



AfriFOODlinks

D5.11 – Guidance on Fair Trade Opportunities between cities in Africa and Europe

August 2025





Publisher:

AfriFOODlinks

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Publication date: 09-2025

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As at September 2025

Cite this document as: ICLEI Europe. (2025). *Guidance on fair trade opportunities between cities in Africa and Europe*. AfriFOODlinks project

This publication is produced by ICLEI ES under the framework of the AfriFOODlinks project. AfriFOODlinks is funded by the European Union (EU). Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Research Executive Agency (REA). Neither the European Union nor the granting authority can be held responsible for them.



Funded by
the European Union



Local Governments
for Sustainability

Coordinated by
ICLEI Africa



Project partners



Deliverable Details

Deliverable Title	Work Package	Version
Guidance on fair trade opportunities between cities in Africa and Europe	5	1
Contractual Delivery Date	Actual Delivery Date	Dissemination Level
March 2026	September 2025	PU
Lead Partner	Contributing Partners	Reviewers
ICLEI ES	City of Bruges	Nele Brewaeys, City of Bruges Amy Murgatroyd, ICLEI AS

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Abbreviation List

AU - African Union

EU - European Union

FTT - Fair Trade Towns

ICLEI AS - ICLEI Africa Secretariat

ICLEI ES - ICLEI European Secretariat

ICLEI WS - ICLEI World Secretariat

MUFPP - Milan Urban Food Policy Pact (referring to AfriFOODlinks partner CDM - Comune di Milano)

NGO - Non-Governmental Organisation

SDG - Sustainable Development Goal

UN - United Nations

WFTO - World Fair Trade Organisation



*** We will use this icon across the report to stress a focus on women and youth empowerment.*

Project description

AfriFOODlinks

Launched in December 2022, AfriFOODlinks is an EU-funded project running for four years. AfriFOODlinks aims to **improve food and nutrition security** while delivering **positive outcomes for climate and the environment**, and building socio-ecological resilience in 65+ (15 African and 5 European Hub & Sharing cities and 45+ Network Cities) cities by:

- promoting **public shifts** to sustainable healthy diets;
- transforming **urban food environments** through real-world socio-technical experiments;
- promoting inclusive **multi-actor governance** to empower public officials, established and informal small businesses, communities, youth and women with ownership and agency to shape their food systems; and
- accelerating **innovative, women- and youth-led agri-food businesses** to support local value addition and inclusive economic participation.

AfriFOODlinks focuses on **five African "Hub Cities"**: Cape Town (South Africa), Tunis (Tunisia), Kisumu (Kenya), Mbale (Uganda) and Ouagadougou (Burkina Faso). In addition to the work undertaken in the Hub Cities, AfriFOODlinks engages a group of fifteen **African and European "Sharing Cities"** - Windhoek, Lusaka, Quelimane, Arusha, Antananarivo, Bukavu, Tamale, Dakar, Chefchaouen, Niamey, Bruges, Lisbon, Montpellier, Milan and Turin – who develop pilot projects aligned with the project's objectives and participate in a series of city exchange visits.

The project is divided into different work packages as follows:

1. Knowledge validation, amplification, creation and uptake
2. Strengthening multi-stakeholder governance processes
3. Promoting inclusive and circular agribusiness & innovation
4. Improving food environments through experimentation
5. Building lasting Africa-Europe partnerships
6. Mutual learning, exchange communications & outreach
7. Project management

Work Package 5

To contribute to AfriFOODlinks' overall objective of strengthening the links between food systems stakeholders in cities across Africa and Europe, WP5 has three main objectives:

1. To foster debate and exchange on African approaches on urban food systems transformation in consolidated fora;
2. To increase and strengthen opportunities for EU-AU exchange within organisations, initiatives and innovative funded projects;
3. To engage a wide range of actors in Europe and Africa (development aid agencies, open innovation communities, fair-trade organisations, cities) to identify opportunities for African cities.

Task 5.6

Deliverable 5.11 is integrated in Work Package 5 “Building lasting Africa-Europe partnerships” as part of Task 5.6 “Fair trade exchange opportunities between AU and EU cities”. Task 5.6 is led by ICLEI ES with inputs from relevant partners.

This task aims to explore how local governments can leverage fair trade opportunities, and how cooperation between AU and EU cities can be strengthened through fair trade. The task’s main activities include:

- **Organising an event** inviting African and European participants to share experiences on fair trade principles and initiatives. The session – titled “Leveraging Fair Trade for Circular Food Systems: What can business and cities do?” – was held on 19 September 2024 during the International Fair Trade Summit hosted by the World Fair Trade Organisation (WFTO) in Cape Town, South Africa. This session explored synergies between fair trade and the circular economy, building on concrete examples from businesses, incubators and cities that are already applying these principles in their activities.
- **Summarising the event’s key insights in a guidance report.** D5.11 thus builds on the insights of the above-mentioned session and aims to shed light on the benefits of fair trade uptake at city level, giving a comprehensive overview of potential challenges, opportunities, and key actors to involve. Finally, the report also provides practical guidance for cities that want to incorporate fair trade practices in their territory and governance.

