DEVELOPMENT COOPERATION
PROGRAMME 2018-2021
SUMMARY

The Fairtrade system is a multi-stakeholder, non-profit movement focusing on the empowerment of small farmers and workers in developing countries through fair and sustainable trade. Fairtrade Finland works to directly connect producers and consumers, to promote fairer trading conditions and to advance sustainable development. Farmers and workers at the bottom of supply chains don’t generally get a fair share of the benefits of trade. Fairtrade enables consumers to address this injustice. Standards and certifications are vital tools to enable empowerment and development, but are not in themselves a sufficient tool to tackle the persistent challenges the world is facing. Sustained, targeted and supplementary initiatives are needed to support producers and workers to tackle deeply embedded and difficult issues like climate change, displacement of people fleeing conflict and disaster, exploitative work, child and forced labour, modern-day slavery, human trafficking, exclusion of immigrants or people with disabilities, and gender equality. With direct links to 75 producing countries in the South, an extensive number of suppliers and retailers in the North and civil societies at the both ends of the supply chain, Fairtrade Finland is well positioned to play a larger role in advancing inclusive and sustainable development for the most vulnerable populations.

In the spirit of the SDGs’ Agenda 2030 of leaving no-one behind, Fairtrade Finland has developed together with its partners a new development cooperation programme covering the years 2018–2021. The programme builds on what was accomplished in the first Fairtrade-MFA programme (2014–2017) and the new approaches piloted during the second half of the implementation. The programme expands to new countries, covers others products in addition to coffee which was the focus of the first programme, and also widens the focus on the more vulnerable groups: diverse workers, children and youth, people with disabilities, and women. The development goal of the programme is to ensure the rights of the producers and workers to a dignified life. This will be achieved through enabling the empowerment of producer and worker organizations, small farmers and agricultural workers and facilitating supportive environments for local civil societies to enable rural people to overcome obstacles to well-being by securing economically, socially and environmentally sustainable livelihoods. The programme also promotes three cross-cutting themes based on the values of the Fairtrade movement: environmental sustainability, support for vulnerable people and gender equality. During the programme period, Fairtrade Finland will pursue this goal through three closely interlinked and mutually supporting strategic objectives:
REALIZING THE RIGHT TO A SUSTAINABLE LIVELIHOOD FOR PRODUCER HOUSEHOLDS.
The programme is strengthening the organizations of smallholders and enabling them to develop their sustainable production practices, build stronger organizations and engage directly with their communities, governments at all levels, and traders. Small producer groups will be provided with opportunities to become beacons of best practice, agents of positive and sustainable change for their communities showing how smallholders can enable and advance trade that benefits all people and the planet.

REALIZING THE RIGHT TO A SUSTAINABLE LIVELIHOOD FOR WORKER HOUSEHOLDS.
Empowering workers, both on plantations and seasonal workers on small farms, is crucial to ensure sustainable livelihoods and poverty reduction for all. Recognizing the decent work agenda and the challenges many workers face, the programme will support negotiations towards a living wage and the organization of workers so that they and their representatives can negotiate improved terms. The programme will also train, build capacity and support small producer organizations to establish and lead community-based, self-governing, inclusive monitoring and response systems for child and forced labour, contributing to the due diligence and/or vigilance requirements of the consumer countries.

ADVANCING FAIR AND SUSTAINABLE TRADING.
Citizen-consumers’ awareness and understanding of sustainable development is crucial in enabling them to make informed decisions with their purchasing power and encourage companies, public sectors and local governments to honour their obligations and responsibilities in terms of achieving the goals of the SDGs, including eliminating human rights violations.
Advocacy and development communications are encouraging Finnish people and companies to actively take part in solving the same problems that the programme’s work in the South addresses. In addition, the programme includes a comprehensive programme communication component. The aim of the programme communications is to raise awareness about the importance, results and impact of the programme and to have a positive effect on the attitudes and behaviour of Finnish citizen-consumers. Targeting supply chains on three continents, the programme provides a unique opportunity for Fairtrade Finland and its more than 30 member organizations to communicate with the wider populations segments in Finland who ordinarily are not engaged in or informed about development cooperation, and also to stake out a key role for consumers in Finland in ensuring a better and fairer world for all.

The programme regions are Latin America and the Caribbean and Africa. The programme focuses on the least developed and lower middle income countries. The main programme countries are the Dominican Republic, Ethiopia, Ghana, Guatemala, Haiti, Honduras, Malawi and South Africa. Two of these countries – the Dominican Republic and South Africa – are upper middle income countries, which are included because they host target groups that are facing particular vulnerabilities. In South Africa empowering extremely vulnerable agricultural workers, many of whom are immigrants from Zimbabwe. In the Dominican Republic, we aim to improve the situation of Haitian, mainly undocumented, agricultural workers. The programme’s partner organizations in the South are local networks representing producers and agricultural workers. The programme has total of 310,000 direct beneficiaries of which 45 per cent are women.

The effectiveness of Fairtrade Finland’s development cooperation is based on a results-oriented approach, local ownership, harmonization, strong partnerships, transparency, a rights-based approach and efficiency. The programme’s sustainability is embedded in Fairtrade standards, reliable partner organizations, participatory planning, robust programme-level monitoring system, minimal aid dependency, sustainable exit strategies, rigorous risk management and anti-corruption policy. Fairtrade’s model of producer and worker empowerment and participatory decision-making processes as well as wide-ranging and in-depth expertise in linking the whole value chain enables us to ensure the sustainability of the programme’s results and impact.

The programme draws substantial additional co-financing from contributions by private companies and other Fairtrade associations in Europe as well as license fees from Fairtrade sales in Finland. The programme’s co-financing is budgeted to be at least 42 per cent, probably well over 50 per cent, and administrational costs will be kept low at around 5 to 6 per cent of total costs.

The programme is designed and implemented in line with the Development Policy of Finland, the Sustainable Development Goals, and strategic development plan of the targeted project countries, as well as the objectives concerning aid efficiency.

Through working with businesses and civil society on the one hand and producers and workers on the other, Fairtrade Finland’s programme links whole value chains in a unique way that can best empower small producers and workers to achieve transformative change in their lives.
# DEVELOPMENT COOPERATION PROGRAMME, FAIRTRADE FINLAND, 2018-2021

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<tr>
<td>AGM</td>
<td>annual general meeting</td>
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<tr>
<td>B2B</td>
<td>Business-to-Business</td>
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<td>CASC</td>
<td>Confederación Autónoma Sindical Clasista</td>
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<td>CBA</td>
<td>collective bargaining agreement</td>
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<tr>
<td>CPIA</td>
<td>Country Policy and Institutional Assessment</td>
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<tr>
<td>CC</td>
<td>Compliance Criteria</td>
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<td>CCMA</td>
<td>Commission for Conciliation, Mediation and Arbitration</td>
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<td>CEDAW</td>
<td>Convention on the Elimination of all Forms of Discrimination Against Women</td>
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<tr>
<td>CGCJ</td>
<td>Coordinadora Guatemalteca de Comercio Justo</td>
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<td>CHPP</td>
<td>Coordinadora Hondureña de Pequeños Productores</td>
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<tr>
<td>CLAC</td>
<td>Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo (Latin American and Caribbean Network of Small Fair Trade Producers)</td>
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<tr>
<td>CODImpact</td>
<td>Collection of Data for Impact</td>
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<tr>
<td>COP</td>
<td>Conference of the Parties</td>
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<tr>
<td>CRI</td>
<td>Climate Risk Index</td>
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<tr>
<td>CSAAWU</td>
<td>Commercial, Stevedoring, Agricultural and Allied Workers Union.</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DAC</td>
<td>Development Assistance Committee (OECD)</td>
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<td>DFID</td>
<td>Department for International Development (United Kingdom government)</td>
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<td>DRR</td>
<td>disaster risk reduction</td>
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<tr>
<td>ECAN</td>
<td>East &amp; Central Africa Network</td>
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<td>ED</td>
<td>executive director</td>
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<td>EIA</td>
<td>environment impact assessment</td>
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<td>ENTWINED</td>
<td>Environment and Trade in a World of Interdependence</td>
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<td>ESCR</td>
<td>economic, social, and cultural rights</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>The Food and Agriculture Organization of the United Nations</td>
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<td>FCA</td>
<td>Finn Church Aid</td>
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<td>FEDELAC</td>
<td>Federación Dominicana de Ligas Agrarias y Cristianas</td>
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<tr>
<td>FELM</td>
<td>Finnish Evangelical Lutheran Mission</td>
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<td>FIBS</td>
<td>Finnish Business and Society</td>
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<td>FLO-CERT</td>
<td>Fairtrade Certification Body</td>
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<td>FMO</td>
<td>Fairtrade marketing organization</td>
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<td>FPA</td>
<td>Fairtrade programmatic approach</td>
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<td>FS</td>
<td>Fragile Situations</td>
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<td>FTA</td>
<td>Fairtrade Africa</td>
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<tr>
<td>FTA-MENA</td>
<td>Middle East &amp; Northern Africa Network</td>
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<td>FTA-SAN</td>
<td>FTA-Southern Africa Network</td>
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<tr>
<td>FTAO</td>
<td>Fair Trade Advocacy Office</td>
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<td>GAP</td>
<td>Good Agricultural Practices</td>
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<td>GBV</td>
<td>gender-based violence</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GHG</td>
<td>Greenhouse gas</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>GII</td>
<td>Gender Inequality Index</td>
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<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)</td>
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<tr>
<td>GMO</td>
<td>genetically modified organism</td>
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<td>GRM</td>
<td>Global resource mobilization</td>
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<tr>
<td>GTP</td>
<td>growth and transformation plan</td>
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<td>HDI</td>
<td>Human development index</td>
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<tr>
<td>HL</td>
<td>Hired Labour</td>
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<tr>
<td>HLO</td>
<td>Hired labour organisation</td>
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<tr>
<td>HRBA</td>
<td>Human rights based approach</td>
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<tr>
<td>HRM</td>
<td>human resource management</td>
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<td>IATI</td>
<td>International Aid Transparency Initiative</td>
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<tr>
<td>ICCPR</td>
<td>International Covenant on Civil and Political Rights</td>
</tr>
<tr>
<td>ICESCR</td>
<td>International Covenant on Economic, Social and Cultural Rights</td>
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<tr>
<td>ICS</td>
<td>Internal Control System</td>
</tr>
<tr>
<td>IDH</td>
<td>Initiatief Duurzame Handel (Sustainable Trade Initiative)</td>
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<tr>
<td>IIED</td>
<td>International Institute for Environment and Development</td>
</tr>
<tr>
<td>IISS</td>
<td>International Institute for Sustainable Development</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>ITUC</td>
<td>International Trade Union Confederation</td>
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<tr>
<td>IUF</td>
<td>International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations</td>
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<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
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<tr>
<td>LFA</td>
<td>Logical framework analysis</td>
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<tr>
<td>LOHAS</td>
<td>Lifestyles of Health and Sustainability</td>
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<tr>
<td>LMIC</td>
<td>Lower Middle Income Country</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
</tr>
<tr>
<td>MEL</td>
<td>Monitoring, evaluation and learning</td>
</tr>
<tr>
<td>MFA</td>
<td>Ministry for Foreign Affairs of Finland</td>
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<tr>
<td>MSEs</td>
<td>Micro, small and medium-sized enterprises</td>
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<tr>
<td>MTK</td>
<td>Central Union of Agricultural Producers and Forest Owners</td>
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<tr>
<td>MTP</td>
<td>medium-term plans</td>
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<tr>
<td>NAMA</td>
<td>Nationally Appropriate Mitigation Actions</td>
</tr>
<tr>
<td>NAP</td>
<td>National Adaptation Plan</td>
</tr>
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<td>NAPP</td>
<td>Network of Asia Pacific Producers</td>
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<tr>
<td>NFO</td>
<td>National Fairtrade organization</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
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<tr>
<td>ODA</td>
<td>Official development aid</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OHS</td>
<td>occupational health and safety</td>
</tr>
<tr>
<td>OLIC</td>
<td>Other Low Income Country</td>
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<tr>
<td>PAT</td>
<td>programme advisory team</td>
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<tr>
<td>PEST</td>
<td>political, economic, social and technologic</td>
</tr>
<tr>
<td>PIT</td>
<td>Project implementation team</td>
</tr>
<tr>
<td>PM</td>
<td>programme manager</td>
</tr>
<tr>
<td>PMT</td>
<td>programme management team</td>
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<td>PN</td>
<td>Producer network</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>PO</td>
<td>Producer organisation</td>
</tr>
<tr>
<td>PPI</td>
<td>Progress out of Poverty Index</td>
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<tr>
<td>PPP</td>
<td>Purchasing power parity</td>
</tr>
<tr>
<td>RM</td>
<td>regional manager</td>
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<tr>
<td>SALM</td>
<td>Sustainable Agrarian Land Management</td>
</tr>
<tr>
<td>SASK</td>
<td>Suomen Ammattiliittojen Solidaarisuuskeskus (Trade Union Solidarity Centre)</td>
</tr>
<tr>
<td>SC</td>
<td>Steering committee</td>
</tr>
<tr>
<td>SCAA</td>
<td>Specialty Coffee Association of America</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SMART</td>
<td>Specific, Measurable, Attainable, Relevant and Time-bound</td>
</tr>
<tr>
<td>SO</td>
<td>strategic objectives</td>
</tr>
<tr>
<td>SOAS</td>
<td>School of Oriental and African Studies</td>
</tr>
<tr>
<td>SPO</td>
<td>Small producer organization</td>
</tr>
<tr>
<td>SWOT</td>
<td>strengths, weaknesses, opportunities, and threats</td>
</tr>
<tr>
<td>ToC</td>
<td>Theory of Change</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of reference</td>
</tr>
<tr>
<td>TVPRA</td>
<td>Trafficking Victims Protection Reauthorization Act</td>
</tr>
<tr>
<td>UDHR</td>
<td>Universal Declaration of Human Rights</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UMIC</td>
<td>Upper Middle Income Countries</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCRC</td>
<td>United Nations Convention on the Rights of the Child</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<tr>
<td>UNGP</td>
<td>UN Guiding Principles on Business and Human Rights</td>
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<tr>
<td>US DOL</td>
<td>United States Department of Labor</td>
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<tr>
<td>UTPs</td>
<td>unfair trading practices</td>
</tr>
<tr>
<td>VR</td>
<td>virtual reality</td>
</tr>
<tr>
<td>WAN</td>
<td>West Africa Network</td>
</tr>
<tr>
<td>WASH</td>
<td>Water, Sanitation and Hygiene</td>
</tr>
<tr>
<td>WRAC</td>
<td>Workers’ Rights Advisory Committee</td>
</tr>
<tr>
<td>WWF</td>
<td>World Wildlife Fund</td>
</tr>
<tr>
<td>YICBMRS</td>
<td>youth-inclusive, community-based monitoring and remediation system</td>
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</tbody>
</table>
1. INTRODUCTION
There’s no better antidote against poverty than the capacity to generate your own income. Fairtrade enables small producers in developing countries to attain a better position in the trading chain, and agricultural workers to have greater opportunities for decent work. With this they can live off their work and invest in a sustainable future. Fairtrade works on realising this mission through the Fairtrade label which connects farmers and consumers across geographic, social and economic borders.

