



## TriNet Procurement Strategy paper for a local authority



### **Bornholms Regionskommune (BRK) – The regional Municipality of Bornholm**

This paper is supposed to be used as general recommendations for increased procurement in all municipality sectors, though it is mainly based on observations and conclusions which resulted from activities implemented within the TriNet Global project on the Island of Bornholm.

#### **Fairtrade Municipalities**

A Fairtrade Municipality is part of an international movement of more than 1.700 declared municipalities or towns - mainly in Europe and US.

They all share 5 common goals:

1. Local council passes a resolution supporting Fair Trade, and agrees to serve Fair Trade products (for example, in meetings, offices and canteens).
2. A range of Fair Trade products are available locally (targets vary from country to country)
3. Schools, workplaces, places of worship and community organisations support Fair Trade and use Fair Trade products whenever possible
4. Media coverage and events raise awareness and understanding of Fair Trade across the community.
5. A Fair Trade steering group representing different sectors is formed to co-ordinate action around the goals and develop them over the years.

Please refer to: <http://www.fairtradetowns.org>

The first goal states the procurement aspects in the towns or municipalities.

The fifth goal determines the framework for the decision making body regarding all Fairtrade issues within the Fairtrade municipality or town concept.

A municipality can decide if the Fairtrade procurement strategy should be regulated by a broader steering group or it should be an internal issue - typically for the procurement manager. Normally she or he would appreciate a steering group because of the member's resources in terms of knowhow on Fair Trade, development issues, information dissemination, etc.

#### **Fairtrade Island Bornholm**

Bornholm was officially appointed as Fairtrade Island Bornholm - at Hammershus Fairtrade Concert, July 17, 2009, attended by 10,000 people.

"For me there is a relation between the Fairtrade concept and our ambitions about Bornholm being a Bright Green Island. Both are dealing with responsibility and sustainability. And I'm actually a little proud that we

have managed to become the first Fairtrade Island in Scandinavia. We hope that the people of Bornholm will embrace the Fairtrade idea and hopefully our decision will inspire other municipalities" (Mayor Bjarne Kristiansen)

What the Mayor said actually showed up future to be true.

Fairtrade products and supply in general and in particular on Bornholm has grown rapidly since 2009. Today the sales are based on the general interest and demand as well as the efforts of active Fairtrade enthusiasts.

The fact that the mayor was very active from the beginning made him obviously a candidate to be the first chairman of the steering group for Fairtrade Island Bornholm.

Another obvious choice was the procurement manager as a member. He became a very active and dedicated member which led to rapid change in the procurement.



*The certificate is handed over to the Mayor and chairman of the steering group, Bjarne Kristiansen, 17.7.2009 by the chairman and general secretary of the Danish Fairtrade labeling organisation (Fairtrade Mærket). The procurement manager of BRK, John west (to the left) also took part as member of the steering group. Behind them are 10.000 audients at the Fairtrade Concert.*

## **The legal status of public procurement and the Fairtrade municipalities**

Any town or municipality which becomes or intend to become a Fairtrade municipality has to consider the legal aspects concerning (EU) regulations of public tender and the legal framework for the activities municipalities can deal with. It varies from country to country in Europe – also within the EU member states.

The Danish *State Administration* has tested the legality of the Fairtrade municipalities - especially in terms of the public procurement. The case was running for a period and finally the Ministry for Economic Affairs and the Interior positively confirmed the legality of public Fairtrade procurement.

*The State Administration and its nine local departments has been established as the state authority that handles tasks in areas where it is considered to be an advantage that administration and related contact between authorities and citizens are taken care of at local level. The State Administration belongs to and refers to the Ministry for Economic Affairs and the Interior.*

Unfortunately during and after the media focus on this case some municipalities with the intensions to turn into Fairtrade felt reluctant to continue the process. Another contributing

factor was some simultaneous negative media stories about Fairtrade productions in the Global South, though these were later disclaimed.

### **The procurement strategy in Bornholms Regionskommune (BRK)**

BRK started purchasing 100% Fairtrade coffee, tea and sugar within the general administration and the town hall.

Fairtrade was the criteria in all promotional material regarding these products.

There are various certification schemes such as:

- Fairtrade Mærket DK (FLO - Fairtrade Labeling Organisation) <http://fairtrade-maerket.dk>
- UTZ-https – <https://www.utzcertified.org>
- Rainforest Alliance - <http://www.rainforest-alliance.org>
- Fair Trade Danmark (WFTO – World Fair Trade Organisation) - <http://fairtradedanmark.dk> – for non-food products.

