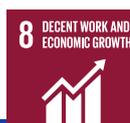


IMPACT SHEET: SWITCHing India's Consumption to Fair and Sustainable Goods

Promoting and Mainstreaming Sustainable Consumption and Sustainable Lifestyle in urban India



The project raised consumer awareness in urban India, supported the launch of over 230 sustainable products, and built a network of more than 100 institutions and businesses committed to promoting Sustainable Consumption and Production through Fairtrade in India.



PROJECT BACKGROUND

To facilitate Indian consumers' switch towards a Lifestyle for Environment (LiFE) and sustainable living, the Fair Trade India project implemented activities to support consumer awareness about SCP and facilitated greater sustainable consumption choices at the point of purchase and institutional levels in India.

The project operated from January 2018 to October 2022 across India and Bhutan. Project activities in Bhutan focused on implementing sustainable production practices and supporting sustainable products for sale in India, while activities in India centred on consumer engagement with SCP and developing sustainable product choices for food and fashion. The project was implemented in India by the Centre for Social Markets and in Bhutan by the Bhutan Chambers of Commerce and Industry. Partnering with Fairtrade International, Maxhavelaar France, and Fairtrade Germany, the project built on their extensive experience in Europe, engaging with consumers on sustainable consumption and facilitating business transition to sustainable production practices through the Fairtrade framework.

CHALLENGE

India's large and growing population (1.4 billion with a 1% annual growth rate) poses accelerating consumption and unsustainable lifestyle as one of the key risks to both India's and global environmental sustainability. Meeting targets under the 2030 SDG Agenda and the Paris Agreement is at stake. In 2015, research by Globescan found that 78% of urban Indian consumers interviewed believed that they could change things by choosing to shop ethically and sustainably. Moreover, 82% of Indian consumers admired companies that lead in being ethical and sustainable. However, respondents also cited major challenges in translating this intent into switching to more sustainable consumption. While many urban Indian consumers want to shop ethically and sustainably, 75% of the respondents to the Globescan 2015 survey said they find it hard to find products that are good for society and the environment. Further barriers for sustainable consumption were identified as a lack of awareness and information on SCP, accessibility and convenience of sustainably produced products, and lack of choice and affordability.

PROJECT OBJECTIVES

The Fair Trade India project's overall objective was to contribute to sustainable development and poverty reduction in India through greater sustainable consumption. The specific objectives included:

- To educate and engage consumers in urban India with the concept of sustainability, particularly related to food and fashion.
- To develop a network and an active eco-system of institutions and partners, including government agencies, promoting sustainable consumption and procurement in India.

- To engage businesses and organizations to produce and source more sustainable and fair products by switching to Sustainable/Fairtrade supply chains, thus making sustainable products more accessible to Indian consumers.

TARGET GROUPS

- **Urban consumers in India** – Raising awareness about SCP and increasing sustainable choices and availability for them.
- **Educational Institutions** – Promoting Sustainability Education and responsible citizenship.
- **MSMEs & Large Corporations** – Retailers, Brands, HORECA, and manufacturers from MSMEs to MNCs across India and Europe, particularly in food and fashion sectors, building sustainable supply chains and developing sustainable products.
- **Government at municipalities' level** - Being catalysts for the adoption of sustainable production practices by encouraging businesses and through sustainable procurement policies.
- **Small-holder farmers and agricultural workers from India and Bhutan** following more sustainable agricultural practices, reducing toxic chemical use, and promoting sustainable production practices.

PROJECT ACTIVITIES

Raising awareness and engagement of consumers in urban India with the concept of sustainability related to food and clothing:

The project undertook a multi-pronged awareness campaign involving online and offline media publications, a high visibility Ambassador and Influencer Programme with conscious and like-minded celebrities in India, and regularly organizing awareness campaign activities to galvanize grassroots consumer movements in India.

Building a network and active eco-system of institutions and partners to promote sustainable consumption and procurement in India:

The project developed a network of education institutions - schools and universities - in India to promote Sustainability Education about SCP and Fairtrade. It also enabled exchanges among institutions and students across India and Europe to share best practices from the global Fairtrade Schools and youth Campaigns. It engaged with other stakeholders from workplaces to local authorities, from retailers to CSOs, to increase awareness and engagement with Fairtrade and local sustainability, particularly related to SDG12 and sustainable food and fashion systems.