We have an ambitious goal in mind – to ensure the rights of producers and workers to a dignified life. Impact takes centre stage as we concentrate on where we could help achieve this ambition. We will rigorously measure our impact on people’s lives; building on what works, adapting to challenges and making changes when required. We will use our learning from the programme to influence wider change in consumption patterns, business practices and government policy. We will propose and provoke, both working with and challenging governments, businesses and consumers to drive more equitable transformation. When it comes to sustainable development, trade can be the best of servants, but the worst of masters if not properly managed. This is why Fairtrade works within the market, to foster equitable change within the market.

Fairtrade Finland’s first development cooperation programme (2014-2017) launched our own work in development cooperation projects in the South. The programme was focused on the coffee sector and especially on supporting Central American small producers to overcome the coffee rust epidemic. The programme was considered a success by the beneficiaries themselves as well as the independent evaluation commissioned by the Ministry for Foreign Affairs (MFA). In addition to making a significant contribution to overcoming the coffee rust plague, the programme managed to improve production quality and the productivity of thousands of coffee producers. It strengthened the capacity of about 50 producer organizations so that they would be resilient and inclusive enough to face future challenges, also successfully mainstreaming gender, youth and sustainable production in the daily operation of the organizations. The programme also supported the growth of Latin American and the Caribbean regional network of Fairtrade Producers, encouraging them to take on new responsibilities in the Fairtrade movement. Fairtrade Finland developed a robust quality management system during the implementation of the programme. Towards the end of the programme, new approaches, themes and regions were piloted. Despite the sharp budget cuts by the MFA, we managed to keep our development cooperation on a steep growth track, not just matching the cuts with additional self-finance but expanding into several new projects and themes under the programme. As our development cooperation structure has proved to be well-functioning, effective and efficient, we are ready to consolidate this already piloted, broader approach with the second development cooperation programme.

Fairtrade Finland’s new development cooperation programme for the period 2018-2021 is addressing the interrelated challenges of eradicating poverty and achieving sustainable development in all its three dimensions – economic, social and environmental – in a balanced and integrated manner. The new programme builds on and reinforces many themes from our first programme. It responds to the evolving global environment and positions Fairtrade to play a crucial role in the inclusive and sustainable transformation of rural areas. We want to expand our approach and reach from small coffee producers in Central America to Africa, workers’ rights and a wider range of products. To achieve an international trading system that is based on fairness, Fairtrade Finland’s programme is strongly rights-based, grounded on the Universal Declaration of Human Rights (especially the articles relating to work, livelihood and the freedom to unionize) as well as on...
international fundamental labour rights as defined in ILO conventions. The programme is strongly supporting the achievement of the UN's sustainable development goals.

Fairtrade Finland’s second development cooperation programme presents the principles, objectives as well as the programme level indicators for measuring change, principles of engagement, and partnerships that will guide Fairtrade Finland’s development cooperation over the 2018-2021 period. **This programme is presented in five sections.** Section 1 sets the context for the programme by describing Fairtrade’s strategy, vision and approach. This section also describes the planning process of the programme. Section 2 details the pathways of change from Fairtrade interventions to long-term goals, first in summary form and then in more detail specifically for small producers, workers and sustainable trade. Section 3 describes the implementation of the programme in terms of the beneficiaries, programme countries and modalities of work. This section also situates Fairtrade in the evolving global development context and articulates its contribution to the 2030 Agenda for Sustainable Development, and describes how programme communications are implemented. Section 4 provides an overview of our development cooperation’s quality management system. Section 5 presents the management system and finance in place for the delivery of the programme.

The programme document includes some repetition, with content and rationale explained in various sections. This is intentional. It was decided that multifaceted issues should be presented in multiple sections to demonstrate coherence and interdependencies; for example transparent communication is described under the sections of effectiveness (transparency) and programme communications. Similarly, project planning is an inseparable part of the project cycle management (section 3.3.2.) but also an important component of sustainability and quality assurance (section 4.3.). This enables different readers to read specific sections of the programme document that are of most interest and relevance to them. For example, one can check how the programme relates to the Finnish development cooperation’s objectives (section 3.4.2.) without reading the whole programme document, although the related points are included in several others sections as well.

Fairtrade can make a substantive contribution to the achievement of the Sustainable Development Goals (SDGs). Therefore, we have planned a substantially larger programme and successfully sourced additional funding to complement Finnish government aid. **Fairtrade Finland is well prepared to deliver a bigger impact through this programme.** We have amply demonstrated our ability to do so in the course of the previous programme, succeeding in doubling the number of projects under the programme while achieving significant, sustainable results as confirmed by the external evaluation. We look forward to partnering with the Finnish Government to advance especially SDGs 2, 5, 8, 10, 12, 13, 15, 16 and 17.
1.1. FAIRTRADE

FAIRTRADE – AN ALTERNATIVE APPROACH TO CONVENTIONAL TRADE

Trade, if unchecked, often fails to deliver sustainable livelihoods and development opportunities to small-scale producers and workers in poor countries. Fairtrade was established to address this failure through more equitable, inclusive and sustainable supply chains. Fairtrade’s vision is a world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

Livelihood comprises the capabilities, assets and activities required for a means of living, to address basic needs (food, shelter, health, WASH, education etc.) and beyond. It is sustainable when it can cope and recover from stresses and shocks and maintain or enhance its capabilities and assets, while not undermining the natural resource base.

Many smallholder farmers are in a perpetual state of insecurity about their income. They are subject to a volatile global market price. Without a reliable income, farmers cannot invest in their farms, their children’s futures or their community. Agricultural workers, those at the very bottom of the food chain – are further vulnerable and exposed to rights violations. As a result, poverty remains the status quo in many rural households reliant on the agricultural sector. Fairtrade seeks to break this vicious circle by offering smallholder farmers and workers an opportunity to develop their potential. Fairtrade is an alternative approach to conventional trade and is based on a partnership between producers and consumers, a partnership that aims to tackle imbalances of power in supply chains. Fairtrade offers producers a better deal and improved terms of trade. Fairtrade gives voice and enables rights to agricultural workers. The Fairtrade movement links environmentally and socially conscious consumers in the North with producers engaged in socially progressive and environmentally sustainable production in the South. Fairtrade offers consumers a powerful way to reduce poverty through their everyday shopping.

Fairtrade focuses on the empowerment of farmers and plantation workers within international value chains. We also address the structural causes of poverty including gender inequality, social exclusion and breaches of human rights, climate change, environmental degradation and unfair trading practices.
The World We Want

Our ambition is to see small-scale farmers and workers earning a living income or a living wage that provides them with a sustainable, dignified livelihood.

Our aspiration is for farmers and workers to strengthen their role as agents of change; where women and men are empowered to speak out; the rights of the most vulnerable are protected and defended; and the disadvantaged provided better opportunity. We want farmers to be enabled to deal with the devastating effects of climate change. We want commitment and leadership from the ground up to tackle child and forced labour, promote gender equality, and foster the next generation.

Vision: A world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

Mission is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

Our strategy flows from Fairtrade’s Theory of Change (see 1.1.2) and is designed to contribute to this change agenda; leveraging our unique strengths and enabling us to fully unlock our power to drive change in trade and transform the lives of people whose livelihoods depend on it. Fairtrade cannot achieve this alone, but by working in partnership with governments, with companies, with civil society and with farmers and workers and their organizations this ambition for sustainable development can become reality.

“IN FAIRTRADE, DECISIONS ARE MADE DOWN-UP, NOT UP-DOWN. FARMERS DECIDE ON THEIR LIVES – THAT IS EMPOWERMENT.”

Lebi Gabriel Hudson, tea farmer, Tanzania.
**FAIRTRADE’S APPROACH TO SUSTAINABLE DEVELOPMENT**

**Fairtrade Standards** form the cornerstone of Fairtrade’s approach to sustainable development. They are designed to support the sustainable development of small producer organizations and agricultural workers in the poorest countries in the world. Fairtrade Standards are set in accordance with the ISEAL Code of Good Practice on Standard Setting. This process involves wide consultation with stakeholders. There are distinct sets of Fairtrade Standards, which acknowledge different types of producers. One set of standards applies to smallholders that are working together in cooperatives (Small Producer Organization Standard) and the other set applies to plantation workers (Hired Labour Standard). The standards include both core requirements which must be complied at all times and development requirements referring to the continuous improvements that certified organizations must make. The FAIRTRADE Mark certifies that those standards have been met. Fairtrade Standards exist for food products ranging from tea and coffee to fresh fruits and nuts. There are also standards for non-food products such as flowers and plants, sports balls, gold and seed cotton.

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**SMALL PRODUCER STANDARDS**

**Social**
- Ban child and forced labour
- Safe working conditions
- Equal rights for women
- Democracy
- Trade union freedom
  = ILO Standards

**Economic**
- Minimum price
- Development premium
- Pre-financing

**Environment**
- Reduce use of pesticides
- Protect soil & water
- Waste management and recycling
- No GMOs
- Reduce CO2 emissions
- Biodiversity
- Encourage organic production

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**Hired Labour Standards**

**Management of the Fairtrade Premium.** The Fairtrade Premium Committee, consisting of workers’ representatives, is responsible for the management of the Fairtrade Premium in accordance with Fairtrade standards.

**Freedom of association & collective bargaining.** Workers have the right and they are encouraged to join an independent union to collectively negotiate their working conditions.

**Working conditions.** Working conditions are equitable for all workers. Salaries must be equal or higher than the regional average or the minimum wage in effect, gradually increasing towards living wage levels. Health and safety measures must be established in order to avoid work-related injuries. Inclusion of maternity rights and decent working hours. Elimination of child and forced labour and gender-based violence.

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1 ISEAL is the global network of Voluntary Sustainability Schemes bringing together a total of 22 member organisations representing leading certification schemes (e.g. Forest Stewardship Council, Marine Stewardship Council, Rainforest Alliance, etc.)
For small producer organizations (SPOs) Fairtrade standards require an organizational structure that ensures all members of the organization have access to **democratic decision-making processes**. The organization needs to be set up in a transparent way for its members and must not discriminate against any particular member or social group. In hired labour situations the Fairtrade standards require the company to bring social rights and security to its workers – including access to collective bargaining processes and freedom of association of the workforce. Fairtrade standards also require transparency and inclusion in decision-making through the set-up of Fairtrade Premium Committees, represented by elected farmers/workers.

Fairtrade standards are essential for the quality control, risk management and sustainability of our development cooperation.

Another important aspect of the Fairtrade label is providing farmer organizations with a fair price. This fair price consists of a **minimum price** that functions as a safety net. If the global commodity market price falls below the minimum price that the farmers need to continue sustainable production and remain above the poverty line, then the Fairtrade buyer is obliged to pay the Fairtrade minimum price. If the global market price goes above the minimum, then naturally the higher world market price applies.

Moreover, Fairtrade buyers are required to pay an additional **Fairtrade development premium** set for individual products which is based on the volume sold and reviewed on a regular basis. The farmers (in case of the SPO standard) or workers (Hired labour standard) decide among themselves how they will invest this additional fund received when selling on Fairtrade terms. Premium funds enable investments in many different areas, including community projects, productive infrastructure, trainings, housing, credit schemes and direct cash benefits.

In addition to a fair price, the Fairtrade label also stands for sustainable production: the **criteria for environment and labour conditions** are strict. Fairtrade Standards promote the adoption of environmentally sustainable agricultural practices, including minimized and safe use of agrochemicals, proper and safe management of waste, maintenance of soil fertility and water resources, and no use of genetically modified organisms. The Fairtrade Minimum Prices seek to mitigate potential negative externalities generated by the SPO’s production processes, using Natural and Social Capital Accounting to calculate the true costs of positive practices that can benefit the wider community – such as reducing soil erosion, conserving water, or controlling pest outbreaks, preserving trees/forests, among others. SPOs receive technical support from Producer Networks on sustainable agricultural practices that seek to mitigate environmental mismanagement and degradation through the promotion of organic pesticides, preservation of natural resources and ecosystems as well as alternative livelihoods that support environmental sustainability (such as ecotourism, building and selling energy-efficient stoves and organic waste briquettes, biogas, etc.).

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2 See: https://www.fairtrade.net/standards/price-and-premium-info.html
FAIRTRADE IS AN ORGANIZATION THAT TEACHES US TRANSPARENCY, GROUP COHESION, DEMOCRATIC PRINCIPLES AND FORCES US TO RESPECT CHILD LABOUR AND ENVIRONMENTAL PRINCIPLES ON OUR COCOA FARM.”

Cooperative union leader, Ghana.

For hired labour situations in plantations, such as flower farms, the Fairtrade Hired Labour (HL) standards apply. The standard promotes Fairtrade’s approach to Workers’ Rights including collaboration with trade unions, support for collective bargaining, and the promotion of a living wage. Besides freedom of association, living wage, Fairtrade Premium use and decision-making, the standard also includes very important requirements concerning occupational health and safety (OHS) and gender-based violence (GBV). The HL Standard prescribes the right for workers to organize freely and take collective action in their interests – a fundamental right enshrined in global human rights law. We recognize independent trade unions and the collective bargaining process as the best way for workers to achieve this. The HL Standard has strong requirements for employers to actively show their support for workers to join a union and to support them to do so if they wish. The company must sign a ‘Freedom of Association protocol’ confirming that they allow workers to associate and submit this protocol to auditors before they can be certified. The company must proactively engage in a process to enter into collective bargaining agreement (CBA) with elected worker representatives where there is no CBA in place. Companies must regularly increase workers’ real wages and these increases are negotiated with elected workers’ representatives based on information about Living Wage levels. Workers can also decide by themselves how they invest the Fairtrade Premium. The HL Standard includes criteria to make sure migrant workers benefit from Fairtrade. Companies must undertake specific activities to ensure equal treatment for minority groups. Companies must have grievance procedures in place – including for sexual harassment – before becoming certified and they must share Fairtrade/FLO-CERT’s audit results with workers through worker representatives.

There are both core and development requirements in the standards. The organization has to fulfil the core requirements all the time in order to maintain its Fairtrade certification status. In order to fulfil the development requirements, the organization needs to demonstrate its plans to advance their standing against these requirements within a set timeframe.

To produce the new Hired Labour standard, launched in 2014, Fairtrade International Standards Unit consulted with more than 400 workers in 14 countries. They received feedback from workers on the proposed changes during 18 workshops and on-site group interviews. They also interviewed close to 170 management representatives from Fairtrade certified plantations and factories, and received over 120 written responses from certified producer groups, traders, retailers, unions, NGOs, and Fairtrade member organizations. This resulted in a HL Standard based on the principles of the workers’ rights strategy, but grounded firmly in the daily reality of Fairtrade workers across three continents.

3 If migrant workers make up the majority of hired labour, they can choose to distribute up to 50 per cent of the Fairtrade Premium in cash. This is particularly important for migrant workers, many of whom support their families in their regions of origin.
The Fairtrade concept could never work without the companies that sell Fairtrade products and the consumers that buy them. No trade, no development. That is why raising awareness and persuading companies and consumers is a crucial part of Fairtrade’s work. Various campaigns, such as the Fairtrade Week and Fairtrade Challenge, are being used to increase awareness of trade and development issues and to inspire consumers and citizens to support sustainable and fair trade.

The Fairtrade concept could never work without the commitment of responsible companies that sell Fairtrade products and the conscientious consumers that buy them. No fair trade, no sustainable development – encompassing environmental, social and economic aspects.

**FAIRTRADE OFFERS A FAIR DEAL FOR EVERYONE:**

**Producers and workers**
Benefit from insurance against commodity price collapse, Fairtrade Premium funds, greater safety at work, freedom of association, democratic structures, increased gender equality and child protection, and access to markets.

**Consumers**
Shoppers can buy products in line with their values and principles. By buying Fairtrade, consumers support producers and workers in the South to improve their lives in a sustainable way.

