

## LUNCHBREAK



**Enabling Compliance of Fair Trade Supply Chains** 

with new EU Regulation

4 July 2025, 12 – 1 pm

## SASI-Lunchbreak 04.07.2025

Enabling Compliance of Fair Trade Supply Chains with new EU Regulation

Larissa Jung – Joerg Meyer – Robert Diendorfer









#### Part I

Enabling and promoting human rights and environmental due diligence (HREDD) in Fair Trade supply chains

#### **Part II**

The HREDD Support Fund in practice: Insights from a project in Colombia focused on EUDR implementation









#### Part I

# Enabling and promoting human rights and environmental due diligence (HREDD) in Fair Trade supply chains

#### Part II

The HREDD Support Fund in practice: Insights from a project in Colombia focused on EUDR implementation









## Why focus on Fair Trade supply chains?

- Violations against human rights and environmental standards in global supply chains still present
- → Fair Trade principles as one solution for social and future-proof form of trade
- Fair Trade principles can act as a blueprint for global supply chains:
  - Collaborative approaches
  - Strong relationships with increased communication
  - Payment of fair wages
  - Adherence to human rights- and environmental standards
  - •









### Three pillars to promote HREDD

# Capacity building + advocacy for HREDD in the Global North

- Awareness raising for HREDD
- Advocacy for strong EU-regulation in DE/EU

# Capacity building for HREDD in the Global South

Workshops, trainings on HREDD and EU regulation

# Financial support with the HREDD Support Fund

- (Financial) preparation for compliance with EU regulation
   / HREDD
- For smallholders/cooperatives









## Capacity building for HREDD in the Global North

- Capacity building on EU sustainability regulation for Fair Trade actors:
  - Information and advice (e.g. webinars, fact sheets, mailing lists) on current developments with EU regulations, implications on fair trade movement
  - Consultation and discussion with German Fair Trade companies, Fair Trade advisors, ministries, interested public
- Awareness raising on EU regulations and HREDD:
  - Blog- and news posts on EU sustainability regulation (e.g. EUDR, CSDDD, Omnibus)
  - Social media posts to comment and contextualize current political developments on HREDD







## Capacity building for HREDD in the Global North

- Policy support and advocacy:
  - Consultation during legislative processes e.g. for LkSG, CSDDD, Omnibus
  - Advocacy with national and European policymakers to highlight relevance of regulation e.g. via civil society alliances
- Participation in exchange formats with public and private stakeholders
  - Active voice for needs of smallholders
  - Keynotes at workshops with a focus on sharing practical experiences from the Fair Trade movement















脻 Ergebnisse des Omnibus-Verfahrens vorgestellt 🤚

Mufweichung der Klimatransitionspläne, Wegfall von EU-Sanktionen, Einschränkung der Risikoanalyse auf direkte Lieferanten, Streichung der zivilgesellschaftlichen Haftungsmechanismen und noch viele weitere Änderungen. Das ist kein Bürokratieabbau, sondern eine fundamentale Aushöhlung bereits verabschiedeter Regulierungen die eine substanzielle Gefahr für den Schutz von Menschen und Umwelt entlang von Lieferketten darstellt!

Weitere Details findet ihr in unserem aktuellen Newsbeitrag: https://lnkd.in/dTzfthgK

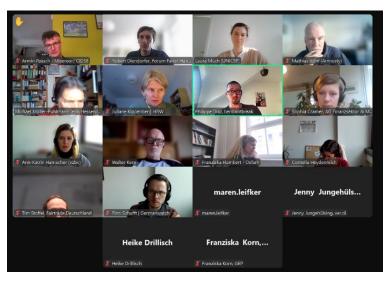
#omnibus #lieferketten #csddd #menschenrechte #sorgfaltspflichten



"Omnibus-Verfahren" höhlt EU-Lieferkettengesetz aus forum-fairer-handel.de











Implemented by





## Capacity building for HREDD in the Global South

- Capacity building by Fairtrade Producer Networks for Fairtrade producer organizations:
  - Workshops on HREDD and EU regulation for cooperatives and smallholders
  - Training of Trainers approach: selected cooperative members are trained to later disperse their knowledge to theother cooperative members and community
  - Feeding back practical learnings and challenges to policymakers