Supporting businesses to switch to sustainable and Fairtrade supply chains and developing more sustainable products, making sustainable choices more accessible for Indian consumers:

The project worked with businesses across the spectrum - from MSMEs to MNCs - in India and Bhutan to facilitate the adoption of sustainable production and sourcing practices and developing sustainable food and fashion products for the Indian market. This involved training businesses on sustainable production practices, supporting the development of sustainable supply chains, supporting the Fairtrade sustainable certification and labelling process, and facilitating market linkages to make sustainable products more accessible. In addition, the project also collaborated with Fairtrade organizations in Germany and France to leverage EU multinational corporate sustainability commitments and relationships locally in India. Finally, the project also undertook communications campaigns about sustainable consumption choices available at online and offline points of sale.

LESSONS LEARNED

Education institutions, brands and manufacturers, particularly in the Fashion sector, offline retailers, farmer organizations, HORECA, and the travel sector, local authorities, and workplaces were all adversely affected by COVID-19 and had to prioritize stabilizing their core operations before continuing any discussion or action on sustainability-related interventions. The regional work and trade in sustainable products in South Asia were also affected. To overcome these challenges, the project received a no-cost extension for the implementation period until October 2022.

Another challenge faced by the project in the final implementation period was the very high commodity price inflation, particularly for agricultural inputs like cotton, coffee, and peanuts, with cotton lint prices going up by over 100% in a span of a year. While this led to the delay and slowdown in the commitment to adopting sustainable sourcing by a number of businesses, the project was successful in continuing the association with most of the businesses and maintaining a pared-down commitment from them.

The key lessons learned by the project were regarding some of the enabling factors for supporting the adoption of Fairtrade SCP practices. The excitement and traction for SCP is significantly higher with start-up brands and micro-enterprises. Even SMEs and larger corporations, which would be open to committing to SCP, foresee a significant risk in implementing a new (Fairtrade Certified) sustainable supply chain in India. The lack of case studies of wider adoption of sustainable sourcing and limited consumer awareness of SCP and Fairtrade in India are cited as some of the key resistance factors. Thus, even SMEs and MNCs only look at pilot commitments to SCP initially. Start-ups, as viable businesses, have an inherently higher failure rate, while pilot commitments are easily retractable by SMEs and MNCs if they feel the financial burden of "switching to SCP" is too high. Therefore, there is an inbuilt high business churn rate in the switch to sustainable sourcing in the current period, further heightened by the disruption from CoVID-19 and the commodity hyperinflation. There are a few brands that remain

committed to SCP and also maintain their business viability beyond 5 years, and this churn in business commitment and low volume sourcing are currently major challenges facing the sector. Similarly, the development of sustainable supply chains in the initial period lacks depth, and there are various risks related to environmental, operational, compliance, quality, scalability, and techno-commercial factors that remain until sufficient depth in the supply chain and the market is built. This results in slower implementation and slower development of market-ready products. The situation regarding lower business commitments and higher supply chain costs and risks should improve over time as the network effect builds up, and the SCP and Fairtrade Certified eco-system develops with more mainstream businesses and organizations supporting SCP and Fairtrade.

PROJECT ACHIEVEMENT

Despite the challenges of the pandemic and commodity price hyperinflation, the project was able to noticeably grow the eco-system for Fairtrade Certified Sustainable production and consumption in India.