Introduction

This report starts by exploring the **overarching concept of fair trade**, its principles, and its role in fostering more equitable and sustainable economies. It dives into the 10 fair trade principles and how these promote social equity, environmental responsibility, and economic resilience for businesses and communities. While the authors acknowledge the existence of criticism related to fair trade certifications¹, this report focuses on what fair trade can bring in terms of benefits, from improved working conditions to stronger local economies and increased sustainability.

The report then dives into **what fair trade means at city level**. Fair trade can indeed play a key role in shaping more equitable and sustainable urban food systems and in better connecting producers and consumers, as evidenced by Bruges' (Belgium) close collaboration with the city of Ebolowa (Cameroon) under the *Fair Trade Towns* movement. Additionally, the report shows how fair trade intersects with other key sustainability issues in urban settings, with a specific emphasis on the circular economy. Case studies demonstrate how businesses can integrate both approaches to create more resilient and sustainable urban food environments.

As a final step to support cities in advancing fair trade, this report provides **practical guidance tailored to key stakeholders** – businesses, incubators, and policymakers – and to the challenges they may face. It outlines concrete steps and recommendations for integrating fair trade principles into local policies and governance structures. By adopting fair trade practices, cities can build fairer, more inclusive economies while contributing to global sustainability goals.

Why is fair trade relevant for AfriFOODlinks?

The AfriFOODlinks project seeks to foster sustainable and resilient urban food systems across African and European cities by promoting **local, circular, and inclusive food economies**. This overarching objective, together with the project's focus on innovation and collaboration, fully align with fair trade goals. Fair trade principles are also very much connected to the project's values, rooted in its LINCS framework (see below), whose name also points to one of the project's central themes: increasing and strengthening linkages in and between cities.

Each of the **LINCS values** indeed shares strong synergies with fair trade principles:

¹ Criticisms mainly revolve around the bureaucratic and financial burden that the certification entails, which can be particularly hindering for small businesses. Some studies also point to the limited benefits of the Fair Trade certification ([link](#)), and to the fact that Fair Trade principles are poorly enforced ([link](#)). On the consumer's side, ensuring a fair price for producers might just translate in higher selling prices, potentially hindering food security. However, as there is no consensus around these criticisms as well as a general lack of data ([link](#)), this report will not focus on them.

- **L**earning aligns with fair trade's commitment to capacity-building, ensuring farmers and food producers develop and exchange knowledge;
- **I**nclusivity mirrors fair trade's focus on equity, prioritising smallholder farmers, marginalised communities, women, youth and ethical labour practices;
- **N**ovelty, which supports innovation in food systems, complements fair trade's dedication to continuous improvement and adaptation to social and environmental challenges;
- **C**ollaboration resonates with fair trade's emphasis on partnerships, fostering transparent, long-term relationships between cities, producers, suppliers and consumers;
- **S**ustainability is a shared core value, ensuring that both economic fairness and environmental responsibility remain central to food production and distribution.

Going beyond the project values, fair trade proves relevant for many AfriFOODlinks activities, from local pilot projects connecting producers and consumers to Africa-Europe city-to-city exchanges. The following sections will dive into these various synergies and explore how local governments – in AfriFOODlinks and beyond – can leverage fair trade to strengthen their local food economy and deepen relationships with one another.

Methodology

The preparation of this report, designed as a guidance document for cities to leverage fair trade opportunities, was informed by diverse sources and research methods. The process started by **gathering insights** during a **dedicated session** held during the **International Fair Trade Summit** (19 September 2024), titled "Leveraging Fair Trade for circular food systems: what can business and cities do?". This session featured contributions from leading experts, businesses, and representatives of cities actively applying fair trade principles at the local level.

The report further draws on **case studies** and practical experiences from cities – Bruges (Belgium) and Ebolowa (Cameroon) – that have successfully integrated fair trade principles and leveraged fair trade to foster city-to-city exchange. Inputs were gathered through a mix of **interviews** with the city representatives and **analysis of existing materials** (e.g. presentations, articles) detailing ongoing initiatives and their main outcomes.

To complement the above activities, additional information was collected through **desk research** (e.g. on issues related to acceptance of fair trade and its perceived limitations). This included reviewing papers, policy documents, and reports to build a robust foundation for the recommendations provided.

In addition, information and **feedback** were also provided by the **World Fair Trade Organisation** (WFTO), especially regarding the mechanisms and functioning of fair trade.

All insights gathered through these multiple sources were then synthesised to develop actionable guidance for cities, helping them identify and maximise the opportunities fair trade offers for fostering sustainable and circular food systems.

I. Fair trade: What & Why?

Fair trade is a global movement that promotes ethical, equitable, and sustainable trade practices. It ensures that producers, particularly small-scale farmers and artisans, receive fair compensation, work under humane conditions, and adopt environmentally friendly practices [1]. Rooted in the goal of addressing economic, social, and environmental factors influencing sustainable development, fair trade also represents a strategic business decision that can lead to long-term economic and social benefits.