**Traders/companies**
FAIRTRADE Mark – the most widely, recognised social and development label in the world – offers companies a credible way to ensure that their trade has a positive impact on the people at the end of their supply chain.

**Environment**
Fairtrade rewards and encourages farming and production practices that are environmentally sustainable and build resilience to climate risks, promoting adaptation and mitigation.
1.1.1. THE FAIRTRADE MOVEMENT

THE INTERNATIONAL FAIRTRADE MOVEMENT – INTERNALIZING TRUE PARTNERSHIP

History of Fairtrade

The origins of Fairtrade can be traced back to an initiative with Mexican coffee farmers in 1987, when the first Fairtrade label was launched and the first Fairtrade coffee from Mexico was sold into Dutch supermarkets under the initiative of the Dutch development agency Solidaridad. The coffee was branded Max Havelaar, after a fictional Dutch character who opposed the exploitation of coffee pickers in the Dutch colonies. In the late ’80s/early ’90s the Max Havelaar initiative was replicated in several other markets across Europe and North America under the names of: Max Havelaar, Transfair, Fairtrade Mark, Rättvisemärkt – and Reilu kauppa in Finland. Fairtrade International was founded in 1997 in order to unite the national Fairtrade organizations under one umbrella and to harmonize worldwide standards and certification and to create more synergy across the Fairtrade organisations.

Since its beginning, Fairtrade has grown to represent over 1.65 million farmers and workers. Fairtrade certified farmers and workers co-own the Fairtrade system, shaping global strategy and running operations across three continents. Fairtrade currently engages with over 3000 businesses globally and is a leading innovator in public-private partnerships for sustainable development through a range of industry-led interventions. Over a thousand Fairtrade towns and millions of activists, campaigners and consumers are involved in the Fairtrade movement globally. Fairtrade has become the most widely recognized ethical label and trade justice movement in the world. Internationally, nearly six in ten consumers (56 per cent) have seen the FAIRTRADE Mark, according to a 2013 GlobeScan study of 17,000 consumers in 17 countries, and more than six in ten of these regard it as a trusted label.

INDEPENDENT RESEARCH POSITIONS FAIRTRADE AS THE GOLDEN STANDARD

Fairtrade commissions outcome and impact evaluations each year, and they are typically conducted for each major product every three years. The evaluations are led by independent research institutions with expertise in researching the effects of certification. We also collaborate in other ways with external research institutions to support research into topics of interest to us. While the evaluations and research demonstrate the success of Fairtrade, they have also enabled us to identify and understand challenge areas where we can take action to improve our effectiveness. For more information on evaluations commissioned by Fairtrade, see https://www.fairtrade.net/impact-research/evaluation-research.html.

In addition to Fairtrade-specific impact evaluations commissioned by Fairtrade, several independent researches and comparative studies show that Fairtrade is by far the most comprehensive and ambitious social certification. For instance, Finnwatch compared 16 social responsibility certification and auditing schemes used by companies that operate
in Finland, and the scheme that came out on top in the comparison was Fairtrade. In a comparison conducted by WWF Switzerland, Fairtrade came out as the only social certification which is “highly recommendable” according to WWF. Similar findings were also made in a study initiated by IISD, FAST, IIED, IDH and ENTWINED. In their comparative study, Fairtrade came out as having the best requirements in social responsibility and being the only alternative available in economic responsibility. On environmental responsibility, Fairtrade and other researched labels had comparable standards.

**SYSTEM GOVERNANCE – THE ONLY ETHICAL LABEL HALF OWNED BY PRODUCERS**

The Fairtrade system is half-owned by Fairtrade certified farmers and workers. This is a central and empowering aspect since it enables them to have a strong voice in how the system is run. Farmers and workers, via the three regional producer networks, have 50 per cent of the vote at the Fairtrade General Assembly, the highest decision-making body of the system. Together with the national Fairtrade organizations representing the voice of civil society in Fairtrade consuming countries, producer representatives are members of the Fairtrade International Board and participate in key operational work such as standard-setting.

This approach enables the Fairtrade movement to represent and respond to the needs and priorities of farmers and workers. It gives the system the structure to enable greater and deeper impact for the beneficiaries, to leverage greater change in the global trading system, and ultimately to improve the lives of those who need it the most.

Currently the global Fairtrade system comprises of:

- Fairtrade International, the umbrella organisation based in Bonn, Germany
- 20 National Fairtrade Organizations (NFOs) covering 27 countries in Europe, North America, Japan, South Africa, Australia and New Zealand, which promote and market Fairtrade products in their countries
- 3 producer networks representing producers in Africa and the Middle East, Asia and the Pacific, and Latin America and the Caribbean
- 9 Fairtrade marketing organizations (FMO) established to market and promote Fairtrade in emerging markets (e.g. Brazil, India, Taiwan, Philippines, etc.)

FLO-CERT is Fairtrade International’s independent audit company compliant with ISO17065. It inspects Fairtrade certified producers and traders to ensure they comply with Fairtrade Standards.

**Fairtrade International** Fairtrade International is a multi-stakeholder, non-profit organization serving as an umbrella organization for its members, together forming the international Fairtrade system.

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4 Fairtrade as the Perspectives on the quality of social responsibility monitoring schemes: http://finnwatch.org/images/pdf/PerspectivesOnvss_forweb.pdf
5 Bewertung der Lebensmittel-Labels 2015: https://assets.wwf.ch/downloads/hintergrundbericht_lebensmittel_def_cit_1.pdf
Producer Organisations (POs): Currently there are over 1,200 Producer Organisations within the Fairtrade system, representing 1.66 million smallholders and workers. Fairtrade farmers and workers range across 75 countries and dozens of product categories. The majority of producers work within Small Producer Organisations (SPOs), and a significant number of workers also engage with Fairtrade through Hired Labour Organisations (HLO). Fairtrade is an open system, meaning any organised small producer group or hired labour operation who is capable of meeting the requirements of the Fairtrade Standards can participate. Research shows, however, that of all certification schemes, Fairtrade reaches more marginalised producers, on average farming 1.5 hectares of land – while in tea production, for example, farm sizes are as low as 0.3 hectares.

Producer Networks (PNs): The POs have formed three Producer Networks, covering the three large and diverse geographic areas where Fairtrade farmers and workers operate. Fairtrade Africa (FTA) works with producers in Africa (West, East, Central and Southern) and the Middle East; the Network of Asia Pacific Producers (NAPP), which works with producers across Asia (Central, South and South East Asia) and the Pacific, and Coordinadora Latinoamericana y del Caribe de Pequeños Productores (CLAC), which works with producers across Latin America and the Caribbean. The PNs provide technical support to Fairtrade certified SPOs and HLOs to increase productivity, address regional/country development challenges facing farmers and workers, and ensure compliance to the Fairtrade Standards.

National Fairtrade Organisations (NFOs): There are 20 National Fairtrade Organisations located in Europe, North America and Australia-Asia. These represent the local civil society in the consumer countries, licence the FAIRTRADE Certification Mark for products, and promote the Fairtrade movement in their respective countries through consumer marketing, campaigning, private sector and public policy engagement.

Fairtrade Finland is one of the NFOs. Fairtrade Finland (Reilu kauppa ry in Finnish), was established in 1998 by Kepa, ISF, FCA, Finnish Association of World Shops, Martha Organization and The Finnish Association for Nature Conservation. Currently it has 33 member organizations. In addition to the founding members, these include organizations like UNICEF, SASK, Finnish Evangelical Lutheran Mission (FELM) and World Vision Finland. The total number of members of Fairtrade Finland’s member organizations exceeds the population of Finland. Fairtrade Finland also reaches a large number of active volunteers who are not involved in the formal organizational activities. Besides the development cooperation described in this programme, Fairtrade Finland is the leading trade justice NGO in Finland: it supervises the use of the FAIRTRADE Mark, promotes the selling of Fairtrade products by working directly with businesses, and conducts campaigns, communication activities and advocacy work around Fairtrade and Fairtrade Finland’s broader trade justice agenda. Fairtrade Finland also supervises the use of the FAIRTRADE Mark in the Baltic countries.

Fairtrade Finland’s work is aligned with Fairtrade International’s vision. Its mission is to improve the production and living conditions of small producers and workers in developing countries by promoting Fairtrade and implementing its principles in order to increase the demand for and availability of certified products.
In Finland, there are currently about **1700 different Fairtrade products** available in the market and the total sales value in 2016 was 189.9 million euros. There are presently 14 Fairtrade towns and municipalities, and more than a hundred Fairtrade parishes in Finland. According to Taloustutkimus (2016), 85 per cent of Finns recognize the FAIRTRADE Mark, and 93 per cent of those who are aware of the system also trust it. The main source of Fairtrade Finland’s revenues in 2016 was license fees from companies, accounting for 57 per cent, followed by the grant for development cooperation from the Ministry for Foreign Affairs of Finland (24 per cent). The license revenues increased by **11.4 per cent** compared with the previous year to a new record of almost a million euros, EUR 969,700. In 2016 Fairtrade Finland started to run a separate Finnpartnership-funded project, in cooperation with Gustav Paulig Ltd, to develop the coffee supply chain in Ethiopia to be more sustainable. In 2017, we launched a new EC-funded project focused on consumer-facing activities. Fairtrade Finland has over 15 years’ experience of conducting several MFA, UNDP and EC-funded development education and communication projects. Fairtrade Finland has a total of 11 full-time employees.

**FAIRTRADE AWARENESS AND TRUST**

- **85%** of Finns recognize the Fairtrade mark
- **82%** know the meaning of Fairtrade mark
- **72%** trust that Fairtrade improves the position of producers

In 2016, the sales value of Fairtrade products increased by 9.5 per cent compared to the previous year. Consumers in Finland bought Fairtrade products for a total of 189.9 million euros. Considering that grocery sales grew by only 0.9 per cent, the growth of Fairtrade products is particularly notable, demonstrating strong support from Finnish civil society for sustainable products.
**FLO-CERT** operates as an independent, transparent and consistent certification system worldwide that follows the requirements of ISO 17065, the international quality norm for certification bodies. FLO-CERT ensures the compliance of producer organisations, hired labour organisations and traders with International Fairtrade Standards, payment of the Fairtrade Premium to SPOs and HLOs by traders, and investment by producers of benefits received through Fairtrade. FLO-CERT works with a network of 100 independent auditors who visit Fairtrade certified organizations (producers and traders). The auditors are locally-based and familiar with the local culture, law and language. ISO 17065 accreditation means:

- Independence: a certification body must be independent of any external pressure being able to influence a certification decision.
- Transparency: the evaluation and certification processes must be transparent and explained to all parties before inspection.
- Quality: certification decisions can only be consistent and suitable if there are proper internal control mechanisms.
- Equality: all producers must be treated equally.
1.1.2. FAIRTRADE’S THEORY OF CHANGE

The starting point for developing a Theory of Change (ToC) is to set out the issues that the organization seeks to address. For Fairtrade, this can be summarized as the failure of conventional trade to deliver sustainable livelihoods and development opportunities to small-scale producers and workers in developing countries. There are multiple causes for this failure, linked to structural issues at global, national and local levels. Market failures arise when there is an imbalance of power in markets, when a particular set of actors faces structural disadvantages in terms of ability to engage in markets (e.g. in terms of access to capital, business services or market information) or when the ‘true costs’ of production and consumption are not taken into consideration. The Fairtrade Theory of Change seeks justice and fairness through exercising rights and freedoms, empowerment through strengthening the assets and capabilities of the most marginalized farmers and workers, and the attainment of sustainable livelihoods through building resilient agro-based trade systems and societies.

Fairtrade Finland’s programme is based on this theory of change aimed at capturing and assessing simultaneous change in four areas:
- Small producer & worker organizations
- Supply chain business practices
- Consumer behaviour
- Civil society action

Fairtrade Finland’s development cooperation is actively influencing all these areas which are central for the sustainability of the impact of the programme.

SPHERES OF CHANGE
The results chain process begins with Fairtrade interventions which lead directly to one or more tangible outputs, such as increased knowledge or increased citizen/consumer awareness. These outputs then contribute to a range of short- and medium-term outcomes, such as more viable and resilient small producer businesses, improved infrastructure in communities, and market growth for fairly and sustainably produced products. The outcomes in turn contribute to various long-term impacts, such as improved household income and assets, enhanced influence for small producers and workers, and more sustainable trading systems. The results of Fairtrade’s work include all the outputs, outcomes and impacts which Fairtrade interventions contribute to, both directly and indirectly, intended and unintended, and positive and negative. The influence of external factors increases from outputs to outcomes to impacts. Attribution to Fairtrade depends on the degree to which results are dependent on Fairtrade interventions versus other contributory factors.

**Simplified Example of a Results Chain**

- **Intervention**: Capacity building of worker’s organizations
- **Outputs**: Increased freedom of association
- **Outcomes**: More mature systems of industrial relations & collective bargaining
- **Impacts**: Improved household income, assets & standard of living
1.2. PROGRAMME PLANNING PROCESS

Fairtrade Finland’s second development cooperation programme was developed in a participatory and inclusive way, following the steps defined by Fairtrade Finland’s Programme cycle management document. The process involved farmer and worker representatives and partner organizations from all the relevant regions in the South. In the North, we consulted partner companies on their sourcing challenges and human rights risks as well as analysed consumption and other global development trends.

The interventions in this programme have, in the main, been built from the bottom up with the detailed input of the Fairtrade Producer Networks (PNs). The first-round planning process included active participation from Fairtrade International advisors, as well as the partner organizations from Africa and Latin America. Having our ToC as a base, PNs identified key priorities for implementation in line with the present challenges and opportunities facing their regions. Our main partner in the first programme, CLAC, analysed the lessons learnt from the 2014-2017 programme (see box). Background information, such as experiences from previous development cooperation projects and findings and recommendations from the evaluations, was collected to inform the planning. It was jointly decided that the programme should have a broader approach, set focus on the least developed countries (LDCs), and should improve the situation of workers alongside that of farmers. Middle income countries was decided to be included only in the case of exceptional vulnerabilities.

CLAC’s MAIN LESSONS LEARNED FROM THE FAIRTRADE FINLAND PARTNERSHIP PROGRAMME 2014-2017:

During the implementation of Fairtrade Finland’s first programme, CLAC was able to increase its ability and experience in project management with a strong participatory approach. Our members recognize the benefits of the projects implemented and the role that CLAC played as implementing partner and manager of the local projects funded by the programme. Lessons learned during the programme are now being implemented in the other programmes throughout the region. Among those lessons are:

- Implementing a participatory approach during the project cycle to promote empowerment and sustainability.
- Promote a management model for the projects that includes project participants and national networks in the decision-making process as a tool for organizational strengthening.
- Learn by doing. Trainings provided by the projects had a combination of practical session and theory that ensures learnings and promotes adaptation to local contexts.
- Inclusion of women and youth. During projects implementation, we were able to test and design methodologies to increase the women’s and youth’s participation in leadership and technical roles in their own organizations.
- Small farmers as leaders of climate change adaptation and mitigation. Several guidelines and toolkits were developed based on the experiences and learnings of project participants regarding useful techniques to improve soil management and coffee plantation management, building resilience to climate change.
The second-round planning process included two multi-day workshops held in the field in September 2016 in Kenya and in October 2016 in El Salvador. Apart from Fairtrade Finland staff, over 40 people participated representing producers and workers, and including thematic experts on gender, youth, workers’ rights, climate change, and MEL. In these workshops the focus was further sharpened, the main challenges for each region were analysed and project ideas were brainstormed in small groups.

