



**Buy Fair -
European public procurement
guidelines for Fair Trade**



Case study

Joint European procurement of hot beverages

***Provinces of Utrecht and Zuid-Holland
The Netherlands***

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Fair Trade in the Netherlands

With a large number of importing organisations, a dense network of worldshops and one of Europe's biggest Fair Trade labelling organisations, the Netherlands has one of the most mature Fair Trade markets in Europe, and has often served as a model for others. In the seventies, Fair Trade Organisatie (FTO)¹ – formerly SOS Wereldhandel – played a pioneering role in importing products from developing countries and in 1988, the first label initiative was launched, under the name of Max Havelaar^{2,3}.

FTO is by far the largest Fair Trade importing organisation in the Netherlands, with an annual turnover of €20.7 million⁴. Besides selling its products through its own 8 Fair Trade Shops, 400 Worldshops, and a growing number of supermarkets, FTO supplies coffee to the Dutch parliament, the European Parliament, municipalities, provincial governments and ministries.

At the national level, many awareness-raising and/or product-specific campaigns have been promoted, including the Clean Clothes campaign⁵, which aims at improving labour conditions in the garment industry. [PD1]SenterNovem⁶, an agency of the Ministry of Economic Affairs, supports sustainable procurement through the programme 'Met preventie naar duurzaam ondernemen' (Predo). As part of Predo, the programme 'Duurzaam inkopen' was launched, which stimulates public authorities to include environmental and social criteria in the procurement process⁷.

Introduction to case study

The province of Utrecht attaches high value to sustainable procurement, and follows a so-called carbon dioxide neutral management. When it was discovered during a network meeting of provincial procurers that both the Province of Utrecht and the Province of Zuid-Holland were preparing a call for tender for hot beverages, the provinces decided to do a joint European procurement and drafted a call for tender. In the award criteria for the tender 'sustainable procurement and labour conditions' was considered more important than price.

The procurement led to a new innovative collaboration between vending machines supplier Maas and coffee roaster Peeze. Furthermore, by purchasing jointly, the provinces not only got a good price, but could also set higher sustainability criteria. For this procurement, the provinces received the 'Duurzaam Inkopen Prijs' 2004.

¹ More information on Fair Trade Organisatie at: <http://www.fairtrade.nl>.

² More information on Max Havelaar at: <http://www.maxhavelaar.nl>.

³ See 'Fair Trade in Europe 2005, Facts and Figures on Fair Trade in 25 European countries, <http://www.ifat.org/downloads/marketing/FairTradeinEurope2005.pdf>

⁴ Other examples of importing organisations in the Netherlands include Amandla, De Evenaar, Flash, FSC Netherlands (formerly known as 'Stichting Goed Hout'), Hasla, Kanika, Lanka Lamai, Mandat Nepal Handel, Sarana, Tahoua Import, Tito de Alencar and Wisnu (<http://www.nivah.nl>).

⁵ More information on the Clean Clothes Campaign at: <http://www.cleanclothes.org>.

⁶ More information on SenterNovem at <http://www.senternovem.nl>.

⁷ At [0]www.senternovem.nl/duurzaaminkopen, one can find practical information on sustainable procurement, European tenders and environmental specifications including environmental and social criteria for a variety of products and services.

Implementation

Subject matter: Joint European procurement of hot beverages

Contract period: Four years, starting in spring 2004

Technical Specifications: Utrecht:
“The coffee currently in use is 100% Arabica-quality and of high quality. Coffee and tea are also certified by Max Havelaar and EKO-keurmerk⁸[PD2]. The quality level should stay the same or at least closely approach the current level, or be similar to:

1. Coffee: Max Havelaar and EKO-keurmerk
2. Tea: Max Havelaar and EKO-keurmerk

You must demonstrate that your products are allowed to use both labels, or describe the extent to which you fulfil this.

If you or the products do not use these labels, and you are of the opinion that the offered ingredients are at least comparable, or fall under a similar arrangement, you should demonstrate this, as well as how this is and will be guaranteed.”

Award criteria: Utrecht and Zuid-Holland:
“The tender will be awarded to the best offer in economic terms, taking into consideration the following subcriteria. The subcriteria are listed in order of descending importance.

- a) Quality of the product
- b) User functionality of the systems
- c) Maintenance and reliability of machines
- d) Sustainable procurement and labour conditions
- e) Price
- f) Management service
- g) Level of consent with the conditions and concept agreement”

Fair trade products: Coffee, tea and cocoa

Key actors involved

- Province of Utrecht: kerngroep van Inkoop/Facilitaire Dienst (core group of Procurement/Facility Service)
- Province of Zuid-Holland: Kenniscentrum Inkoop en Aanbestedingen (KIA) (Knowledge centre Purchasement and Procurement)

⁸ EKO-keurmerk is a Dutch label for organic products. One can find more information on EKO-keurmerk at: <http://www.eko-keurmerk.nl/>

- Both provinces used the environmental specifications including environmental and social criteria one can find at the website of the programme Duurzaam Inkopen, established by SenterNovem.

Difficulties encountered

No particular difficulties have been encountered.

Complementary measures

No complementary measures were taken.

Results achieved

Utrecht:

- The coffee is 100 % Arabica and certified by Max Havelaar as well as by EKO-keurmerk. Other products, such as tea and cocoa, are certified by Max Havelaar.
- High sustainability criteria were fulfilled, not only with regard to the vending machines, but also to the ingredients.
- Compared to the previous situation, the price per drink decreased considerably, and is now almost comparable to regular prices.
- The market was positively influenced by the procurement: a new innovative collaboration between vending machines supplier Maas and coffee roaster Peeze was established.

Zuid-Holland:

- All ingredients are certified by Max Havelaar.

Further information

Utrecht: Mr. G.M.C. Buursen, process manager facility projects for the province of Utrecht, tel. +31 30 2582923.

Zuid-Holland: Mr. J.H. van Heijst, province of Zuid-Holland, tel. +31 70 4418328

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[PD1] I'd add the government policy to the intro

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[PD2] What is EKO.keurmerk – could you also quote it with weblink etc