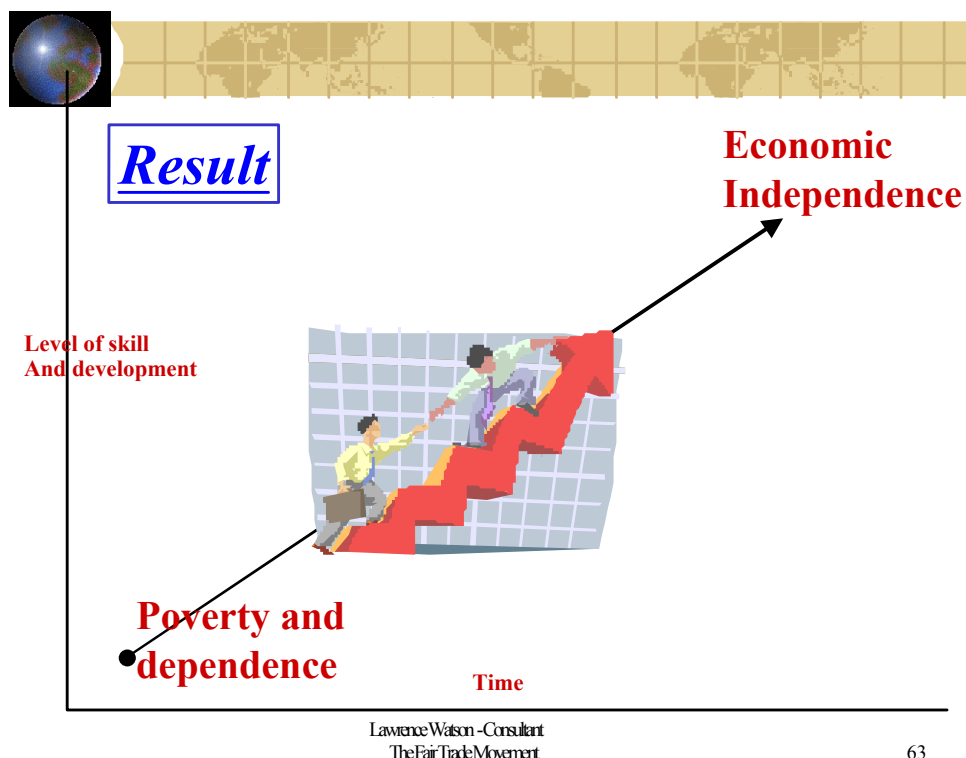


Fig. 1: Diagram showing “Escalator 51” of the Buyer Project Group

Buyer’s Project Group both at European level and national level will basically focus issues like:

- To support sustainable trade escalating it up to 51% by dramatically increasing the share from Southern producers. It is estimated that, today the market share of Fair Trade is generally less than 1% of the specific markets.

- To develop new tools to accelerate the transition towards sustainable development (the escalator)
- To create a new paradigm “mainstream sustainable & fair trade” towards a Global Well-being Society.

3) Activities of Buyer’s Project Group

Following activities will be executed within Buyer’s Project Group:

3.1 Voicing the Concern & Dialogue

Voicing the concerns of developing country producers in implementing existing European environmental and social standards imposed by export markets and working together with standard setters to ensure that these concerns are taken into consideration.

3.2 Capacity Building

To organize capacity building for strengthening managerial and technical skills of the developing country producers in order to fulfil international market requirements. This is also to provide technical and financial assistance to meet new requirements on quality, health and security. A network of 20 Capacity Building Centres at national levels are already planned in Asian countries and similar plans are made for African, Mediterranean and Latin American countries.

3.3 Harmonization of Requirements (Co-designing mutually agreed upon standards and codes)

The buyers are in difficult situation of assuring that the products which they are buying in Asian countries and selling in European market should be produced under well defined environmental criteria and under good ethical conditions. Because of the mounting pressure from the market, the buyers do not exactly know which way should they follow so that they are able to buy environmentally friendly and socially responsible products.

From beginning of 2005, quota system will be abolished and trade in the textile and clothing sector will be free market oriented. A high level of competition will start in the liberalized world trade of textile. So, there will be a need from the buyers’ side to compare the suppliers from different countries based on their performance for the requirements. This comparison can only be made, when there will be a co-evolution, where different requirements, different codes of conduct, different standard requirements are harmonized on one single platform. Once these requirements are harmonized (at least with basic or relevant criteria) with common understanding of all the parties, it will be easy to make comparison of performance of the suppliers from many countries in a free market.

It is planned to co-design and harmonize mutually agreed upon standards and codes through dialogues between different stakeholder groups, consumer groups, industry, buyers, financial institutions, governments, NGOs, researchers from the North and South. Preparations for such dialogues would involve an analysis of:

- The implications of EU and other Northern requirements for Southern producers
- The possibilities and ways forward for elaborating a mutually agreed upon minimum code of conduct for particular sectors
- The requirements for implementing such a code, including the tools and techniques for managing sustainable supply chains, implementing social accountability improvements, and applying eco-efficient solutions.

3.4 New joint Venture & Companies with N-S ownership

New joint ventures and companies with N-S ownership to produce, export, convert and

market sustained product and on sustainable trade basis with sense of cooperative partnership.

3.5 Elaboration of Guidelines for the Buying Groups

After a successful harmonization of requirements with common understanding of buyers, producers and other stakeholders, a comprehensive guidelines will be elaborated on sustainable purchasing strategies and methodologies on green and ethically sound products for the public and private European buying organizations. These guidelines will focus the criteria on selection of potential and qualified suppliers from the global free market, selection of product types, sustainable production criteria and purchasing criteria.

3.6 Elaboration of Working Tools for Producers in Developing Countries

Based on the harmonized requirements, a working tools and guidance will be elaborated for the producers of the developing and sourcing countries on how to design the production for the implementation of the market requirements right in the production design and processes, leading environmentally and socially responsible production on sustainable management basis.

3.7 Mainstream Sustainable Trade

To have a strong participation of institutional buyers, significantly increasing Fair Trade public procurement and companies purchasing policies, helping Southern Fair Trade organisations to enter mainstream markets.

4. Why and how to join Buyer' Project Group

4.1. Implement your own pledge/management plan.

To participate in the Buyers Projects Group for European Public Authorities and Companies, is to take practical steps towards the *implementation* of the WSSD conclusions, local agenda 21, sustainability/environment *commitments* (as Global Compact), *management system* (as EMAS/ISO), *reporting processes* (as Global reporting Initiative) and CSR policies.

A Reporting system will be designed in line with GRI and Global Compact guidelines.

4.2. Develop new business opportunities

Business to Business meetings and New Joint Ventures are major objectives of the process.

4.3. How to join ?

A Memorandum of Understanding will be proposed to Companies joining the National level Platform.