The Ministry for Foreign Affairs of Finland commissioned an evaluation of all programmatic support organizations. Fairtrade Finland was included in the first set of organizations. The evaluation findings and recommendations (see below) were taken into account in the programme planning.

"I think that the Finnish programme has been innovative for the whole Fairtrade movement, especially for us in Latin America and the Caribbean. This programme has been a new way to work and provided us with a model of project management. It has been very participatory, resulting in high ownership among beneficiaries. We have now adopted the same approach to other countries and projects, recently in Bolivia with a project funded by Lidl."

Susy Pinos, programme coordinator, CLAC

A separate consultation session was organized for the hired labour component of the programme in Ghana in February 2017. The participants were members of the Fairtrade’s Workers’ Rights Advisory Committee (WRAC), which has a mandate from Fairtrade International’s board to coordinate hired labour issues and facilitate cooperation between Fairtrade and the trade unions. The members of WRAC consist of trade union representatives, Fairtrade hired labour experts and NGOs promoting workers’ rights. In addition to members of WRAC, representatives from two Fairtrade certified plantations – including both owner and worker representatives – took part in the consultation meeting.

**Inclusion of vulnerable groups in planning**

While the main planning groups, the producer networks, were representing the interests of vulnerable groups, special group discussions were held to analyse the priorities of different vulnerable groups (children, youth, migrants, refugees, people with disabilities, and indigenous people). PNs also collected needs and challenges directly from the vulnerable groups themselves. This was made possible as the PNs have several internal networks which unite groups across the continent. For example, the voice of youth was collected from the PNs’ youth networks (which in the case of CLAC was established with the support of Fairtrade Finland).
At the same time, discussions were held in the North with partner companies on their sourcing challenges, human rights risks and development objectives. Fairtrade Finland informed Fairtrade licensee companies (numbering more than 30) about the programme, and organised separate consultation sessions with its biggest licensees, such as SOK, Kesko, Paulig, Fazer and Alko. Similar mapping sessions were also organized with selected local licensees and retailers in some of the largest Fairtrade markets, such as Germany and the United Kingdom. We met with several different types of companies and gathered information about the current topics and challenges in developing more sustainable business practices. While the ultimate decision-makers on the priorities were the Fairtrade farmers and workers in the South, there was a significant overlapping between the producer priorities and the sourcing challenges, human rights risks and development objectives identified by the companies. Therefore, some of the companies consulted decided to engage with the programme by committing to invest additional finance into the programme.

The planning process for the communicational activities included the careful evaluation of the success of the previous programme, status analysis, evaluation of the awareness about Fairtrade within different consumer-citizen groups, and the strengths and weaknesses of Fairtrade. As a background assessment, we conducted a consumer survey to understand how consumers’ perception on sustainable consumption and Fairtrade has changed. Fairtrade Finland also conducted preliminary discussions with other organisations in the field to evaluate potential partners. Fairtrade Finland also informed its more than 30 member organizations about the planning process, and engaged directly with some members running their own development cooperation projects and programmes. This resulted in forming a joint project with SASK to improve workers’ rights in the South African grape plantations. Through this type of cooperation Fairtrade Finland wants to be the frontrunner in cooperating and building joint projects with the other MFA supported partner NGOs.

**LESSONS LEARNT FROM THE PROGRAMME 2014-2017**

In the implementation of our previous programme, we invested significant time and effort in the participatory planning of the projects in the field. All projects were planned closely with the beneficiaries who were the ones who decided their priorities, the interventions required and how to measure those. This required a great investment in terms of time, negotiation and resources, but it was proven to be worth the extra effort. Ownership has been exceptionally high. It was proven to be the right decision to give most of the responsibility to the field: the partners’ capacity increased, they became more independent and they were proven to be trustworthy. However, one important lesson-learned is that the roles and responsibilities of each partner have to be more clearly and better agreed from the outset. For this new programme, we will establish broader, tripartite agreements covering all the main stakeholders like regional and national producer networks or trade union. Another lesson, which was included already in the last additional year of the previous programme, is the need for real, programme level monitoring, aggregable indicators instead of project-level indicators. For this new programme, we are now able to effectively consolidate the monitoring of the entire
programme with our comprehensive monitoring system. Another element that we have now integrated to the programme is that we recognised the need for advocacy work to increase the companies’ knowledge of UNGPs and what they could do to decrease human rights risks in their supply chains. In general, the main lesson for us was that the development co-operation system which we drafted for our first programme proved to be functional, effective and efficient also in practice.

A final prioritization exercise was conducted to determine the programme’s geographical and product scope. For the selection of countries, several criteria were used as a basis for discussion with thematic and regional experts, and the countries were then rated. The following criteria were used:

- The programme is in line with the countries’ own development agenda
- The country is highly vulnerable to the effects of climate change (CRI; Global Climate Risk Index 2017, Germanwatch)
- The country is on the global index of child labour risks (Maplecroft or TVPRA7)
- HDI and OECD/DAC classification
- Companies’ sourcing challenges and human rights risks
- Country’s position in ITUC8’s global rights index (2016)
- Democracy challenges (democracy index9)
- Gender gaps (Gender Inequality Index; UNDP, 2016)
- Classified as a fragile state (World Bank)10

Fairtrade International’s experts contributed to the programme’s design within their field of expertise and extensive feedback was received on the programme across the system. The programme draft was cross-checked against MFA instructions, recipient countries Poverty Reduction Strategy Papers and other international agreements. A final planning workshop was held in Bonn in late April with representatives from CLAC, FTA, Fairtrade International and several NFOs.

7 Trafficking Victims Protection Reauthorization Act; List of goods produced by child labor or forced labor (2016)
8 International Trade Union Confederation
9 The Democracy Index is an index compiled by the UK-based Economist Intelligence Unit that measures the state of democracy in 167 countries. The index is based on 60 indicators grouped in five different categories measuring pluralism, civil liberties, and political culture.
10 The World Bank Group’s Fragile, Conflict and Violence Group annually releases the Harmonized List of Fragile Situations. “Fragile Situations” have: either a) a harmonized average CPIA country rating of 3.2 or less, or b) the presence of a UN and/or regional peace-keeping or peace-building mission during the past three years.
Once the final funding decision from the MFA was received, we consulted our partners on how to modify the programme. They suggested to drop the intended projects in Paraguay and Lebanon from the programme at least for now. Both of them are currently listed as Upper Middle-Income Countries, which was one reason, although the actual intended project beneficiaries would have been really vulnerable groups like Syrian refugees. The project in Paraguay was also more focused on production-related issues and less on civil society strengthening, thus it was analysed to be less in the core of the programme.
EVALUATION OF THE PROGRAMME-BASED SUPPORT THROUGH FINNISH CIVIL SOCIETY ORGANIZATIONS

Fairtrade Finland
2016

Findings
These objectives are fully in line with FT’s aim of strengthening the capacities of producers and fair practices in supply chains in developing countries to achieve sustainable livelihoods and production. In addition, they reflect FT’s comparative advantage among Finnish CSOs, which is to deal with whole value chains, as well as with civil action to further the interests of small producers.

The programme responds to the rights of beneficiaries and stakeholders insofar as their fundamental rights are integral parts of the Fairtrade concept: non-discrimination, the right to peaceful assembly and freedom of association, the right to participate, freedom of information and children’s rights to development and education. The programme was designed in a participatory way in several workshops with representatives of the cooperatives in the driver’s seat. This has ensured that the programme responds to the priorities of the indirect beneficiaries: small and poor coffee producers. In addition, the programme is making special efforts to address the rights of women and youth to participate in income generating activities, capacity building, possibilities to get organised and to take part in decision making bodies. The programme promotes compliance with the International Labour Organization’s fundamental rights and the essential UN conventions regarding the right to work, livelihood, labour rights, and prohibition of child labour.

Furthermore, it is coherent with the declared policy of both governments and it is substantially aligned with the priorities of Finnish development policy.

Thus, the costs for management, administration and technical assistance have been kept low. The team has not been able to identify other more cost-efficient alternatives.

Human rights principles such as democracy, participation, transparency, accountability, non-discrimination, gender equity and respect for the environment are well embedded in the programme and are part of the Fairtrade concept. In addition, the leaders of the cooperatives met by the team have clearly been motivated by such principles. They are sensitive to the needs of the weaker cooperatives and are engaging the poorer and most marginalized producers in the project.

The programme is addressing the key cross cutting issues of gender equality, reduction of inequalities and promotion of climate sustainability.

An important longer term impact of the programme is farmers’ and cooperatives’ awareness of threats and opportunities, and capacity to address these. The programme’s contribution to generational change is also important.
The cooperatives are centres for technological and social innovation from which others in the surrounding local societies are learning. The team has found that neighbours to members of the cooperatives in many cases learn from and copy some of the new techniques promoted by the cooperatives.

CGCJ, CHPP and the cooperatives in Guatemala and Honduras have a strong sense of ownership of the programme and refer to the programme as theirs.

The FT programme is taking special care to address ecological issues related to coffee farming including conservation of water resources, management of pesticides and application of organic practices.

A number of factors indicate that results of the programme might be sustainable.

Recommendations:

- MFA and FT should continue their collaboration within the framework for programme based support
- FT should continue its efforts to keep costs low and to allocate as much as possible to the beneficiaries
- The FT programme should contact institutions (including universities) specialized in research on agriculture to test the products of the bio-plants and to develop specific recommendations on how they should best be used.
- The FT programme should emphasize specifically the capacity building of the coffee cooperatives, as well as that of their umbrella organisations for lobbying and advocacy with an emphasis on non-confrontational methods suitable for the political situations in Guatemala and Honduras.
- FT should reinforce its activities aimed at strengthening partners’ links to organisations in Finland.
- FT and its implementing partners should develop systems to enhance the role of the cooperatives as change agents.
- The FT programme should review its activities relating to sustainability and develop them into an explicit and coherent exit strategy.

The evaluation was commissioned by the Ministry for Foreign Affairs of Finland to NIRAS Finland

Ole Stage (team leader)
Tania de la Rosa (team member)
1.3. RATIONALE: PROBLEMS & CHALLENGES

Since Fairtrade Finland’s first development cooperation programme was planned in 2013, extreme weather incidents have become more frequent and severe. Challenges connected to unemployment, particularly for youth, are expanding. Value chains for major staples and high-value products are consolidating. These currently evolving dynamics are combining with existing issues to present different challenges and opportunities for rural people. During our second programme’s planning process, women and men across Africa and Latin America highlighted the serious challenges they continue to face – meeting the costs of sustainable production, adapting to climate change, accessing resources, improving wages and working conditions, pushing for better government support, finding markets and making farming attractive to young people. The challenges the world faces are intricately interconnected. We cannot address poverty until we address inequality; rampant development exacerbates climate change; any approach to eradicating child and forced labour must address sustainable livelihoods throughout the value chains; and a lack of equal rights for women inhibits progress across the board.

It is anything but fair. The poorest countries have contributed the least to excessive greenhouse gas emissions, and yet they are suffering the most from the impact of climate change. Climate change is a multi-dimensional phenomenon that disrupts not only the environment but also economic, social, and even cultural dimensions of the lives of producers and workers and their communities. Environmental degradation, including climate change, can offset economic development, risk peace and stability and cause massive migration. Droughts, floods, temperature variability and crop diseases are some of the many consequences felt in developing countries because of rising global temperatures. As is so often the case, the most vulnerable people in developing countries will be hit the hardest, as they often live in vulnerable areas and are dependent on agricultural production and direct access to natural resources for their livelihoods. They also often lack the capacity and knowledge for adaptation. Climate extremes will hit these vulnerable groups at full force, but consumers in the North will feel the effect as well because these farmers produce many of the products that we use on a daily basis, from coffee and tea to chocolate and bananas. Agricultural malpractices can also aggravate the impact of climate change and cause other environmental impacts like land degradation, loss of soil and biodiversity, and water pollution.

At Fairtrade, we see how climate change is directly affecting people and their livelihoods. Banana plantations in Ecuador and Costa Rica were devastated, coffee leaf fungus la roya nearly destroyed coffee production in Central America, floods in Malawi caused tea plantations to float, drought in Ethiopia is like a flashback to Live Aid in 1985, hurricane Matthew knocked out banana plantations in the Dominican Republic making hundreds of Haitian migrant workers redundant and emptying the shelves in many consumer markets relying on the banana supply from the Dominican Republic. And the list of negative consequences is set to escalate.

Coffee, one of the world’s biggest commodities cultivated by approximately 20 million smallholder farmers, is a crop that suffers a great deal from climate change. But coffee is not the only product whose production is under serious threat from climate extremes. For example, vineyards have been suffering the effects of unprecedented frosts, floods and drought. The taste of tea is changing as well, as too much rain has a dilution effect of the flavour, antioxidant properties, and caffeine levels. Erratic precipitation and extreme temperatures are also limiting the areas suitable for growing high quality tea. And it is not only plants that suffer, but also bees which are vitally...
important to the global ecosystem and biodiversity. Bees don’t just produce honey for our five o’clock tea, but are the most important group of pollinators for farming and wild plants. Their populations are declining due to a variety of factors including human development, pesticides, disease and the changing climate. Furthermore, in many countries the nectar that bees collect contains an increasing amount of water and thus the quality of honey is declining.

Access to sufficient and nourishing food is a universal human right. **Food security** is the foundation for all development, without which other development investments go down the drain. The four dimensions of food security include the physical availability of food, economic and physical access to it, utilization of food, and the stability of these three others. Food security is also an important safety factor, as weakened food security is often both a cause and a consequence of a conflict.

The term **gender** refers to men and women, girls and boys, their place in society and their mutual power relations, in which women and girls are often in subordinate positions. Research, and day-to-day lived realities show that women and girls are disproportionately affected by poverty due to the fact that they are in many ways disadvantaged, marginalized, excluded, discriminated against, denied opportunities and often experience different forms of violation. Although women have throughout history played a significant role in agriculture, and increasingly so over time – for various reasons including migration, conflict and the incidence of HIV/AIDS – they remain marginalised from agricultural policy. Fairtrade has identified three main barriers to women’s active participation in agriculture as members, leaders and employees:

- **Producer organisation rules, structures and practices:** Membership which is linked to ownership or registration of land or crops creates a bias in favour of men. This is perpetuated at the leadership level, as SPOs’ leaders are drawn from the organisations’ membership. In addition, a lack of gender awareness in SPOs means that women’s needs and interests, and constraints on their participation, are not sufficiently taken into consideration in recruitment, planning and policy-making.

- **Sociocultural norms and practices:** Local norms, attitudes and customs related to the role of men and women in society often create barriers to women’s participation in SPOs. This includes time poverty resulting from expectations that women should perform the majority of unpaid care work, which often limits their availability for active participation. Attitudes regarding women’s suitability for leadership and technical roles are also common barriers. Young women’s opportunities are generally limited to unskilled jobs, even when they possess the skills for higher level, better paid work.

- **Women’s individual circumstances and choices:** Women’s age, marital status, education, wealth, degree of support from relatives and experience in other organisations can all affect their freedom to participate in SPOs, and their decision-making around whether to do so.