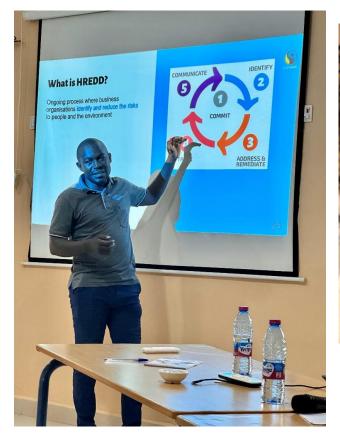
Financial support through the HREDD Support Fund























## The HREDD Support Fund









## Aim of the Fund



- ► Enable Fairtrade partner companies and producer groups to jointly implement HREDD in their supply chains
- ► Support smallholder farmers in making their production sustainable, adapting it to
  - the EU Regulation on the Prevention of Deforestation (EUDR),
  - the European Corporate Sustainability Due Diligence Directive (EUCSDDD),
  - or the EU Organic Regulation (EUOR),
- ► therefore mitigating against the risk of losing market access.









### Who can apply?



- Consortia made of at least one commercial partner and one producer partner
- ► Commercial partner from EU countries including Swiss and UK, preferably SME up to 250 employees
- ► All partners must be certified, licensed or registered under Fairtrade or a Fair Trade control / certification scheme
- ► Producer partner comes from priority countires









## **Priority Countries**



Africa	Asia	Latin America	
		- Bolivia	
- Burkina Faso		- Brazil	
- Cameroon	- India	- Colombia	
- Côte d'Ivoire	- Indonesia	- Ecuador	
- Ethiopia	- Sri Lanka	- Honduras	
- Cumopia - Ghana	- Uzbekistan	- Mexico	
- ulialia		- Nicaragua	
		- Peru	

Please note: Applications from other OECD DAC countries may be possible if match-funding from commercial partners can be obtained for specific supply chains. In such a case, Fairtrade Germany and/or Forum Fairer Handel should be approached, and the case will be discussed and decided by the Steering Committee.







### **Funding conditions**



- ▶ 25% matching-fund contribution (cash or in-kind) by consortia partners
- ► Max. project duration: 12 months
- ► Fund contribution: 10.500 50.000 EUR
- ► Eligible products: Coffee, Cocoa, Bananas, Tea, Cotton (primary production only), Spices, Palm oil, Natural Rubber, Sugar, Nuts, Soy









## **Application Process**

The application process comprises of **three steps** and the following respective templates:

#### 1. Submission of the concept note



Concept Note English
Concept Note French
Concept Note Spanish

2. Submission of the full proposal and budget following an invitation by the fund's working group



Full Proposal English
Budget Proposal English

Full Proposal French
Budget Proposal French

<u>Full Proposal Spanish</u> <u>Budget Proposal Spanish</u>

3. Acceptance/rejection of the full application by the fund Steering Committee











## Timeline 2025



Deadline for submission of Concept Notes	Invitation for Full Proposal	Deadline for submission of Full Proposal	Notification on funding decision
16.06.2025	09.07.2025	04.08.2025	by 15.09.2025
15.09.2025	08.10.2025	03.11.2025	by 17.12.2025

Applications are accepted by e-mail to **hredd-fund@fairtrade-deutschland.de** in one of the following languages:

English, Spanish, French.









## Recap of Results 2024

10 Projects\*

Approved in total in 2024

515.453€

Total project volume

~102.523

Producers will be reached



\* Originally, 11 projects were approved. However, the project consortium from PERU has withdrawn their proposal due to internal decisions in the application consortium on the 9th Dec. 2024.









## Projects in the following countries



#### **More Information**



For more information and all needed templates please visit the website:

**HREDD Support Fund** 

And consult the Funds Terms and Conditions:

Fund Terms and Conditions English
Fund Terms and Conditions French
Fund Terms and Conditions Spanish









#### Part I

Enabling and promoting human rights and environmental due diligence (HREDD) in Fair Trade supply chains

#### **Part II**

The HREDD Support Fund in practice: Insights from a project in Colombia focused on EUDR implementation









Building a
Sustainable,
DeforestationFree Coffee
Supply Chain

A collaboration between Ecolsierra and Caventura, with support from the Fairtrade HREDD fund.