Among the above mentioned BRK selected *Fairtrade Mærket DK*. So far they only paid attention to food products.

Besides the general administration and the town hall, BRK consists of a series of other administrations plus the so-called *enterprises* which operates schools, kinder gardens, nursing homes, infrastructure, libraries, social institutions, etc.

As it is now, these individual enterprises have the option of purchasing Fairtrade products within their own budgets.

These enterprises have been the main target group for BRK's strategy of an increased fair procurement within the municipal sector.

Most municipalities in Denmark are organized in the same way as a part of a *New Public Management Strategy*, including a general decentralization or outsourcing strategy.

### **Direct approach and campaigns**

It can be recommended as a strategy for a Fairtrade Municipality to reach and address this sector by contacting all or selected enterprises directly.

Some may be interested and others can choose not to buy Fairtrade. Campaigns and recommendations from the central administration can increase the interest.

Though the general knowledge about Fairtrade is very high in Denmark (86 % know the Fairtrade Label (Fairtrade Mærket) and out of them 83 % find it reliable / credible), it can as well be recommended for the municipality to run courses or workshops about Fairtrade procurement. If they municipalities make that choice workshops / courses must be obligatory to assure their legitimacy.

This is in order to make a decentralized, individual and direct approach. All enterprises interested in participation can then be supported and advised individually and if possible through courses or workshops.

We believe that this direct approach is the best way to ensure good contact and communication and will create a good base for an individual procurement strategy for each unit.

Nevertheless the combination of courses or workshops with the campaign about possibilities of Fairtrade procurement in the form of one or more newsletters/e-mails to all enterprises will be the most efficient.

### **Combination – Fairtrade and organic food**

In 2014 BRK launched the project *60% organic food in all municipal kitchens on Bornholm – Projekt Økoløft*.

This project included a number of training workshops for the staff of the various municipal enterprises dealing in food.

At the workshops the participants learned about and how to implement the use of organic ingredients in the daily cooking.

We saw this as a perfect platform to reach many stakeholders within the target group and took contact to the project management and asked if a part of the teaching at the workshops could be about Fairtrade and we offered to do it ourselves as a part of the project activities – as a free contribution to the teaching which was very popular.

This was approved by BRK and we planned our contribution and carried it out as a part of the workshops in 2014. The interest and feedback from the participants was very positive.

We believe this to be the right strategy for an increased fair procurement for BRK.

The rationale behind is that we are linking up with them instead of asking them to link up with us. They saw this as very positive and as a result there is now a great awareness on the various available Fairtrade products sold as food service (whole sale for companies, canteens, public kitchens, etc).

### **The role of the local authorities**

From the beginning and throughout the project period FHFCs relation to BRK has been very positive. This is a precondition for a workable and efficient procurement strategy.

The direct partner has been the office and administration of Europe Direct, and in practice the procurement manager was our working partner in our activities to boost Fairtrade procurement in BRK.

Obviously recommendations must be seen in the light of the municipal policy. To carry out Fairtrade in a municipality context without the legitimate background to act and propose Fairtrade procurement is difficult.

Only changed political decisions and a new basis for Fairtrade can seriously promote Fairtrade procurement again.

## Recommendations

1. Combinations of workshops (obligatory though it can be up to enterprises to take decisions on Fairtrade procurement or not) and campaigns from the central level.
2. Campaigns have to be based on the *constructive journalism* concept – also known as *World's Best News*. The concept is related to the UN Sustainable Development Goals (SDGs) and the idea is that it's important to disseminate the positive stories in development and The Global South. If it deals with Fairtrade obviously the positive stories and results of Fairtrade for millions of farmers and workers in The Global South must be told.
3. Direct contact to decision makers in the enterprises must be emphasized in combination with bottom up approaches for staff.
4. Combinations with other municipal strategies such as organic food procurement or other sustainability strategies.
5. It's very important to focus on both *food and non-food products*. So far many municipalities have only paid attention to the food products.

The headline is: *The coffee as well as the cup*.

Regarding the international, organizational framework it means that we must deal with products labeled by the Fairtrade Labeling Organisation (FLO) and the World Fair Trade Organisation (WFTO).

6. In general it is important to clarify procurement legitimacy before initiating Fairtrade promoting projects in municipalities or other public organisations.



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