The global **population** is rising annually by around 80 million people. In the developing world, the population pyramid resembles those at Giza and employing the expanding pool of **youth** won’t be easy. Many young people have a negative image of rural and agricultural work, which they have learned from their parents, by observing a reality where low productivity growth and limited market access limits the opportunities. Particularly in many developing countries, inequality con-
continues to increase, throwing the Gini coefficient well over 0.5. Although many developing countries can declare significant GDP growth rates, inequality and youth unemployment are chronic and unresolved social problems. Young people are usually viewed as passive recipients of support, instead of active citizens. They are not included in decision-making processes, and they often face negative misconceptions about their capabilities. Around 85 per cent of the world’s youth live in developing countries, and this is estimated to reach 90 per cent within the near future. Inadequate livelihood opportunities in rural areas also force many people to try their luck with migration – either internal or international. This is leading to the ageing and feminization of the rural population, which in turn leads to the loss of the human capital needed to drive rural development. These immigrants are in an especially vulnerable position as neither do they own land, nor do they have a right to own it, as they may lack the required documents, are afraid to join workers’ associations, or do not have access to any social security. Rural youth migration is stressing already saturated urban labour markets, contributing to the increase in informal work, and making women in particular vulnerable to exploitation. Conflicts and natural disasters increase mass migration – usually illegal – within developing countries, and to neighbouring countries.

Another important vulnerable group being targeted by the programme are people with disabilities. During the planning process an extensive list of challenges were identified by representatives of the producers and workers. This included prejudices, attitudes and beliefs that unnecessarily affect many people with disabilities and their families. Many people with disabilities would be perfectly suitable for many tasks within SPO and HLO settings, but due to stigma and cultural norms, they are not given the opportunity. Furthermore, the lack of services – such as day care, schooling or other social services – that should be provided by duty-bearers for parents of children with special needs, prevent the parents in the targeted rural settings from participating in agricultural-based income generating activities.

11 A migrant worker is a person who moves from one area within her or his own country (domestic migrant) or across the borders to another country (international migrant) for employment. Workers are not considered migrant after living one year or more in the region where they work AND if either a permanent position has been granted by the employer OR legal permanent resident status has been granted.
1.3.1. SMALLHOLDERS AND LIVELIHOODS

Smallholder farmers still represent a majority of the agriculture labour force in many developing countries, with FAO statistics showing that, in nominal terms, the number of smallholders has increased over the last decade. Currently, 43 per cent of the active world population remains employed in agriculture – increasing to 53 per cent in developing countries. In sub-Saharan Africa, 80 per cent of farms are family owned and worked – and more than two-thirds of African citizens depend on agriculture for their incomes. Globally small-scale farmers produce over 70 per cent of the world’s food needs. While the number of farmers and workers involved in smallholder farming remains significant, so do the challenges they face. Smallholder farmers are not a homogenous group but there are several different subgroups facing distinctive challenges, although common denominators can be identified. The perpetual cycle of poverty affecting smallholder farmers is exacerbated by their increased vulnerability to external shocks and stresses caused by climate change, conflict and environmental degradation, leading to a scarcity of natural resources such as water and fertile lands and chronic underinvestment in sustainable farming. Their position is worsened further by weak organisational capacity, productivity constraints and poor market access.

Most cooperative leaders are producers themselves with extensive intergenerational knowledge and experience of how to produce. Yet their expertise often lacks understanding of the best practices for sustainable, productive and high quality production that meets market demands including consumer concerns and preferences. In addition, most lack a strong business administration background, particularly regarding cost of production calculations, logistics, marketing and buyer negotiation skills – key elements that have a direct impact on producers’ livelihoods.
Subsistence farming and barter are very common in developing countries but the farming of export commodities can further contribute to families achieving more sustainable livelihoods. Generally, income generated from export commodities can be utilized to address family-specific needs like improvements in housing, schooling and health services. Yet small producers in developing countries remain largely marginalized from the benefits of international trade. Although they often account for a high proportion of production, they typically lack the necessary skills, resources, information, institutions, access to markets and bargaining power to secure a decent return for their labour. Furthermore, a significant proportion of small-scale farmers are women and various minority groups, and these subgroups’ specific needs, as explained in the previous section, remain a blind spot for agricultural policy development at local, national and global levels.

Finland is the world’s leading coffee-drinking nation in terms of per capita consumption. How to ensure that we can keep drinking coffee is a serious question to coffee farmers and Finnish consumers alike. Globally, 100 million people’s livelihoods depend on coffee. But coffee production is very sensitive to climate change. Current coffee varieties have quite a narrow genetic base and therefore a narrow climatic range. Climate change risk is further intensified by the long lead time of adaptation measures – breeding for stress tolerance may take decades. Arabica coffee (the most widely known variety of coffee and the main ingredient in the Finnish coffee blends), requires cool temperatures and constant rainfall. The plant thrives at between 18 and 22 degrees Celsius. Higher temperatures and drier seasons will cause the plant’s flowers to fall too early. Moreover, a rise in temperature opens the door for diseases and fungi, such as the devastating coffee leaf rust. A study published in the Climatic Change journal found that by the year 2050 climate change is expected to reduce the global area suitable for coffee by about 50 per cent across emission scenarios.

1.3.2. WORKERS AND LIVELIHOODS

The pressures from market forces, low prices and tight competition in international trade facing organisations working on export commodities have in turn once again been passed on to those at the bottom of the supply chain, agricultural workers. This results in low wages and an increase in exploitative labour practices such as the use of casual, fixed-term and sub-contracted employment to reduce costs, and long working hours with compulsory overtime to meet short lead times. ‘Flexibilization’ of labour markets has been used to enhance competitiveness, but this has weakened the content and enforcement of national labour laws in many countries. Workers in most developing countries have been unable to challenge or prevent this decline, with little engagement in independent trade union organization (particularly in agriculture), not least because the poverty and informality of employment undermines the workers’ capacity and willingness to organize. In addition, in many places trade unions and employers have a history of antagonistic relations, with trade union rights either explicitly or implicitly suppressed, and there are few examples of good social dialogue. Although most UN member countries have ratified the core ILO Conventions for decent work (requiring labour rights to be incorporated into national legislation), and buying companies increasingly have codes of labour practice that their suppliers are expected to comply with, there remains a huge gap between theory and practice in terms of workers’ access to labour rights.
“EXPERIENCE SHOWS THAT ECONOMIC GROWTH IS NOT SUFFICIENT. WE MUST DO MORE TO EMPOWER INDIVIDUALS THROUGH DECENT WORK, SUPPORT PEOPLE THROUGH SOCIAL PROTECTION, AND ENSURE THE VOICES OF THE POOR AND MARGINALIZED ARE HEARD.”

UN Secretary-General Ban Ki-moon Message for the World Day of Social Justice, 20 February 2014

A recent United Nations labour report revealed that more than half of the 52 million workers in rural areas of the Latin American and Caribbean region are in a state of vulnerable employment, characterized by lower wages, lower social protections and the prevalence of poverty. The situation is worse in rural areas where around 56 per cent of workers are in vulnerable employment compared to 27 per cent in urban areas. Workers on many farms feel that they do not have the freedom or ability to negotiate better wages or terms of employment.14

Workers themselves are also composed of several subgroups with some in more vulnerable situations than others. Specific challenges facing women, youth and immigrants are covered in section 1.3.

15Panorama Laboral Temático 3: Trabajar en el campo en el siglo XXI. Realidad y perspectivas del empleo rural en América Latina y el Caribe. ILO, 2016.
Small producers themselves often hire seasonal workers to handle harvest and post-harvest work, but these producers usually lack skills in human resource management. Seasonal workers’ contracts may be verbal or just for a day, completely lacking any social security protection. Many seasonal workers are also landless or migrant, without legal entity or work permits, and thus do not have many livelihood options to choose from. The seasonal workers’ status cannot be treated with the incorporation of more requirements into certifications schemes, as the farmers themselves are also poor and there is not enough value in the chain. Not even in a certified chain, as there isn’t enough demand for sales of all production to be made under Fairtrade terms. As a result, most SPOs are selling 40 to 20 per cent of their yields on Fairtrade terms.

**Weak human resource management capacity and poor labour-management relations** are also found in professional large plantations employing large numbers of workers (e.g. banana, grape, flower and tea plantations). Workers and management might see each other as enemies and may not be on speaking terms. This leads to absenteeism, work stoppages and unresolved grievances and disputes, affecting the productivity and overall wellbeing of staff. Decreased productivity leads to loss of competitiveness, with lower revenue affecting job security and thus contributing to the vicious cycle of poverty.

**Freedom of association** is widely recognized as a fundamental labour right, but in many countries trade unions and their members face serious violations of their rights. Severe violence is common, including mugging, kidnapping and threats. Even murders are not uncommon. Governments also arrest or imprison workers as a tactic to resist demands for democratic rights, decent wages, safer working conditions and secured jobs. State security forces and thugs hired by companies often target workers’ representatives working collectively for better wages, rights and conditions. ITUC’s Global Rights Index ranks 141 countries against 97 indicators to assess where workers’ rights are best/worst protected, both on paper and in practice. The Index covers internationally recognised core labour standards, specifically civil rights, the right to bargain collectively, the right to strike, the right to associate freely, and access to due process rights. The 2016 ITUC Global Rights Index shows that workers’ rights deteriorated in most regions. The number of countries where workers were exposed to violence increased from 36 in 2015 to 52 countries. Certain categories of workers are excluded from the right to freedom association in 58 per cent of all countries and workers do not have the right to strike in 68 per cent of countries. Based on the ITUC’s index, workers are denied the right to bargain collectively for better working conditions in 57 per cent of countries.

Money is usually the main reason and motivation to work, but in many countries and sectors access to adequate and regular wages is not guaranteed. Minimum wages defined by local law may be set but they are often far too low to secure decent livelihoods or do not cover certain sectors of society. **Social Protection** in the case of illness, disability, unemployment or retirement is scarce. **Women** workers in particular risk losing their jobs due to pregnancy, or have limited or no parental leave rights, despite national legislations which may prescribe these, as well as risk greater exposure to gender-based violence including sexual harassment. An important global trend in the hired labour workforce is an increase in the share of women in agricultural employment, especially in Africa and particularly in new crop sub-sectors such as horticulture and flowers as well as more traditional commodities such as tea. This means that issues like lack of equal pay, poor working conditions, lack of maternity leave and sexual harassment are on the increase.
Forced labour under international standards means all work which is extorted from any person under the menace of any penalty for its non-performance and for which the worker does not offer himself voluntarily, and includes bounded labour. It includes work provided or obtained by force, fraud or coercion, including: (1) by threats of serious harm to, or physical restraint against any person; (2) by means of any scheme, plan or pattern intended to cause the person to believe that, if the person did not perform such labour or services, that person or another person would suffer serious harm or physical restraint; or (3) by means of the abuse or threatened abuse of law or the legal process. Forced labour is unanimously condemned under the UNCRC and ILO conventions among others, but according to ILO’s estimation over 20 million people are still subjected to it. Forced labour in the form of coercive and deceptive recruitment exists in many African and Latin American countries.
Child labour is common. It is widespread in rural areas of the developing world where around 60 per cent of child labourers are working in agriculture, totalling over 98 million children\[15\]. Many of them do not attend school, don’t get adequate nutrition or care, don’t have much time to play and over half of them are exposed to the worst forms of child labour – i.e. work in hazardous environments, slavery, or other forms of forced labour. Child labour is a serious violation of fundamental human rights and hampers children’s development, potentially leading to lifelong damage. There is a strong causality between household poverty and child labour. One of the root causes of inter-generational poverty is children of the poor lacking access to education as a stepping stone to access opportunities to move upward in society.

According to the 2015 Tulane University report on the West African chocolate industry, 2.12 million child labourers worked in cocoa production in the 2013/2014 cocoa harvest season in Côte d’Ivoire and Ghana. The study estimates that almost 96 per cent of the 2.12 million child labourers in cocoa production in the two countries were involved in hazardous work in the 2013/2014 harvest season, representing a 13 percent increase from the 2008/2009 season. The study did not assess other worst forms of child labour, namely child trafficking for labour purposes.\[16\]

No society is free from discrimination. Millions of women and men around the world are left without access to work or training, get low wages, or are restricted to certain jobs simply because of their sex, race, sexual orientation, religion, ethnicity or disability, despite their skills and capabilities.

ILO’s Equal Remuneration Convention, 1951 (No. 100), requires ratifying countries to ensure the application of the principle of equal remuneration for men and women workers for work of equal value.

\[16\] Survey Research on Child Labor in West African Cocoa Growing Areas, Tulane University, USA. 2015.
1.3.3. TRADING AND GLOBAL SUPPLY CHAINS

Agricultural supply chains have become increasingly global. A great many supply chains have also become increasingly complex and difficult, but are becoming more concentrated. Traders are larger and fewer, the processing industry has consolidated, and major retail and fast food chains have expanded. The process of concentration is self-reinforcing. Large retailers tend to source from large wholesalers and large processing firms, in order to reduce transaction costs and achieve superior packaging, branding and product standardisation. This leads to what is often called “mutually reinforcing dual consolidation”: as large retailers become more dominant in the consumer markets, large commodity buyers tend to become more dominant in the producer markets.


Olivier De Schutter, UN Special Rapporteur on the right to food (2008-2014). 18

As a result, the large companies’ trading practices have a far-reaching influence over the farmers in the South. Too often, these companies use their power to push prices down, leading to lower wages for farmworkers and lower incomes for smallholder farmers. Smallholders find it increasingly difficult to comply with the volume and standard requirements that large buyers set. Risks related to weather, pests or logistical problems are often not shared fairly. The voice of the producers and collective action is not strengthening on par with the largest companies. While many farmers’ cooperatives, national unions and regional organizations are boosting the farmers’ productivity, most of them have very limited capabilities for policy analysis, advocacy and communication.

In the Finnish context, the issue of sustainability is yet to rise to the core values of many companies. Companies are lacking in knowledge, management commitment, and incentives. Many customer groups exert limited demand for greater sustainability, as they are unfamiliar with development issues, injustices in supply chains, and the impact their purchases have on Southern farmers. In the public procurement sector the situation is not much better as the use of sustainability criteria has been rare. Public procurers have both insufficient political mandate and expertise in criteria setting and monitoring, revealed a survey commissioned by Fairtrade Finland and other Finnish sustainability certifications in 2016.\(^1^9\)

International trading is failing millions of smallholder farmers and farm workers. The unequal distribution of power and value in global supply chains translates to low and volatile incomes and wages for Southern farmers, keeping them in a precarious existence.

\(^{19}\) Kysely vastuulisista hankinnoista kuntien hankintapäätöille, yhteenvetoraportti. Sales Questor Oy, 2016
2. PROGRAMME

OBJECTIVES
Trade can be an essential driver of poverty reduction and greater sustainable development, but only if it is used for that purpose, prioritizing greater equity and transparency than is currently the norm. To grasp the opportunity of a growing demand for sustainably produced products and to support vulnerable communities in tackling poverty and improving their livelihoods, value chains need to be made sustainable financially, socially and environmentally. Fairtrade has a significant role to play in this field.

2.1. RIGHT TO A DIGNIFIED LIFE

The problems identified above cannot be solved by 2021, or tackled by producers, workers and Fairtrade alone. But we do have a vital, and often unique, role to play in mobilizing the key stakeholders (e.g., citizens, private sector corporations, and government institutions) to engage with the issues and build collaborative solutions. Most importantly, we stand for the empowerment of the individuals (farmers, workers, and consumers) who should be the “masters” of global trade but who too often are its “servants”. Progress towards empowerment provides the best measure of the quality of our work.

Fairtrade certification is normally the best tool to achieve this empowerment. However, there is also a need to tackle the wider market forces and systemic challenges facing sustainable development. Therefore additional support projects and programmes are needed to switch on the ignition for the empowerment and development for the most vulnerable and disadvantaged people. Projects and programmes are also essential tools for development in situations where certification schemes are not a quick fix – due to scale and complexity (like climate change) or the need for longer-term cultural or attitudinal change (like gender equality and inclusion).