The movement traces back to 1946 when efforts began to create more direct and equitable trade links between producers in Global North and Global South [2]. The establishment of the World Fair Trade Organisation (WFTO) in 1989 provided a global network for fair trade organisations to enhance the lives of marginalised communities through trade and knowledge-sharing [3]. Over time, fair trade objectives have evolved in response to criticism and emerging international standards. Currently, the WFTO's 10 core principles explicitly incorporate environmental sustainability and climate justice, aligning the movement with the United Nations Sustainable Development Goals [4, 5].

Fair trade principles

Outlined by the WFTO, the 10 Fair trade principles are designed to prioritise both people and the planet. They are meant to be applied in an integrated way in order to guide meaningful, transformative change [4].

1. Creating Opportunities for Economically Disadvantaged Producers

Fair Trade focuses on reducing poverty by supporting marginalised producers, enabling economic self-sufficiency and empowerment.

2. Transparency and Accountability

Members commit to being transparent in their management and business dealings, ensuring stakeholders are informed and can participate in decision-making processes. Accountability to all trading partners is emphasised.

3. Fair Trading Practices

Fair trading practices are observed to ensure the social, economic, and environmental well-being of small producers. This includes timely commitments, adherence to contracts, and responsible business conduct. Pre-payment and fair payment terms may be required.

4. Payment of a Fair Price

Members ensure that prices paid to producers are fairly negotiated and mutually agreed upon, reflecting true market value and considering equal pay for equal work. This often involves dialogue and active participation of producers in setting prices.

5. Ensuring No Child Labor and Forced Labor

Organisations adhere to international and local laws prohibiting child labour and forced labour, ensuring ethical production processes.

6. Commitment to Non-Discrimination, Gender Equity, and Freedom of Association

Organisations do not discriminate based on gender, race, religion, or other status; they support gender equity and respect the right of employees to organise and bargain collectively.

7. Ensuring Good Working Conditions

Safe and healthy working environments are maintained, complying with national and international labour standards.

8. Providing Capacity Building

Organisations promote the development of producers' skills and capabilities to improve their market access and organisational strength.

9. Promoting Fair Trade

Members actively raise awareness of Fair Trade principles and work to expand the Fair Trade movement.

10. Respect for the Environment

Business activities must be environmentally responsible, integrating practices that minimise negative impact and promote sustainability.

II. What fair trade means at city level

Fair trade & urban food systems

A sustainable food system must endure economic fluctuations and environmental challenges while ensuring ethical production and accessibility. The added value of fair trade for cities lies in its ability to leverage local resources and strengthen relationships between stakeholders at all stages of the value chain. Fair trade fosters synergies and exchanges between different stakeholders, sectors, and regions, serving as a catalyst for both national and international cooperation and for strengthened communities at the local level. Fair trade enterprises, like most social enterprises, are indeed deeply rooted in their community.

Building on their example, municipalities have the power to further support fair trade and facilitate its uptake by other businesses and producers. Yet, most cities still do not understand or recognise this potential. Fair trade remains often seen as only relevant for businesses, leading cities to overlook the levers they could use.

Key contributions of fair trade to urban food systems:

Economic Equity & Enhanced Livelihoods: fair trade ensures small-scale farmers receive fair prices and thus contributes to reducing poverty and strengthening local economies.

Fair trade uptake indeed generally results in higher incomes for small-scale farmers [8, 9, 10], which translates to improved living standards. This happens in different ways, with reported increases in basic living or education expenses [12].

More specifically, fair trade actively creates pathways for **women and youth** to participate in, and benefit from, food supply chains – ensuring equal pay for equal work and fair access to entrepreneurial opportunities. Within urban food systems, this fosters more diverse and equitable enterprises, driving innovation and strengthening social cohesion.

At the same time fair trade creates more transparent, traceable supply chains for urban consumers [11]. As a result, cities benefit from more predictable food supplies, and local economies – both urban and rural – are strengthened through equitable trade relationships.

Boosting economy and job creation through local food production, processing and manufacturing: fair trade, if properly promoted, can support local economic growth and job creation. It can attract investments into local food processing,

logistics, and distribution networks, as the example from Bruges and Ebolowa below demonstrates [13].

Strengthening local processing and manufacturing within fair trade supply chains also increases value retention at the community level². This contributes to the creation of skilled jobs and enhances workforce capabilities through training and upskilling initiatives, ultimately fostering long-term economic resilience.

Supporting sustainable food production and responsible food consumption:

supporting fair trade practices is an opportunity for cities to promote sustainable food production and consumption. On one hand it supports environmental preservation, conserving vital resources like soil and water, and mitigating climate change impacts [14]. On the other hand fair trade encourages sustainable and healthy food consumption through education and awareness raising campaigns. It empowers consumers by providing them with the opportunity to directly support fair and sustainable supply chains through their food choices, thus fostering responsible consumer behaviour and strengthening the social fabric and civic engagement around food in urban settings.