#### **Project Partners**

#### Red Ecolsierra (Colombia)

- 350 organic coffee-farming families in Sierra Nevada de Santa Marta
- Established 2001, focusing on sustainability, conservation & empowerment
- 800 tons annual organic coffee production capacity
- 80% export to EU



#### **Caventura GmbH (Germany)**

- Specialty organic coffee importer & roastery based in Berlin
- Direct sourcing partner since 2019
- Strategic commercial relationship Red Ecolsierra represents >80% of Caventura's supply



**Partnership Foundation:** 5+ years of collaboration, shared commitment to ethical sourcing and community impact

#### **Project Objective & Implementation**

Create and strengthen a **sustainable**, **deforestation-free coffee supply chain** with digitalized traceability for **EUDR compliance** - protecting EU market access for 350 small-scale farmers.

#### **Pillar 1: Direct Farmer Support**

- EUDR compliance training & technical assistance
- Farm-level geolocation mapping
- Conservation work (agroforestry, soil conservation)
- Women & youth leadership workshops

#### **Pillar 2: Strengthen Central Capabilities**

- Dedicated EUDR Compliance Officer (6 months)
- Enhanced traceability software systems
- Equipment & software licenses for compliance
- GHG emissions measurement & reduction tools













#### Why This Funding is Critical for Red Ecolsierra?

#### **Market Access Risk**

- 80% of exports go to EU markets
- Without EUDR compliance
   loss of established
   market share
- 350 farming families at risk of losing primary income source

#### **Capacity Gap**

- Small-scale farmers unfamiliar with regulations
- Lack of technical infrastructure for geolocation mapping & traceability
- Need dedicated expertise for compliance coordination

#### **Investment Requirements**

- **€123,500 total project** budget
- €50,000 HREDD funding enables comprehensive approach vs. basic compliance
- Co-financing from partners (€69K Red Ecolsierra, €4K Caventura)

**Sustainable Impact**: Funding creates permanent capabilities - EUDR Officer becomes permanent employee, systems remain operational beyond project period.













#### **Project Status & Timeline**

**Project Period:** January - September 2025

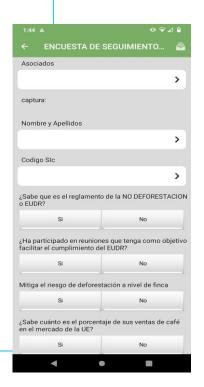
#### Status (May 2025)

- EUDR Compliance Officer recruited
- 251 farmers trained on EUDR in 12 workshops and 3 online sessions
- 90% of farm geolocation data collected



#### **Workshop Results**

- 59% of farmers had not heard of EUDR prior to workshops
- Nevertheless, 93% stated they avoid deforestation already
- After the training, 100% of participants stated they understood the training content and will support their organization towards deforestation goals and compliance



#### **Next Steps**

- Youth and women leadership workshops
- GHG emission tracking tool
- Finalize geo data collection
- Complete conservation work in collaboration with farmers
- Project wrap-up and reporting





#### **Contact Information**

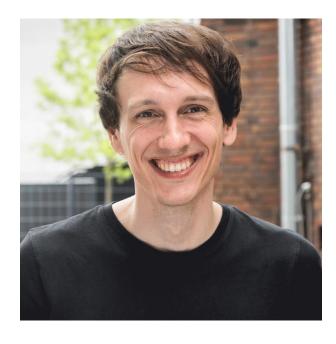


Larissa Jung

Coordination International Projects & Fundraising

#### Fairtrade Germany

<u>l.jung@fairtrade-deutschland.de</u> +49 221 94 20 40 - 140



**Robert Diendorfer** 

Policy Advisor Business & Human Rights

#### **Forum Fairer Handel**

r.diendorfer@forum-fairer-handel.de
+49 30 200 03 512



Joerg Meyer

Investor & Advisor

#### Caventura

<u>Joerg@caventura.com</u>





Implemented by



## Thank you for joining!

See you – after a short Summer break – at our next Lunchbreak in September.

The topic will be shared soon.