In order to address the multiplicity of challenges and make use of the opportunities set during the implementation period, the overarching development goal of this programme for 2018-2021 is to ensure producers’ and farm workers’ right to a dignified life. A world in which small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future, in line with Fairtrade’s vision statement. This will be achieved through empowering rural people, their organizations and making a supportive environment for local civil societies to enable rural people to overcome poverty through economically, socially and environmentally sustainable livelihoods. During the programme period, Fairtrade Finland will pursue this goal through three closely interlinked and mutually supporting strategic objectives (SOs):

- Realizing the right to a sustainable livelihood for producer households
- Realizing the right to a sustainable livelihood for worker households
- Advancing fair and sustainable trading

The programme also promotes three cross-cutting objectives based on the values of the Fairtrade movement: environmental sustainability, support for vulnerable people and gender equality.
Fair and sustainable trading

Programme development goals, three strategic objectives and the cross-cutting objectives for 2018-2021

In line with our Theory of Change, the programme aims to empower producer and worker organizations as vehicles of inclusive development through the delivery of economic, social and environmental benefits for their members and communities. This comprehensive approach can effectively build more resilient businesses in the South that, through investment and job creation, can contribute to wider development impacts in local communities and foster better livelihood opportunities for future generations. In order to reduce aid dependency, it is important to support sustainable growth in developing economies and more inclusive integration into the international economy. It is important to reduce inequality both between countries as well as within countries.
INTEGRATED, HOLISTIC APPROACH AT THE PROJECT LEVEL

The programme has thematic structure with three strategic objectives, but the projects themselves don’t necessarily follow these categories. Some projects concentrate on improving the sustainable livelihoods of producers or workers or focus mainly on advocacy for sustainable trade, but many projects have a holistic approach combining two or all three of these programme level objectives.

As part of the programme’s planning process, we piloted this integrated approach in Ethiopia. The Ethiopian pilot included a component to enhance the coffee producers’ livelihood but also another component to improve the situation of seasonal workers. The idea behind this is partly to influence systemic change at sectoral level, while also at a practical level to ensure that all stakeholders maintain a real commitment to the project. As improvements in workers’ rights usually lead to increased costs for the producers, they understandably are at first resistant to work on a workers’ rights project. It has proven to be very useful to offer something for both parties to the work contract. Our experience is that the improvement of producers’ livelihood reduces or even eliminates the resistance to workers’ rights development. This approach is therefore part of our risk management.

The pilot in Ethiopia included even the third component of this new programme: promotion of sustainable trading practices. The project is engaging the whole supply chain – from the field to the Finnish coffee cups – by making coffee sourcing more sustainable.

More inclusive, representative and transparent producer and worker organizations can enhance citizens’ opportunities to influence their own situation and to break out of poverty. Well-functioning and widespread producer and worker organizations support the citizens’ participation in society, thus strengthening the requirements for the development of democracy and good governance at the local level. Support for the development of civil society calls for strengthening of both the playing field and the players; the programme aims to address both spheres. The programme empowers producer and worker organizations to play a greater and more effective role in the provision of services for their members. This is important for rural development as in the programme’s target-ed countries the state is not providing sufficient agricultural extension services, training or advisory services for farmers, and so the programme builds the organizations’ capacity to deliver these services to its members. Local ownership and strong, local organizations ensure a sustainable base for the services. Furthermore, in order to create a supportive environment for the civil society in the target countries, the programme is building the advocacy capacity of the producer and worker organizations and their national and regional networks, focusing on political decision-makers, governance and public opinion, and making the voice of the citizens heard.
COLLECTIVE ASSOCIATIONS OFFER A PLATFORM FOR COLLECTIVE ACTIVITY

Collective activity is not an objective in itself; it is a means to achieve the people’s own goals. Empowerment is the base – supporting people to take and/or demand control over their lives. Through coming together as a group, people gain greater confidence and trust. This in turn enables them to operate more effectively.

Collaboration, sharing and mutuality produce social capital, inspiring and enabling mutually beneficial cooperation. Collective action produces three interlinked types of empowerment: economic, social and political. Economic empowerment aims to tackle inequity and power imbalances which lead to market failures. Social empowerment aims to foster changes in social norms, behaviour and practices, so that individual rights are better appreciated and upheld. Political empowerment relates to influencing policy, placing demands and calling the state to bear responsibility for its duties. This empowerment resulting from collective action can more effectively support individuals to step out from poverty.
The programme is human rights transformative as human rights principles and frameworks (derived from UNHRC, ILO, UNCRC, among others) guide the processes and the identification of the objectives set for the programme. The programme actively seeks to transform societies by addressing discriminatory legislation, norms and practices and other obstacles to the full enjoyment of human rights of farmers and workers.

The programme’s impact is to ensure the producers’ and workers’ right to a dignified life. The impact means:

- improved household income, assets & standard of living among small producer and worker households
- reduction in risk & vulnerability
- improved access to basic services
- enhanced gender equality and intergenerational sustainability in rural communities
- increased environmental sustainability & resilience to climate change
- increased dignity, confidence, voice, control & choice for small producers & workers at local, national & global levels
- fairer & more sustainable trading system

We have defined a comprehensive set of indicators to measure the programme’s impact. As explained under the sections on monitoring (4.3.3) and modalities of work (3.3), the substantially high number of indicators will not complicate the programme’s monitoring work. Project or programme personnel will not be required to invest time or money to collect programme level monitoring data as we have selected these programme monitoring indicators from the set of hundreds of Fairtrade’s system-wide indicators. These indicators are collected by FLOCERT during the audit process (collected on-site by auditors), complemented by Fairtrade International’s CODImpact (Collection of Data for Impact) system. CODImpact is a digital tool that provides more comprehensive data in order to assess the impact of Fairtrade’s work beyond compliance, as it covers impact-related qualitative indicators. This unique system-wide monitoring enables us to get reliable, programme-level monitoring data. These aggregatable indicators enable us to monitor implementation of the programme as a whole. These are further supported by project-specific indicators and case studies. The system-wide monitoring data applies for the most of the programme, only indicators measuring advocacy are collected separately as explained in section 2.1.3. For more detailed information on the definition of indicators, see the attached table of objectives and indicators.

The programme’s baseline will be collected and compiled in the first quarter of the implementation period.
The overall expected programme impact will be measured through the following **programme level indicators** (see attached Objectives and indicators document for more detailed definitions and sources of information):

- Improved household income, assets & standard of living among small producer and worker households
  - % of SPO member and worker households which have made investments\(^{20}\) in the last 3 years, and type of investments made, by gender of member/worker and by type of contract
  - % of SPO member and worker households with reduced poverty levels\(^{21}\), by gender of member/worker and by type of contract
  - % of SPO members and workers who perceive that the economic situation of their household has improved, by gender and by type of contract
  - % of HLO worker households with decent quality housing\(^{22}\), by migrant status and gender of worker
  - number of jobs supported,\(^{23}\) disaggregation: proportion of new jobs created from the total number; direct/indirect; men/women

- Reduced risk & vulnerability
  - % of HLO workers with access to a state or private pension upon retirement, by gender and type of contract
  - % of SPO member and worker households which have struggled to repay debts in the last calendar year, by gender of SPO member/worker
  - Degree to which (1) voluntary turnover rate, (2) total turnover rate for permanent workers has reduced

- Improved access to basic services
  - % of SPO member and worker households using an improved drinking water source\(^{24}\), by gender of SPO member/worker
  - % of SPO member and worker households with access to healthcare facilities for antenatal care centre, by gender of SPO member/worker
  - % of SPO members’ and workers’ children and dependents aged 7 to 14 years who currently attend school, and % which are at the appropriate grade level for their age, by gender

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\(^{20}\) Types of investment: (1) House improvements, including buying a new house or improving an existing house (e.g., adding rooms, improving roof material, improving windows and doors, household sanitation improvements, etc.), (2) Major household goods, e.g. televisions, fridges, washing machines, etc., (3) Motorized vehicles, e.g. motorcycles, cars, pick-up trucks, tractors, etc., (4) Land, (5) Machinery or tools for production or processing of crops, e.g. mills, tools, storage facilities, etc., (6) Starting up a new business, (7) other type of investment (specify)

\(^{21}\) Poverty level in SPO member / HLO worker household measured using Progress out of Poverty Index (PPI)

\(^{22}\) as defined using characteristics listed in HLO standard

\(^{23}\) includes both 1) new jobs created in the private sector, value chain or companies targeted by the programme and 2) existing jobs in the private sector, value chain or companies targeted by the programme that would have been lost without the support. The number includes both full-time jobs and full-time equivalent jobs worked by seasonal and part-time employees, and informal employment. In addition to direct jobs, the indicator counts indirect jobs.

\(^{24}\) Improved drinking water sources include: piped water into dwelling, plot or yard; public tap/standpipe; borehole/tube well; protected dug well; protected spring; rainwater collection and bottled water. Users of bottled water are considered to have access to improved sources only when they have a secondary source which is of an otherwise improved type. Improved drinking water sources do not include unprotected wells, unprotected springs, water provided by carts with small tanks/drums, tanker truck-provided water and bottled water (if the secondary source is not improved) or surface water taken directly from rivers, ponds, streams, lakes, dams, or irrigation channels.
- number and enrolment rate (%) of the students entering secondary education
- number of people provided with safe and sustainable water supply and/or sanitation services

- Enhanced gender equality and intergenerational sustainability in rural communities
  - attitudes towards gender equality among SPO members and workers, by gender
  - % of SPO member/worker households where women are involved in or take important decisions over financial resources and production, by gender
  - degree to which young people in SPO member households believe farming is a viable livelihood, by gender
  - % of girls among students at first grade of secondary education

- Increased environmental sustainability & resilience to climate change
  - degree of resilience to climate change within PO member and worker communities

- Increased dignity, confidence, voice, control & choice for small producers & workers at local, national & global levels
  - degree of self-confidence and sense of control over lives experienced by PO members and workers
  - % of PO members and workers who perceive that different opinions can be raised and are respected in their communities
  - % of PO members and workers who report working collectively with others to bring about improvements in their communities, by gender

- Fairer & more sustainable trading system
  - Evidence of project impact on policy or programmes of government bodies, private sector organisations, traders or other relevant stakeholders in the targeted supply chains

The programme has a thematic rather than a regional structure. Some projects have elements of both producer and worker livelihoods as equally strong components under the same project-level purpose and goal; in these cases the project is listed under both programme-level objectives and its budget is split according to the preliminary results-based project budget. The following section describes how Fairtrade Finland plans to achieve these three specific objectives and it also provides an overview of the respective indicators to measure achievement.
Fairtrade believes that disadvantaged producers can overcome marginalisation if they are empowered to take more control over their lives and their work. Fairtrade’s expertise is built on over 20 years of direct work with farmer organizations. Our model of strengthening small producer organisations aims to build producers into more powerful civil society actors who can engage in direct lobbying with their governments, traders, buyers and other relevant actors in their supply chain, to ensure they can benefit from more equitable and sustainable livelihoods.
An important first step is for smallholder farmers to organize themselves. These SPOs have to be **strong and inclusive**. SPOs can provide an extensive set of services to their members, for example inputs, storages, access to credit, collective sales, production and post-harvest equipment and agricultural advisory. These services allow **improved farming performance** by supporting farmers to increase productivity, improve quality, and reduce risk. Cooperatives can support their member to **protect environment**. Strong cooperatives can also withstand external shocks like extreme weather events caused by **changing climate**. Cooperatives can better collect dispersed market information, certify their products and successfully represent their members’ interests in business negotiations as they can increase the quantity and quality of the supply and bulk it to facilitate its collection. As a result, farmers will have a better negotiating position, secure a better price for their harvest and gain access to the global market and thus **more viable livelihood**. For smallholders, collective action can also influence duty bearers to be more accessible, responsive and accountable. This can lead to improved access to better services, **enhanced benefits** and to changes in social and political position. But cooperatives are not just about economics. Cooperative values of democracy, self-help, equality and self-responsibility form an important model for individuals to become active citizens. They learn that instead of being a fatalist poor farmer, through cooperation and active work they can improve their lives. They become important role models and agents of change in their society.

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**EVALUATION**

**Conclusion:** [...] the cooperatives are centres for technological and social innovation, from which others in the surrounding local societies are learning. This to some extent is due to the fact that the Fairtrade cooperatives function as change agents. In a more conducive political environment, the cooperatives would also have the potential to influence local politics and thus be part of a pluralistic and vibrant civil society with political influence.

**Recommendation:** FT and its implementing partners should develop systems to enhance the role of the cooperatives as change agents.\(^{26}\)

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\(^{26}\) Evaluation of the programme-based support through Finnish civil society organizations I. NIRAS Finland. 2016
Expected outcomes of this component are:
- stronger and more inclusive SPOs
- improved farming performance
- better protection of environment & adaptation to climate change
- enhanced benefits for small producers’ communities
- more resilient & viable small producer businesses

The expected outputs that the programme will produce under the small farmer component are:
- enhanced access to fair trading conditions
- increased investment in small producers, their organizations & communities
- stronger, well-managed, democratic organizations and enhanced knowledge & capacity among small producers
- linkages to communities to support local development
- enhanced democracy, participation & transparency
- capacity among small producers to improve productivity and quality, protect health & environment, & adapt to climate change
- awareness of & commitment to human rights (labour, gender, child).

See the figure below for an example of a small producers’ pathway to change.

**DEFINITION OF SMALL PRODUCERS**

Fairtrade defines small producers as producers who are not structurally dependent on permanent hired labour and who manage their farm mainly with their own and their family’s labour. Producers can hire workers if their family’s work is not sufficient during peak seasons like sowing and harvesting. However, workers are not usually employed permanently during the whole year of production.

**EXPECTED OUTCOMES FOR THE STRATEGIC OBJECTIVE 1.**
Expected outcomes, main indicators for measurement (for more detailed indicator definitions, see the attached Objectives and indicators document), and the main activities to reach these at the programme level:

**STRONGER AND MORE INCLUSIVE SPOs**
This outcome especially seeks strong accountable leadership, inclusion of young adults and gender equity.

Leadership will be improved by using the SCOPEInsight tool to gauge the organization’s strong and weak points. This is a robust method to measure the professionalism and management qualities of producer organizations, based on nine dimensions. Based on needs-analyses, the SPOs’ capacity will be increased by training in financial management, financial literacy and data collection, by strengthening women’s leadership in cooperatives as well as training on cooperative principles and project management. At the end of the project, another review will assess whether the objectives have been achieved. The programme will cover the management’s leadership development, clarity on the roles and responsibilities of the SPOs’ board and management, functionality of administration, internal communication, application of internal rules and regulations, and the members’ feeling of ownership.

For inclusion of young adults and gender equity, the programme enables youth engagement by setting up small income generating initiatives for youth, training on gender equality and Fairtrade’s SPO standard’s requirements regarding gender, and by implementing needs assessments on vulnerable groups (youth, women, mothers, single mothers, ethnic minorities, among others). These focused initiatives include the training of young people and women in good practices in post-harvest management, fertilizer production and cupping skills.