Another important platform for cities is the FTT movement. Becoming a FTT allows to institutionalise fair trade and offers numerous advantages – including access to a global network of like-minded municipalities, shared best practices, and increased visibility for fair trade initiatives. More details on the FTT movement and criteria are provided below.

Fair Trade Towns

The process of becoming a “Fair Trade Town” (FTT) is structured around key criteria, which serve as checkpoints for progress. The 5 steps to become a FTT are, in short [6, 7]:

1. The Local Council passes a resolution supporting Fair Trade and agreeing to use Fair Trade products in local spaces;
2. Fair Trade products are readily available for purchase, sale or consumption in the area’s shops & served in local cafés/catering establishments;
3. Fair Trade products are used by a number of local workplaces and community organisations (faith groups, schools, universities,...);
4. An awareness raising campaign targeted at citizens and stakeholders is launched, aiming to attract media coverage and popular support;
5. A local Fair Trade Steering Group is convened to ensure continued commitment to its Fair Trade Town status.

² For example, Fynbos Fine Foods (presented later in the report) adds value by using chillies to produce sauces rather than selling them fresh. Similarly, products like jams, spice mixes, and various preserves follow the same value-adding approach. According to internal data from the WFTO network, this method can allow local communities to retain up to 50% of the final retail value – compared to just 5% when raw ingredients are sold without processing.

When joining the movement, cities can also engage in twinning arrangements with other Fair Trade Towns (being part of FTT was key for the Ebolowa-Bruges partnership), which can be particularly meaningful when cooperating on a shared value chain.

Such twinings can take various forms. While most exchanges (focusing on knowledge transfer and capacity building) have taken place between Europe and the Global South, there is growing interest from African cities to join the network. The development of a pan-African network of Fair Trade Towns could strengthen regional exchanges and facilitate advocacy in favour of fair trade but also of local tourism across the continent.

At the same time, Europe's recent focus on promoting and improving local production, while it may hinder market access, is also an opportunity for Global South producers and towns to expand the internal market and South-South cooperation [7].

The partnership between Bruges and Ebolowa, both Fair Trade Towns (FTT) and Twin cities within this network, is a good example of how fair trade can be leveraged by local governments. It allowed both cities to expand their network, exchange expertise and explore new opportunities for collaboration with other cities and markets worldwide. More details on the Bruges-Ebolowa partnership are provided in the box below.

Case Study on Bruges, Belgium and Ebolowa, Cameroon

Leveraging fair trade is a great opportunity for cities to promote equitable and lasting relationships both along the food value chain and with other cities and regions. One such example is the collaboration between Bruges, Belgium, and Ebolowa, Cameroon, which aims to strengthen a **more sustainable cocoa and chocolate value chain**. Both cities are part of the Fair Trade Towns (FTT) movement, which was key to establishing the partnership, and are committed to transitioning towards fairer and more sustainable practices by engaging local stakeholders in their respective contexts.

The cities' unique context is reflected in the different angles in which they approach this transition. Bruges makes **sustainability** central to its **food**

strategy and has endorsed the “**Beyond Chocolate Charter**”³, striving to promote more sustainable chocolate consumption and production. Ebolowa, on the other hand, focuses on improving cocoa production and processing practices and ensuring **fair incomes for producers**. In addition, the city supports product development and innovation with a view to **process cocoa into different products** (e.g. soap, cocoa butter, pure chocolate mass, etc.) that can be sold on the local market. This is part of a **diversification strategy** that helps local cooperatives generate a stable income and gives producers a strong basis to build on to access international markets.

The collaboration between Bruges and Ebolowa is built on specific initiatives designed to address challenges in the cocoa and chocolate value chain, demonstrating how cooperation between cities can create tangible improvements in sustainability and economic value addition. These actions are further described in the table below.

Key levers	Bruges	Ebolowa
Governance	<ul style="list-style-type: none"> - Embedding the partnership in the city's policy program. - Become and implement FTT. - Development and promotion of their own fair trade city chocolate, 'Sjokla'. 	<ul style="list-style-type: none"> - Become FTT. - Promotion of local fair trade products in the local and regional market by the local tourism office.
Financial & Logistical Support	<ul style="list-style-type: none"> - Budget for actions related to awareness raising and capacity building, promotion of Sjokla. 	Every year, the city provides logistical support to 5 cocoa cooperatives who took part in the trainings provided during the annual 'Fair Trade Week'.
	Construction of a circular cocoa processing plant in Ebolowa (planned for 2025). Funded by the Bruges Guild of Chocolatiers, the City Council of Bruges, the Province of West Flanders and the City of Ebolowa, the plant will provide opportunities for women and young entrepreneurs to make and sell their own chocolate and cosmetic products (e.g. soap). These will be sold in the regional market, including in Ebolowa, Région du Sud and Yaoundé (Cameroon), and in	



³ The Beyond Chocolate initiative focuses on ending deforestation, stimulating education for future generations and providing a living income for cocoa growers. More info [here](#).