- Indian consumers bought Sustainable Fairtrade Certified food, fashion, and cosmetic products worth over INR 198 million/Euro 2.33 million in project year 2021-22. Over 235 sustainable Fairtrade Certified products were launched by the project, and one Fairtrade Certified Sustainable garment was sold every 5 minutes in 2022 alone.
- The Project supported 31 properties of the ACCOR Group of hotels across India to source Sustainable Fairtrade Certified bath amenities in collaboration with an Indian sustainable cosmetics manufacturer. Not only were the amenities made with local ingredients, but through an innovation in the packaging, the products also reduced plastic use.
- The programmes for awareness and engagement with SCP and Fairtrade reached multiple stakeholders - the programme engaged with **49 schools and one sports academy, reaching 21,533 school students**. Additionally, 29 universities and higher education institutions were also engaged. The Fairtrade towns program also continued deeper engagement with **six local authorities** and citizens in Pondicherry, Auroville, Kotagiri, Conoor, Ooty, and Sahnewal. Furthermore, **308 business organizations (MSMEs to MNCs)** across India were sensitized about Fairtrade and SCP.
- Through over **250 direct and indirect media outputs** (digital, print, local TV, social media) and marketing campaigns, urban Indian consumers were made aware of Fairtrade and SCP. At its peak, **over 9.1 million impressions with a reach of 3.8 million Indian consumers** were generated in a single campaign.
- Representatives from **10 MSME agri-groups in Bhutan** were trained on sustainable agricultural practices of BhutanGAP/Bhutan Local Organic. Additionally, 4 MSMEs from Bhutan were trained on post-harvest practices to reduce waste and/or improve the quality of the produce. In India, representatives from 21 FPOs were provided training on reducing toxic chemical use in peanut cultivation.



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To enable a continuous and ongoing loop of sustainable consumption and production, the project set out to establish an eco-system approach of deeper engagement and networks across value chains and diverse stakeholders. Reaching out to over 950 organisations, businesses and institutions and getting the active engagement from over a 100 of them; reaching over 3.8 million Indian consumers with the message on Fairtrade and SCP and supporting the launch of over 235 sustainable Fairtrade Certified products; the project has taken a strong step forward to promote LIFE (Lifestyle For Environment) in India.



Long-term project sustainability

The project has facilitated sustainable Fairtrade Certified supply chain development for several MSMEs and larger businesses across India. These will continue to function independently based on ongoing Fairtrade Certification and audits, which are built into the Fairtrade model. Furthermore, the Fairtrade model has built-in support for farmer organizations to undertake sustainable production practices, and components like Fairtrade Price & Premium keep the incentive mechanism in place to continue on this path of sustainable production practices. For the awareness programs, the project has developed digital tools like the Schools portal, a comprehensive Fairtrade India website, and guidelines documents that would equip stakeholders to stay engaged and continue their activities. Additionally, investments in awareness raising and brand building from the committed businesses are also significantly contributing to consumer engagement on Fairtrade and SCP. With a base of different stakeholders established, the beginnings of the network effects are becoming visible. These can be strengthened and scaled up further to accelerate the SCP transition, but the project has already established a certain depth to keep the consumer and producer engagement ongoing.

Project contributions to Climate Change Mitigation and SDGs

The project promoted sustainable consumption and production practices. The youth engagement through the schools and campus program raised awareness about **SDG12** as well as the effects of our consumption choices on the environment, urging students to follow more mindful and sustainable consumption practices. Additionally, consumer and social media campaigns were also geared towards raising awareness about the environmental and social impact of consumption choices. With regards to **sustainable production**, producers in India and Bhutan were trained on Fairtrade standards that prescribe **environmentally sound agricultural practices**, such as minimizing and safely using agrochemicals, sustainable water, energy & waste management, integrated pest management, good agricultural practices to maintain soil fertility, and reduction in the use of GMOs. In Bhutan, the project supported Agri-MSME businesses and farmer groups with training on **post-harvest practices** and **Bhutan Good Agricultural Practices (Bhutan GAP)** to reduce waste and reduce the use of toxic chemicals in agriculture. The project also promoted climate resilience, showcasing the impact of climate change on smallholder farmers' livelihoods, evidencing that sustainable consumption and production, embedded in fair trade principles, contributes to greater **climate resilience** and lower greenhouse gas emissions.

The Fairtrade approach looks at a wide range of socio-economic and environmental practices to be changed, particularly at the farm level. Therefore, a number of interlinkages across multiple SDGs already exist. Particularly, the project looked at goals and targets related to:

SDG 1: It supported smallholder farmers and workers in India and Bhutan to secure better livelihoods through fairer trade, ensuring better access to sustainable livelihoods and Decent Wages through sales of their crops under Fairtrade terms, including a minimum price safety-net, a premium per volume sold, and better terms of contracts with their traders/buyers.