The main indicators to measure the outcome are:

- % of SPOs which implemented specific activities or measures to bring young people into the membership in the last calendar year, (2) type of activities/measures implemented, and (3) % of the measures which specifically targeted young women
- Degree to which SPO members understand how payments from the SPO are calculated, by gender
- % of SPOs which: (1) had a gender policy and/or strategy by the end of the last calendar year, (2) implemented measures to address gender issues in the last calendar year
- % of SPO members who perceive that their organization is inclusive, by gender
- % of young adults (under 25 years old) among: (1) SPO Board members, (2) SPO management and salaried staff (excluding staff employed in processing), (3) Committee members (by type of committee), (4) participants in the last AGM

**IMPROVED FARMING PERFORMANCE**
The thematic focus areas of this outcome are increased productivity, improved quality and optimal use of inputs.

Productivity increment is primarily product-specific, but in general terms the programme will implement training on good agricultural practices and integrated pest management. The programme also introduces climate change adaptation information technology to inform planting cycles based on climate data. Quality improvement activities depend on each product’s specification but as a
generalization projects will provide training on buyer requirements, post-harvest processing and quality management systems. The projects will promote the optimal use of inputs through training on water management and the importance of mechanisms and opportunities for recycling.

The main indicators to measure fulfilment are:
- Average yield in last calendar year, by type of production (organic/conventional)
- % of SPO members which used recommended Good Agricultural Practices (GAP) for different aspects of cultivation and processing in the last calendar year
- % of production which was rejected or downgraded by buyers based on quality in the last calendar year
- Product-specific quality standards and quality ratings (SCAA for coffee)
- Number of smallholder farmers reached through actions strengthening food security and productivity

BETTER PROTECTION OF ENVIRONMENT & ADAPTATION TO CLIMATE CHANGE

The special focus of this outcome includes the elimination of harmful production practices, sustainable management of natural resources and increased adaptation, and reduction of the carbon footprint.

To eliminate harmful production practices, the programme will arrange training of trainers on Fairtrade’s environment standards and organic farming, taking into account local realities and the product-specific requirements. To ensure greater sustainability of natural resources the programme will train cooperative leaders as well as producer support personnel. The producers’ adaptation to climate change will be strengthened and their carbon footprint reduced by training on carbon footprint calculations, producing climate change adaptation strategies for SPOs and supporting their implementation.

The main indicators to measure the outcome are:
- % of SPOs which are involved in GHG reduction/sequestration activities, type of activities they are involved in, and number of carbon credits sold, in the last calendar year
- % of SPOs which have implemented reasonable measures to ensure waste is managed in an environmentally responsible way
- % of SPOs which have taken reasonable measures to ensure sustainable water use
- % of SPOs taking measures to protect or enhance biodiversity in the last calendar year, and amount of land set aside for biodiversity protection or enhancement
cially take into account the needs of the most vulnerable members using the cooperative principle of equity. Services and infrastructure in communities will be improved by training on democracy and Fairtrade premium use, so that SPOs can replace and provide services that the local duty-bearers fail to deliver. The programme takes into account that it should be the duty-bearers’ and not cooperatives’ duty to offer these services for the communities, and thus the importance of democracy and advocacy skills are included in the training. Marginalized groups will be supported by training cooperative leaders on human rights and supporting SPOs in updating their by-laws to be more inclusive.

Main indicators to measure fulfilment are:
- % of SPOs providing services to members, by type of service, (2) Number of men, women or households benefiting from each type of service in the last calendar year
- Attitudes of SPO members and workers in relation to child rights, by gender (trends over time)
- Number, type and value of community projects provided by SPOs, and estimated number of people benefiting, in the last calendar year
- Number, type and value of environmental improvement and climate change adaptation measures in communities provided by SPOs, and estimated number of people benefiting, in the last calendar year
- Number, type and value of SPOs’ projects specifically targeting (1) Children and youth (up to 24 years), (2) Women/gender equality, and estimated number of people benefiting, in the last calendar year

MORE RESILIENT & VIABLE SMALL PRODUCER BUSINESSES
This outcome is enhancing the SPOs’ negotiating power and control in supply chains. Main activities to reach this are training on marketing, negotiations skills, general business and financial management skills, and participation in trade fairs, tastings and marketing events. In some projects, specific local trade fairs and tastings will be facilitated. SPO management will be trained on direct export, risk management, logistics and taxation. The projects also implement production and market analyses, to identify opportunities so that the cooperatives are able to offer the right product for the right customers. In the case of coffee for example, this means an analysis of which customers are especially looking for certain acidity levels or which piece of the puzzle is missing from a certain customers’ blends.

Main indicators to measure fulfilment are:
- % of SPOs which have improved their position in the value chain
- % of SPO’s who perceive they are more able to negotiate price and other contractual conditions with buyers
- Number of cooperatives supported

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26 includes both 1) the number of new cooperatives and other business entities established as a result of the programme and 2) that of existing cooperatives and other business entities supported by the programme and whose operation was able to continue as a result of the programme. Enterprises include also business entities in the informal economy. If individual farmers in agriculture or informal economy are de facto entrepreneurs, they can be counted as “enterprises” but the same entrepreneur shall not be counted both as “enterprise” and “job”. Disaggregation:
- Proportion of new enterprises created of the total number;
- Men-owned/women-owned;
- Micro, small and medium-sized enterprises (MSEs)/large enterprises (according to national definitions)
The programme has a total of 5 projects to ensure the right to sustainable livelihood for producer households. All of these projects also have an important component to improve the workers’ right for sustainable livelihood and are thus also included in the next section. In the coffee sector, support through projects in Ethiopia, Haiti and Honduras is expected to contribute to increased productivity and quality as well as improved market access. All these three countries are very vulnerable to climate change and with climate extremes putting the entire coffee production in danger, increased resilience through climate change adaptation is an important expected result in all these projects. The Haitian project concentrates especially on climate change having its purpose defined as “to improve the capacities of coffee SPOs to adapt and mitigate climate change effects and to achieve a better natural resources management, in order to maintain their livelihoods”. The project in Honduras was started in the last year of the previous programme. In Ethiopia, Fairtrade Finland had a Finnpartnership-supported coffee project and a small support project (both in cooperation with Gustav Paulig Ltd), and this new coffee project is building on the results achieved in the first pilot phase. All these coffee sector projects are improving the participation of youth and women by training on administrative and processing skills and building the capacity of youth and gender committees. All these projects include a component to improve the seasonal workers’ situation, as explained in the next section.
In Guatemala, the programme includes a project to improve honey production. It’s a follow-up project of the project under the previous programme which improved the coffee producers’ livelihoods. One of the outcome of the previous project was need to diversify coffee producers’ livelihoods and also to find livelihood opportunities for vulnerable groups. Thus, the new project is developing honey production as a livelihood diversification for coffee producers and a new livelihood opportunity for vulnerable people in the countryside. Honey production is an income generating activity that can be effectively pursued by youth and women, given its low capital costs and maintenance requirements, thus ensuring better inclusiveness in livelihoods generation.

In Malawi, we are starting a new project in the tea sector. Besides improving the tea-workers’ situation (see next section), our project concentrates on sustainable production and climate change adaptation. The project involves the training of trainers on best agricultural practices, sustainable farming, and water management.

The cocoa project in Ghana is mostly concentrating on child labour prevention (see next section) but has a component to build the cooperatives’ capacity for sustainable production by training for trainers on good agricultural practices, modern techniques and methods of farming, farm business skills, agricultural logistics, correct fermentation and drying processes.

All these projects have climate change, vulnerable groups and gender equality integrated in the project plan (see section 2.1.4 for more information on these cross-cutting objectives). All the projects also have a strong institutional strengthening component. It enables SPOs to efficiently implement their activities and make them effective partners and players in the market. For example, support for participatory and inclusive governance is the key to better coordinating the needs assessment of inputs and the participatory planning of activities and transparency in the cooperative’s activities. Similarly, improved overall management capacities are the key to the development of strategies for providing services in the most efficient way, both technically and financially. Institutional strengthening enables SPOs to be accountable to their members and have solid governance, and enhances the recognition of cooperatives by the value chain stakeholders (public and private buyers), local governments and potential donors – essential elements for the sustainability of the interventions following project completion.

For more information on the projects, see the annexed short project descriptions.
Examples of Pathway of Change for Producers

Training SPOs on environmentally sustainable production practices
- Leadership training for women
- Training cooperative leaders on gender equality
- Training on post-harvest processing and quality management systems
- Training on water management and carbon footprint calculations
- Producing climate change adaptation strategies for SPO
- Supporting change of organisation rules to include gender inclusiveness
- Training cooperatives on needs analysis and inclusiveness

Interventions

Outputs
- Enhanced access to fair trading conditions
- Increased investment in small producers, their organizations & communities
- Stronger, well-managed, democratic organizations and enhanced knowledge & capacity among small producers
- Linkages to communities to support local development
- Enhanced democracy, participation & transparency
- Capacity among small producers to improve productivity and quality, protect health & environment, & adapt to climate change
- Awareness of & commitment to human rights (labour, gender, child)

Outcomes
- Stronger and more inclusive SPOs
- Improved farming performance
- Better protection of environment & adaptation to climate change
- Enhanced benefits for producers’ communities
- More resilient & viable small producer businesses

Impacts
- Improved household income, assets & standard of living among small producer and worker households
- Less risk & vulnerability
- Improved access to basic services
- Enhanced gender equality and intergenerational sustainability in rural communities
- Increased environmental sustainability & resilience to climate change
- Increased dignity, confidence, voice, control & choice for small producers & workers at local, national & global levels
- Fairer & more sustainable trading system

Programme Goal
- Ensure producers’ and farm workers’ right to a dignified life

Increasing influence of contextual factors
Decreasing influence of Fairtrade
The vision of the workers’ rights’ component of our programme is for workers to have the power to affect the decisions that impact on their livelihood and lives. The component’s focus is to ensure decent work for agricultural workers. The programme helps to build the conditions whereby workers have the tools and ability to negotiate their own wages and terms of work. This second strategic objective of our programme includes the rights of both hired labour workers in big plantations as well as the seasonal workers of small producer organizations.
The Sustainable Development Goals proclaims decent work for sustainable economic growth (SDG 8). The United Nations Economic and Social Council defines decent work and requires satisfaction of Article 7 of the International Covenant on Economic, Social and Cultural Rights: decent work is employment that “respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work safety and remuneration. [...] respect for the physical and mental integrity of the worker in the exercise of his/her employment”. According to the International Labour Organization (ILO), decent work involves opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. The ILO Decent Work Agenda includes pillars of standards and rights at work, employment creation and enterprise development, social protection, and social dialogue. This programme is coherent with the ILO agenda’s structure.

Knowledge of rights and the ability to protect them are preconditions for the realisation of these rights. Yet it is not enough that only workers or employees know these rights. The same goes for the employers as both sides of the negotiating table must be aware of human and workers’ rights. Good labour relations are not just a fundamental right; it pays off for both workers and employers.

**Freedom of association** guarantees that workers can associate to efficiently negotiate work relations with employers. This combined with comprehensive collective bargaining practices helps to level the playing field so that employers and workers have a more equal voice in negotiations and that the result will be fair and equitable. We believe that **collective bargaining** can be an invaluable tool for workers to negotiate higher wages, benefits and better work conditions. The programme is removing barriers to organizing and ensuring the trade unions’ independence. The programme works together with employers, workers and trade union partners to create a supportive environment so workers can organize and bargain their terms of employment if they choose to do so.
Minimum wage is the legal minimum required by local law and represents a necessary floor level for wages. However, even in the countries that have set a minimum wage, it does not always provide enough income for workers to live decent lives. On top of the required legal minimum wage, the programme supports workers’ having wage levels that are recognised internationally as credible living wage levels where workers can adequately provide for themselves and their families, and enjoy some discretionary spending. Living wage is a wage that covers the basic needs of a worker and her or his family, including food, clothing, shelter, healthcare, education, transport to work and additional funds for unforeseen circumstances. It is money that workers control and can spend according to their needs and wishes, to improve their standard of living, not being dependent on charity. Employers can also gain from paying a living wage: raising wages commonly leads to better retention of skilled workers, improvements in quality, and lower recruitment and training costs. The programme uses living wage benchmarks, which are meant to support effective collective bargaining. They are targets that employers and workers ought to negotiate towards. There are several ways to calculate a living wage, ranging from a simple desk study estimation to a very detailed investigation in the field. We use this latter more comprehensive approach, undertaken through the Anker method. In Finland, Finnwatch has developed its own method for calculating the living wage, but it recommends companies to use living wage levels based on the Anker method, whenever living wage calculations based on the Anker method are available\(^\text{27}\). For more information, see the box.

\(^\text{27}\) Sonja Vartiala, CEO, Finnwatch. Personal communication, March 2017
ANKER LIVING WAGE BENCHMARKS

Anker benchmark reports are based to a large extent on primary data gathering, so that the benchmarks accurately reflect local costs of living at a level of decency. Food prices are gathered at markets where workers normally shop for groceries; the homes of workers and their supervisors are visited to understand what decent housing in the local context would look like. This approach offers very rich, insightful and credible data that cannot easily be compiled from behind a desk. In addition, socio-economic databases are assessed for information on labour participation of women, to understand the typical number for breadwinners and for local birth-rates to understand the typical number of people in a household. The information from online databases, at times not available or not current, is triangulated with information from the field. Through this methodology product and region-specific benchmarks can be calculated to inform a living wage ceiling for collective bargaining by workers’ unions.

Anker, Richard and Martha Anker (2017). Living wages around the word: Manual for measurement.
Mature system of industrial relations is a model for employer-worker relations whereby workers and management build a relationship based on trust, respect and regular dialogue. Workers and their employer meet frequently to talk about workplace issues – not just workers’ wages and work conditions but also about production, productivity problems and solutions, etc. Positive employer-worker relations and regular dialogue can help to build sustainable businesses and make companies more competitive. Employers can benefit from more motivated employees and lower staff turnover. The programme will provide guidance to employers and to workers on the ways they can build positive, constructive labour relations which will benefit each party. We will recommend procedures for dialogue, not just for the purpose of contract bargaining but also to create a routine of regular work meetings at the level of work crews.

Section 1.4 of the Fairtrade Hired Labour Standard
Fairtrade International enshrines the rights of freedom of association and collective bargaining and considers independent trade unions the best means of achieving this.

The expected outcomes of this component are:

- improved terms, conditions and rights at work
- increased social dialogue and mature systems of industrial relations
- improved social protection
- enhanced benefits for workers’ communities

The outputs that this programme’s second component will produce are improved labour conditions, increased freedom of association, enhanced knowledge and capacity, and stronger, well-managed and democratic organizations.

### Expected Outcomes for the Strategic Objective 2

**RIGHT TO A SUSTAINABLE LIVELIHOOD FOR WORKER HOUSEHOLD**

- improved terms, conditions and rights at work
- more mature systems of industrial relations & collective bargaining
- improved social protection
- enhanced benefits for workers’ communities

The outcomes, main indicators for measurement (for more detailed indicator definitions, see the attached Objectives and indicators), and main activities to reach those are:

### Improved Terms, Conditions and Rights at Work

The thematic focus areas of this outcome are living wages, improved terms and conditions, health and safety, ability to voice concerns and exercise rights, elimination of child and forced labour, including developing a proactive protection policy for children and vulnerable adults, and increased equality and opportunities.

To move closer to living wages, the programme will train trade union and worker representatives on negotiation skills and trade union roles, conduct benchmarking studies on living wages, and organize round-table negotiations with all the value chain links. The programme will benchmark regional living wage levels based on existing cost databases and dialogue with workers and others. In addition, a well-defined process will be created and guidance provided for employers on paying a living wage.