	neighbouring countries such as Gabon, DRC and Equatorial Guinea.	
Training & Capacity Building	<ul style="list-style-type: none"> - Young chocolatiers receive training to understand the entire production process, from “bean to bar”. - Capacity-building programmes have been established for local chocolatiers and chocolate shops to promote more sustainable practices. This includes exchanges between cocoa producers and chocolatiers through masterclasses and info evenings. - The city of Bruges involves the local chocolate shops in the promotion and sales of Sjokla. - Capacity building of the guiding unions in Bruges around sustainable cocoa and chocolate. 	<ul style="list-style-type: none"> - During the annual ‘Fair Trade Week’, organised in Ebolowa, the city provides training, in partnership with the local agricultural school. - Training programmes for young cocoa producers, focused on sustainable production and post-harvest practices. - To support local cooperatives, the city established a local network of stakeholders that has been actively engaged in awareness-raising activities since 2015. This network currently includes eight cooperatives and 70 craftsmen, with more partners joining every year.
Public Education & Awareness Raising	<ul style="list-style-type: none"> - Awareness raising activities targeted at citizens and visitors of the city, through collaborations with chocolatiers, NGOs, unions and civil society organisations. This includes chocolate tours with the guild of Bruges chocolatiers to share the story of Bruges-Ebolowa and of sustainable cocoa and chocolate. 	<ul style="list-style-type: none"> - Educational modules have been introduced in schools to raise awareness on fair trade. - SDGs Clubs initiative developed in 6 schools that brings youths to be part of public education on fair trade and sustainable development

The partnership lends strong legitimacy to the initiative, as institutional support from the city of Bruges has enabled Ebolowa to maintain **long-term commitment to the fair trade movement**. This support is reflected in ongoing

activities like fairs, training sessions, capacity building, and awareness-raising initiatives.

The municipality also plays a key role in fostering **long-term partnerships** between cocoa cooperatives and chocolate companies. By connecting producers with international markets and offering administrative support, it helps bridge the gap between local farmers and buyers. Currently, a long-term contract is being negotiated with a chocolate company committed to sourcing sustainable cocoa, along with the installation of a **professional drying and fermentation facility**.

Ideally, cocoa farmers in Ebolowa would be directly integrated in the chocolate company's sustainability programme. At present, they sell their cocoa to intermediaries and remain unaware of the end buyers. Joining such a programme would provide **long-term contracts and investment**, offering farmers more stable and predictable incomes.

Local producers in Ebolowa have already seen significant benefits from adopting fair trade principles. As outlined in the table above, these changes have positively impacted both farmers and artisans. Thanks to capacity building and logistical support for the cocoa cooperatives, cocoa farmers are seeing a difference in the **quality** of their **cocoa beans** after just a few years. A **new local market** has emerged, encouraging residents to **purchase locally made products** and **strengthening regional identity**. Cocoa and other local products have become a source of pride and income, with the 'Made in Ebolowa' label driving the development of artisanal and local processing industries. While this label does not substitute fair trade certification, it promotes **local know-how** and strengthens the economic identity of Ebolowa while encouraging local businesses and small producers to integrate the principles of fair trade. The city actively supports the development of value chains for local products, reinforcing economic sustainability.

Through these efforts, fair trade has contributed to transforming the local food environment in Ebolowa, ensuring that sustainable and ethical production practices become the norm rather than the exception.

Connection to other topics & what it means at local level: the example of fair trade and circular economy

The concept of circular economy is applied quite broadly, and more than 200 definitions exist, all emphasising the core principles of a circular economy – reduce, reuse, recycle and recover [15]. In this report, we define a circular economy as an

economic system of exchange and production which, at all stages in the life cycle of products (goods and services), aims to increase the efficiency of resource use and reduce the impact on the environment while supporting the well-being of individuals [16].

Circular Economy is rooted in 7 principles [17]:

High-Value Material Cycling – Materials are continuously cycled at their highest value, minimising waste and complexity loss.

Renewable Energy – Energy sources are renewable, efficiently used, and preserved through intelligent system design.

Sustainable Water Management – Water is responsibly extracted, cycled, and protected for long-term reuse and ecosystem health.

Biodiversity Preservation – Human activities enhance and protect biodiversity, prioritising ecological resilience.

Cultural and Social Integrity – Societal structures and cultures are preserved, ensuring inclusive and sustainable governance.

Health and Wellbeing – Toxic substances are minimised, and economic activities must not compromise health.

Maximising Societal Value – Resources are used to generate diverse forms of value beyond financial gain.

Fair trade and the circular economy, though distinct in focus, are deeply interconnected as both contribute to social, economic, and environmental sustainability. While fair trade prioritises equitable labour conditions, fair compensation, and ethical business practices, the circular economy concentrates on minimising waste, extending product life cycles, and improving resource efficiency. Despite these differences, both approaches promote sustainable production and consumption models that balance ethical responsibility with long-term economic and environmental resilience.

The fair trade principles, as defined by WFTO, align with the seven pillars of the circular economy in several ways:

- They emphasise **creating value** beyond financial profit, incorporating considerations for climate, biodiversity, and social equity.
- Both models support **employment generation** by promoting skilled, labour and locally driven processes. This creates jobs while simultaneously reducing material waste.