SDG 5: It generated greater awareness of gender issues in supply chains - in particular challenges related to women's burden of care, as well as women farmers' contribution to agriculture and promoted their participation in economic decision making. Women farmers' testimonials were prioritized in awareness raising materials targeting schools/universities and the wider consumer base.

SDG 8: Key principles of fair trade, such as fair prices and decent wages and working conditions, were promoted as key tools to support sustainable development and growth in labour-intensive sectors (SDG target 8.2), decent and safe work for all (SDG targets 8.5, 8.8), and fight against forced and child labour (target 8.7).

SDG 13: Farmers were trained on good agricultural practices covered in the Fairtrade standards and in Bhutan Local Organic Certification and BhutanGAP standards, including how to improve soil and water quality, manage pests, avoid using harmful chemicals, manage waste, reduce their greenhouse gas emissions, and protect biodiversity. Fairtrade also supports producers to build resilience to climate and disaster risks through diversification, agroecology, and other good agricultural practices, including organic farming.

Impacts at a Glance

Economic Impact	<ul style="list-style-type: none"> • The gross merchandise value of Fairtrade Labelled product sales in India from local businesses increased to INR 198million /EUR 2.33million • Over 235 new Sustainable Fairtrade Labelled food, fashion and cosmetics products launched in the Indian market made with sustainable raw material with a lower toxic chemical and natural resource footprint. • Annual Sales volume of Fairtrade Certified Cotton increased by over 270% during the implementation period.
Environmental Impact	<ul style="list-style-type: none"> • Members from 10 farmer groups in Bhutan trained on sustainable agricultural practices (Bhutan GAP or Bhutan Local Organic). 4 MSMEs in Bhutan trained on post-harvest practices to reduce waste/improve quality. • Representatives from 21 FPOs in India provided training on reducing toxic chemical use in farming
Social Impact	<ul style="list-style-type: none"> • 21,533 school students directly engaged in SCP activities and campaigning. • Over 250 media outputs (digital, print, local TV, Social media) and marketing campaigns urban Indian consumers were made aware of Fairtrade and SCP. At its peak, over 9.1 million impressions with a reach of 3.8 million Indian consumers was generated in a single campaign.
Climate Benefits	<ul style="list-style-type: none"> • Promoted the use of Fairtrade Certified Cotton which has a significantly lower resource (water, chemical and other natural resource) footprint compared with conventional cotton. • Fairtrade standards that prescribe environmentally sound agricultural practices, (e.g., minimized and safe use of agrochemicals, sustainable water, energy & waste management, integrated pest management, good agricultural practices to maintain soil fertility and reduction in the use of GMOs).
Target Group Engagement	<ul style="list-style-type: none"> • 49 Schools and one sports academy engaged in SCP activities and campaigns • Over 308 businesses (MSMEs, Large Corporations and MNCs) were sensitized on adopting SCP and Fairtrade practices in India. Of these 160 were MSMEs. • 6 Fair Trade Towns supported for consumer, local business and local authority engagement. .
Policy Development	<ul style="list-style-type: none"> • One Conference on promoting local sustainability through Fair Trade Towns organized in India with participation of local authority representatives from India and Europe on promoting SDG12 and Fair Trade.
Europe-Asia Cooperation	<ul style="list-style-type: none"> • Three EU-India Fairtrade Schools exchange events supported by the project on Sustainability Education, SCP and Fairtrade. • CSOs and Local authority representatives from EU participated in the National Fair Trade Towns Conference organized in India to promote SDG12 • One partnership between a European MNC and Indian company on Sustainable sourcing and Responsible Tourism supported by the project • Student and teacher exchange programme between a German Fairtrade School and an Indian Fairtrade School supported by the Project • German Youth social media influencer visited a Fairtrade School in Mumbai





FUNDING

EUR 1,094,396.37
(EU Contribution: 80%)

* Due to COVID-19, the project's actual expenditure was lower, amounting to an EU contribution of EUR 893,345.40.



DURATION

2018 - 2022



PARTNERS



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Fairtrade, International



FAIRTRADE
INDIA

Fairtrade Foundation, India



Centre for Social Markets, India



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This impact sheet is developed together with SWITCH-Asia Policy Support Component



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