- They strongly rely on **effective collaboration along the supply chain**, ensuring ethical sourcing, fair labour practices, and sustainable resource use. More details on this specific point are provided in the box below.
- **Local economies** and small-scale enterprises benefit from both frameworks, fostering economic resilience, job stability, and opportunities for women and youth.
- **Environmental protection** is central to both approaches, which advocate for sustainable production, responsible resource management, and reduced environmental impacts.

When integrated, these approaches create a **holistic model for sustainable production and consumption that benefits both people and the planet**. This integration is, in fact, already implemented. During the International Fair Trade Summit, businesses like Fynbos Fine Foods and Nude Foods exemplified this approach, showcasing how they provide fair employment, promote local economies, and ensure access to healthy and sustainable food products.

The example of Nude Foods and Fynbos Fine Foods

Nude Foods

Nude Foods, a zero-waste grocery store in Cape Town, is a business example of the integration of circular economy principles. As the first of its kind in South Africa, and even across Africa, the store pioneered a refill and reuse system to eliminate plastic waste. The store promotes sustainable consumption by eliminating plastic packaging and sourcing ethical, locally produced goods. Through this process, Nude Foods supports small-scale farmers and artisans while reducing its environmental impact. The use of a refill bulk system with suppliers ensures that the entire supply chain remains waste- and plastic-free.

While not officially a fair trade business, Nude Foods aligns with many principles, and exemplifies how fair trade intersects with circular business principles. One example is the strong cooperation needed along the supply chain – between producers, suppliers, and transporters – which is key to both fair trade and circular businesses. For circular businesses more specifically, achieving this requires alignment among all stakeholders to prevent inefficiencies – such as products being packaged in plastic at an early stage, only to be then sold unpackaged. When it comes to fair trade, collaboration is needed to ensure that increased incomes for farmers do not lead to price inflation along the supply chain. Key strategies include minimising intermediaries as well as agreeing on a fixed fee for transport, rather than percentage-based charges, to maintain price stability and fairness.

Going beyond, this **alignment in the approach to the supply chain** also makes it easier to integrate both practices at the same time and **extend their positive impact on different companies and stages of the value chain**, helping to promote the type of change needed, especially in terms of resilient, diverse and fair food systems.

Fynbos Fine Foods

Located in a rural area surrounded by poor communities, Fynbos Fine Foods prioritises social responsibility and sustainability. Fynbos Fine Foods **follows circular economy principles** by reducing waste, rethinking resource use, and prioritising reusability. The core of their business is actually built on the principle of upcycling, by transforming unwanted produce into edible goods, ensuring minimal waste. The principles are not only applied to the products used but also to the equipment they use. Instead of replacing manufacturing equipment, they repair machinery to extend its lifespan. Plastic waste is collected and sent to recycling companies, contributing to job creation in the recycling sector.



The company applies **fair trade principles** by actively empowering its employees, primarily women. By offering training in diverse fields such as computer literacy and driver's license acquisition, they equip workers with essential skills that enhance their employability. Supporting education and professional development remains central to their mission of uplifting staff and fostering long-term economic security. Additionally, they emphasise local value-added production to create jobs, ensuring that processing and manufacturing activities remain within the community rather than relying solely on raw material exports. This holistic approach not only strengthens the local economy but also reinforces fair trade principles by creating sustainable employment opportunities.

III. Guidance for local ecosystem: how to get started

While fair trade is mostly perceived as relevant for businesses, local governments also have an important role to play – whether it be about facilitating fair trade uptake among local businesses or raising public awareness on the importance of fair wages along the food value chain. To make the link between these two actors, local incubators are key: they can support businesses in their development and link them with what local governments can offer. After outlining the roles of these three actors and how they approach fair trade, this chapter will provide an overview of the issues they may face in its uptake, exploring how municipalities can actively support and facilitate multi-stakeholder collaboration. The following paragraphs will draw inspiration from the two above-mentioned businesses (Fynbos Fine Foods and Nude Foods), who are actively contributing to these goals.

Key actors

Businesses

Businesses are at the core of the fair trade ecosystem: they have the power to support ethically produced goods, to promote sustainable practices, and to ensure fair wages for producers. They drive market demand and consumer awareness, making fair trade a viable economic model. However, while fair trade businesses offer significant social and environmental benefits, they also face a range of challenges that can make their operations more difficult and may hinder the willingness of existing business owners to transition to fair trade practices. To tackle these challenges, both incubators and local governments play a crucial role, as explained in the table below.

Local incubators

Local incubators serve as a bridge between fair trade producers and the market by providing support for small enterprises and startups. They offer training, mentorship, and financial assistance to help entrepreneurs develop sustainable business models.

Oribi, an impact incubator based in Cape Town and part of the AfriFOODlinks project, exemplifies this role by advising and supporting local communities – often from marginalised areas – in developing businesses rooted in the social and solidarity economy. Their work prioritises democratisation, equitable power

distribution, and fair economic gains. Through its work, Oribi has identified two types of businesses in their journey toward sustainability:

- The first consists of enterprises that already incorporate informal methods of managing finite resources, such as farmers who compost or food sellers who distribute surplus food within their communities. In many cases, these businesses are already operating under circular economy or fair trade principles, even if they do not explicitly define themselves as such.
- The second group comprises businesses that may not yet be familiar with fair trade or circular economy principles but are open to integrating them, provided there is a clear, feasible business model that offers economic viability rather than adding burdens to entrepreneurship.

To further assist fair trade and circular entrepreneurs, incubators provide enabling conditions, including inclusive financing and improved access to markets. By offering businesses information on opportunities that value sustainability and fair trade principles, incubators help address key challenges faced by enterprises. Incubators also play a role in making successful businesses more prominent and supporting them in becoming mentors for other aspiring entrepreneurs.

Despite their essential role in supporting fair trade and circular economy businesses, incubators also encounter significant challenges. These are mainly related to financial sustainability concerns, as running a socially and environmentally responsible incubator often comes with high operational costs. Another difficulty is that incubators themselves may have a limited understanding of the business case for fair trade and circular models, making it harder to attract investment and institutional support. Here as well, local governments have a key role to play in supporting these actors as enablers of fair trade practices. More details are provided in the table below.

Cities & Local policymakers

By promoting sustainable food systems and ethical economic models, local governments can help ensure food security, environmental resilience, and social equity. Supporting fair trade represents an important step in this direction. It is a mutually beneficial approach, where businesses, consumers, and governments collaborate to create ethical, sustainable market structures.

As previously mentioned, businesses face multiple challenges, including financial sustainability, lack of visibility, and limited networking opportunities. To help them overcome these obstacles and create a more sustainable and equitable marketplace as well as support the work of incubators, policymakers can implement several strategies. These include leveraging public demand by prioritising fair trade products in procurement policies, aligning procurement

criteria with fair trade goals, and coordinating efforts at various government levels. Additionally, fostering multi-stakeholder engagement encourages collaboration and innovation, and facilitating peer learning and mentorship among businesses, alongside raising awareness through education and social media, further empowers consumers and future entrepreneurs to embrace fair trade principles.

Challenges and resources in fair trade uptake

Business: challenge to solve	Incubator: how to strengthen businesses	Local government: area of intervention
<p>Limited market access and lack of adequate financial incentives or policies. This is a difficulty mainly for African businesses. Trade policies often make it cheaper to export raw materials to Europe for processing before reimporting them to Africa rather than trading directly within the continent. As a result, businesses face higher average tariffs when exporting within Africa.</p> <p><i>While this is outside of local governments' mandate, efforts to enhance intra-African trade are underway. This is being done through the African Continental Free Trade Area (AfCFTA), but the results and scale are yet to be determined.</i></p> <p>Unfair competition with businesses that do not adhere to fair trade principles, making it harder to compete on price.</p>	<p>Developing a “sharing” economy: Encouraging the collective use of resources through initiatives such as shared equipment, bulk purchasing, and cooperative business models.</p>	<p>P o l i c y & G o v e r n a n c e</p> <p>Leverage public demand:</p> <ul style="list-style-type: none"> • Lead by example through public procurement policies that prioritise fair trade products and businesses. • Ensure smaller businesses and entrepreneurs have fair access to public contracts and markets, ensuring stable remuneration and supporting long-term sustainability. • To achieve this, public authorities can award framework agreements that cover multiple contracts over a specific time period rather than spot contracts. Framework agreements enable public authorities to monitor progress over time and establish a long-term conversation with suppliers [18]. <p>Promote enabling policies:</p> <ul style="list-style-type: none"> • Ensure policy coherence by aligning sustainability indicators and public procurement criteria with fair trade goals. • Shift political emphasis from exports to strengthening local markets.

		<ul style="list-style-type: none"> • Engage in multi-level governance (e.g. national level) to ensure policy alignment and coordinated support <p>Foster multi-stakeholder engagement A city-wide fair trade strategy requires the active participation of several stakeholders, such as businesses, incubators and citizens. Establishing multi-stakeholder forums ensures diverse perspectives, fosters dialogue, and creates synergies between different actors, strengthening the fair trade movement at the local level.</p>
<p>Lack of processing infrastructure is a challenge for South-South trade or business based in African countries, since most processing sites are located in Europe. This results in a dependency on external markets for value-added goods.</p>	<p>Providing inclusive financing: Ensuring fair trade and circular economy entrepreneurs have access to necessary financial resources through incubator-led initiatives and support programmes.</p>	<p>F I n f d r i a n s g t & u c t u r e</p> <p>Invest in local food processing through infrastructure (providing space and machinery) and capacity building (sharing know-how for high-quality production).</p> <p>Support food production diversification to increase resilience and sustainability.</p> <ul style="list-style-type: none"> • Provide subsidies or tax benefits to farmers and businesses growing a variety of crops rather than relying on monocultures. • Support agroecological practices, such as organic farming.



Lack of information about key opportunities within the circular economy and fair trade sectors.

Limited networking opportunities that prevent businesses from forming valuable partnerships.

Low public awareness and limited consumer support:

Consumer habits, shaped by years of marketing, prioritise price and convenience over sustainability. Fair and circular economy products are often perceived as inaccessible due to pricing or lack of visibility in mainstream markets. In the current economic period, marked by inflation, changing this perception is even more important.

Providing information about key opportunities within the circular economy and fair trade sectors.

Enhancing business visibility: Leveraging social media increase public awareness and institutional recognition of fair trade enterprises.

Facilitate peer learning and mentorship:

- Establish and facilitate business networks for peer-to-peer learning.
- Support frontrunners in fair trade to mentor new startups and provide one-on-one coaching.
- Facilitate connection and information sharing between businesses, e.g. to match farmers who sell surplus products with businesses that can recycle and transform them.

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Raise awareness and educate (future) consumers:

- Use social media to bridge public and institutional divides and highlight ethical businesses.
- Integrate fair trade education into school curricula to foster sustainable consumption habits early.
- Empower consumers by making them aware of how their purchasing decisions impact values, production systems, and local economies.

Key takeaways

Integrating fair trade principles into local policies requires a structured approach and long-term commitment. While the chapter above provided practical examples of city-level actions that support businesses and incubators, the following policy recommendations outline a broader strategic framework for local and regional policymakers looking to embed fair trade principles into urban food systems governance. These recommendations are informed by the session held during the International Fair Trade Summit 2024 and a report written by FTAO [19].

Policy recommendations for local and regional policymakers:

1. Promote fair trade in public procurement and develop enabling policies

Local governments should prioritise products made following fair trade principles in their procurement strategies. This can include sourcing fair trade (certified) food, setting an example for responsible sourcing. At the same time, they should make sure that their policies – across departments – are creating an enabling environment for fair trade businesses to develop.

2. Foster multi-stakeholder engagement

A city-wide fair trade strategy requires the active participation of several stakeholders, such as businesses, incubators and citizens. Establishing multi-stakeholder fora would allow the inclusion of diverse perspectives, thereby fostering dialogue and collaboration, and strengthening the fair trade movement at the local level.

3. Financing and infrastructure

Local governments can support fair trade business development by either directly investing in new or improved infrastructure or by providing training and capacity building. Another instrument is subsidies and/or taxation that can be leveraged to encourage and reward good practices such as fair trade.

4. Leveraging synergies with (existing) sustainable models

Aligning fair trade with established sustainability initiatives, like the circular economy, can ease its integration into municipal strategies as well as incentivise businesses to increase their social and environmental commitments

5. Create platforms for innovation and collaboration

Local governments can support the development of incubators and innovation hubs that focus on fair trade. These platforms can provide businesses with the technical support and resources needed to adopt sustainable practices as well as networking opportunities.

6. Engage citizens in awareness raising activities

Raising awareness is a key driver of fair trade success as it leads to stronger support from local actors and encourages producers, traders and consumers to get involved in the process. To do so, cities should invest in educational campaigns, events, and community programmes that inform residents about the benefits of fair trade and sustainable consumption, stirring responsible purchasing habits.

7. Support women and youth

Cities should include gender mainstreaming in their practices – by developing programmes that provide tailored training, technical assistance and financial support for women, as well as by designing policies that are inclusive of different needs. The same should apply for the inclusion and promotion of youth.



8. Engage in North-South and South-South Cooperation

City representatives should foster partnerships between European and African cities as well as within African cities to promote fair trade initiatives. This can happen in the framework of the Fair Trade Towns initiative, as mentioned in the box further above.

Conclusion

The potential of fair trade remains largely untapped among cities. This is partly due to a lack of knowledge on how fair trade translates into practice in urban settings, and of the many co-benefits it can bring to local stakeholders and communities. From empowering local businesses (including those led by women and youth) and supporting local food economies to establishing long-term collaboration within and between cities, fair trade goes well beyond single commodities and supply chains. When connected to other sustainability issues (e.g circular economy), its impact can even be multiplied.

By gathering insights from both research and real-world case studies, this report demonstrates how fair trade can benefit urban food systems and vice versa. It shows how fair trade contributes to stronger local food economies by channelling investment into community-based enterprises, supporting entrepreneurship, and helping producers achieve decent livelihoods. Going beyond, it shows how the benefits of fair trade ripple outward, from enabling greater living conditions for local communities to upholding the retention of local knowledge and skills and empowering consumers to contribute to more virtuous supply chains, ultimately reinforcing the social fabric of cities.

The report also shows that local governments have a clear responsibility and opportunity to foster the uptake of fair trade through various levers – including policy and governance, public procurement, awareness raising and training, and infrastructure and funding. The partnership between Bruges and Ebolowa is a strong example of how cities can leverage fair trade to achieve multiple co-benefits. It shows a common thread in synergies that can be harnessed by public authorities to support and expand good practices within their communities.

With its wide reach in Europe and Africa, AfriFOODlinks has a unique opportunity to disseminate fair trade principles among its cities and beyond, laying the ground for sustained partnerships across the two continents.

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