Workers’ health and safety will be improved by training and giving onsite coaching on health and safety and supporting SPOs to set up health & safety committees, Disaster Risk Reduction (DRR) and pest management as well as training on the use of personal protective equipment. Workers’ ability to voice concerns and exercise rights will be increased by training them and trade unions on decent work, labour laws, work contracts and by communicating to workers about...
their right to unionize, training worker representatives on labour legislation & negotiation skills, and supporting links with trade unions, worker organizations and international trade unions.

The key to addressing and responding to child and forced labour risks is the establishment of a youth-inclusive, community-based monitoring and remediation system (YICBMRS) at the local level that can best promote the prevention of child and forced labour in partnership with rights organisations. This aims to ensure that girls, boys and vulnerable adults in producer communities can enjoy increased well-being and the realisation of their rights. For more detailed information, see the box below.

To increase equality and workers’ opportunities, the projects under the programme will support the development of the POs’ policies to protect vulnerable groups and training on human rights related topics (labour, child rights, gender, gender-based violence).

**Main indicators to measure fulfilment are:**

- % of HLOs which paid a living wage in the last calendar year
- % of SPOs where terms for workers hired by SPO members are determined by a legally recognized CBA, at the end of the last calendar year
- % of POs which have taken reasonable measures to ensure a safe and healthy working environment for workers
- % of POs which have taken reasonable measures to ensure people are protected from harmful effects of chemicals
- % of POs with YICBMRS systems to address child and forced labour
- Degree to which sexual exploitation and abuse occurs in the workplace

**DOMINICAN REPUBLIC PILOT PROJECTS**

Planning of the new programme included several pilot projects to test the ground for the new, broader approach. The Dominican Republic is not the poorest country in the western hemisphere, but neighbouring Haiti, with whom it shares the island, is. Hard work at banana plantations does not appeal to locals but the Haitian undocumented immigrants don’t have much to choose from. If a person is not registered even as a citizen, it is quite unlikely for her/him to register with a trade union – even less so where there is no trade union in the field to register to.

Fairtrade Finland started two small pilot projects to improve the workers’ situation in the Dominican Republic’s banana sector. The project, implemented in cooperation with the local Confederation of Trade Unions CASC, established three provincial trade unions for banana workers and trained worker representatives on workers’ rights and collective bargaining. The other project, implemented by CLAC, trained company management on grievance handling, safety regulations and human resource management. The long planning process has already cleared the air. The companies’ prior, somewhat hostile attitude against the trade unions has changed towards a common agreement on how to improve the sector. “We are not enemies of the owners. We both have the same aim: to be successful and fair trade. We want their business to succeed as that means more – and more sustainable – work opportunities. We are on the same boat, we don’t want to sink the boat,” says Luciano Robles, general secretary of the trade union.
INCREASED SOCIAL DIALOGUE AND MATURE SYSTEMS OF INDUSTRIAL RELATIONS

This outcome focuses on effective trade union representation and social dialogue.

To ensure effective trade union representation, the projects under the programme will train SPO & HL leaders on decent work, labour laws and the trade union movement. Social dialogue will be improved through human resource management training, meetings of worker representatives & senior management, and conflict mediation services.

Main indicators to measure fulfilment are:

- % of POs where worker representatives (1) had regular scheduled meetings with senior management to discuss general workplace issues, (2) met regularly with senior management to discuss individual cases and grievances as and when they arose, in the last calendar year
- % of workers’ grievances resolved, as reported by worker representatives, in the last calendar year

MATURE SYSTEMS OF INDUSTRIAL RELATIONS – PILOT PROJECT IN PERU

As a part of the planning process, Fairtrade Finland started a pilot project in 2016 in Peru to improve the human resource management skills of the coffee cooperatives. The project was implemented in cooperation with The Peruvian Fairtrade Producer Network, CNCJ-Perú, and the faculty of social sciences of Universidad Nacional Mayor de San Marcos, Lima.

According to the midterm review in early 2017, conducted by an external consultant, “During the execution of the project it is possible to verify that a positive impact has been generated in the organizations in the area of human talent management, in addition the training of young people as managers of human talent within their organizations is being strengthened. This activity has favourably impacted beneficiary organizations as models of sustainable human talent management.” Aristoteles Neira Torres, January 2017

IMPROVED SOCIAL PROTECTION

This outcome aims to secure social protection services including healthcare, pension and maternal leave both at hired labour and SPOs setups. This will be done by supporting workers and their representatives to negotiate fair and just contracts and by offering human resource management training for SPOs and HL plantations.

Main indicators to measure fulfilment are:

- % of HLOs which provided general workers with (1) access to onsite healthcare, (2) private health insurance, in the last calendar year
% of HLOs where women on (1) permanent contracts (2) seasonal or fixed-term contracts, received at least 12 weeks maternity leave on full pay in the last calendar year

% of SPOs providing social protection services

% of POs where the number of employment-related benefits provided to general workers have improved in the last calendar year, by type of contract and gender

**ENHANCED BENEFITS FOR WORKERS’ COMMUNITIES**

This outcome aims to improve services and infrastructure in the targeted communities, supporting vulnerable & marginalized groups and ensuring that the SPOs’ development plans take temporary workers into account.

To improve services and infrastructure in communities, HLOs’ premium committees will be trained on good governance, democracy and participatory approaches. The programme will also increase linkages to communities to support local development.

Vulnerable & marginalized groups will be supported by training the companies’ management on human rights and gender issues. The programme will support the updating of the SPOs’ and plantations’ instructions and by-laws in order to mainstream gender and the inclusion of vulnerable groups.

To ensure that the SPOs’ development plans take workers into account there will be training on participatory approaches, democracy and project management.

**Main indicators to measure fulfilment are:**

- Number, type and value of community projects funded by the FT Premium, and estimated number of people benefiting, in the last calendar year
- Number, type and value of Premium projects specifically targeting (1) Children and youth (up to 24 years), (2) Women/gender equality, (3) [SPOs only] Workers, (4) [HLOs only] Migrant and seasonal workers, and estimated number of people benefiting, in the last calendar year
- Attitudes of PO members and workers in relation to child rights and Fairtrade standards on child labour, by gender (trends over time)
- % of SPOs where their development plan includes at least one activity which benefits workers and was designed in consultation with workers

Under the programme objective to realize workers’ right to a sustainable livelihood, we have a total of 10 projects of which 6 are concentrating solely on workers’ rights and 4 projects are mainly under the programme’s first component (producers’ rights) but include workers’ rights aspect as well. The programme seeks to address the risks facing the most vulnerable workers in international value chains – for example child labour in Honduras, and gender-based violence on flower plantations in Ethiopia.
Part of the programme’s planning process was a pilot project on workers’ rights and the living wage. This testing ground for the new approach is implemented in cooperation with Fairtrade Africa and Fairtrade Sweden. The project was started in 2017 and will run until the first quarter of 2018. It is improving working conditions in flower, banana and tea plantations in Ghana, Kenya and Ethiopia and paving the way towards a Living Wage. Lessons learnt from the pilot will feed the planning of the new projects of the programme.

Fairtrade’s Producer Networks represent the interest of both producers and workers but have much longer experience on the producer side. Plantation workers are represented in an internal network at the Producer Network and/or national levels specialized on workers’ rights and interests, but that is still quite new and weak. To get the workers’ voice better heard, we will start a regional project to build the capacity of the newly-formed workers’ network representing plantation workers in Latin America and the Caribbean. The project is increasing the worker representatives’ knowledge on workers’ rights, decent work and local labour legislation.

In Ghana, a new project aims to improve workers’ rights at banana plantations. Also, the project to improve the cocoa workers’ situation is especially focusing on child labour. The project is implementing YICBMRS in the cocoa farms and training management on workers’ rights, work safety, freedom of association, and health and safety on the farms.

The project to improve the Ethiopian coffee supply chain has, besides improving production practices and institutional capacity, a third component to improve the situation of seasonal workers. A study by the University of London’s School of Oriental and African Studies (SOAS) demonstrated in 2014 that “in rural areas, manual agricultural wage workers are the very poorest” and certification schemes alone are not able to change that through standards, as there is not enough value in the chain because the producers are not able to sell all production as certified. SPO management are producers themselves and lack the skills and resources to establish and deliver appropriate human resource management (HRM). The project is thus improving the seasonal workers’ situation by analysing SPOs’ HRM capacities and training them on HRM based on the training needs identified.

The other project in Ethiopia is tackling the weak position of workers in flower farms. The wage paid is legal and as it is constantly increasing, it technically complies with the standards, but it is so far from a living wage that the goalpost is not on the horizon. Gender-based violence is common problem. Therefore, serious actions are needed and a project to improve the workers’ situation was planned.

The workers’ situation on South African grape plantations has long been very difficult and complicated. They are underpaid (or paid with alcohol) and the role of the unions is not recognised on the farms, with union representatives on many occasions having restricted access. The exploitation of migrant workers (e.g. from Lesotho or Zimbabwe) and gender-based violence are common. There is also a gross violation of occupational health and safety issues. To tackle these serious issues, we have planned a project in cooperation with our member NGO, SASK. The project will improve the capacity of workers’ representatives to promote the realisation of workers’ rights, increasing commitment by the companies towards decent work and aiming for more environmentally sustainable wine production. Our project has 12 Fairtrade certified plantations as a target. The project involves the whole chain from the field to the shelves of the Nordic alcohol monopoly enterprises.
The Malawian project’s workers’ rights component is about building the capacity of local trade unions and increasing both the workers’ and the management’s knowledge about workers’ rights. The project also addresses child and forced labour issues in tea plantations.

To improve the very vulnerable situation of Haitian workers in the Dominican Republic, the programme includes a project to build the human resource management capacity of SPOs and bigger plantations. The project is a follow-up project from the pilot implemented under the previous programme. The project is implemented in cooperation with CLAC.

The second phase of the project to support sustainable coffee production in Honduras has a component to improve the SPOs’ capacity to tackle child labour, which remains an issue in the coffee fields of the country (as reported by Finnwatch in 2016).

The coffee sector project in Haiti mainly focuses on sustainable production but has also a component to improve seasonal workers’ situation by training SPO management on HRM.

The project in Guatemala mainly focuses on honey production, which is not defined as high risk for child and forced labour. However, in Guatemala in general there is a high risk for child and forced labour in several sectors (broccoli, coffee, corn, fireworks, gravel and sugarcane). In particular, many honey-producing SPOs also produce high-risk coffee, so the project will include an important objective to tackle this risk.

All these projects have climate change, vulnerable groups and gender equality integrated in the project plan. For more information on the projects, see the annexed short project descriptions.
Child and forced labour risks identified in the steps above must be used to formulate a strategy to address its root causes, focusing specifically on vulnerable child groups such as the children of migrant workers, girls and orphans, and on child trafficking and/or vulnerable adult groups such as undocumented workers, migrant workers, single women, prison labour and trafficked persons, among others.

**UNITY IS STRENGTH FOR WORKERS**

**Trade unions provide workers with a powerful, collective voice.** Trade unions represent the interests of workers, promote safer working environments, and negotiate for workers’ benefits like wages and other work terms. By joining forces, disadvantaged workers get their voice and interest heard. Trade unions are important for wider change as they strengthen workers’ demands for better labour and industrial legislation.

It is not just workers who benefit from effective trade union movements. As a collective voice, unions can improve productivity as well. Trade unions are helpful in establishing effective communication between the workers and the management and thus decrease conflicts. Trade unions help in reducing the labour turnover rate; the employee benefits from job stability and the employer does not have to bear the high cost of labour turnover.

But just like cooperatives, an effective trade union does not focus solely on the economic interests of its members; it also serves as a democratic organization that highlights the importance of voting, consistent meetings, access to information, and other processes that reflect the value of each member’s opinion. Trade unions can play an important role as sources for people to learn about transparency, accountability and governance. Trade unions also play various roles in supporting democracies and generating prosperity.
Train trade union and worker representatives on negotiation skills and roles of trade unions

Benchmarking studies on living wages

Round-table negotiations with all value chain links

Train SPO & HL leaders on decent work, labour laws and trade union movement

Human resource management training, meetings of worker representatives & management

Training companies’ management on human rights and gender issues

Improved labour conditions

Increased freedom of association

Enhanced knowledge and capacity

Stronger, well-managed and democratic organizations

Improved terms, conditions and rights at work

Increased social dialogue and mature systems of industrial relations

Improved social protection

Enhanced benefits for workers’ communities

Improved household income, assets & standard of living among small producer and worker households

Lower risk & vulnerability

Improved access to basic services

Enhanced gender equality and intergenerational sustainability in rural communities

Increased environmental sustainability & resilience to climate change

Increased dignity, confidence, voice, control & choice for small producers & workers at local, national & global levels

Fairer & more sustainable trading system

Ensure producers’ and farm workers’ right to a dignified life

EXAMPLES OF PATHWAY TO CHANGE FOR WORKERS
The goal of this programme is to ensure the right of Southern agricultural producers and workers to a dignified life. We believe that the fundamental force for change is the empowerment of these producers and workers themselves. Enhancing Southern farmer organizations’ capabilities to contribute to local, national, regional and international policy dialogues can have a very positive, sustainable and enduring impact on policy-making and, ultimately, on sustainable livelihoods in the South.

Fairtrade is well placed to work side-by-side with Southern farmer and worker organizations to promote sustainable business practices, policies and consumption in Finland. We can draw attention to the challenges facing Southern farmers and workers, highlight opportunities for sustainable consumption, and convey information and ideas to companies and policymakers to secure human rights in their supply chains. Therefore, an integral part of this programme is awareness raising, capacity building and advocacy towards CSOs and public actors in the South and in Finland, and companies and citizen-consumers in Finland.
Fairtrade has a unique ability to design and implement a coherent programme of interventions that addresses challenges throughout global supply chains, from Southern fields to Northern consumer preferences. Our close ties with and extensive support to Southern producers and workers – co-owners of the system – differentiate us from other major certification schemes. On the other hand, our extensive dialogue and collaboration with a vast network of companies and active engagement with citizen-consumers offer added value to our work as an NGO.
Fairtrade Finland has piloted its human rights and advocacy approach by offering grocery companies two full-day trainings on human rights due diligence with Finnish Business and Society (FIBS) in April–June 2017.
Our advocacy work is evidence-based and solutions-driven. We will share evidence of the inequalities and injustices present in value chains, yet focus on exploring the solutions and the ways forward. The foundation for our advocacy work is the experience and expertise of our partners and beneficiaries – local producer and worker organizations and regional producer networks in Africa and Latin America.

**Our work will focus on five themes:** 1) Socially sustainable public procurement, 2) Business and human rights, 3) Unfair trading practices in food supply chains, 4) Transparency of supply chains and value distribution, and 5) climate change adaptation. Public sectors are large buyers, so the public procurers’ requirements for commodities and suppliers have a strong influence on business practices. This is the case in Africa and Latin America, where the public sectors make up large parts of the formal economy. Also in Finland, municipal and governmental procurement corresponds to an average of 16 per cent of Finnish GDP every year.

Global thinking on companies’ responsibilities vis-à-vis human rights has been transformed by the Protect, Respect, Remedy framework (2008) and the UN Guiding Principles on Business and Human Rights (UNGP, 2011). Supported by national implementation plans in diverse countries from Finland to Kenya, awareness of and capacity for ongoing human rights’ due diligence is growing in business circles. In Finland, tens of companies are currently launching or strengthening their human rights due diligence, because approximately 100 largest companies need to start reporting on their human rights due diligence by 2018, as per the new non-financial reporting law enacted in December 2016.

**BUSINESS AND HUMAN RIGHTS**

Companies must respect human rights. No amount of philanthropy projects compensate for a failure to do ongoing human rights due diligence.
The concentration of power to traders and retailers, spurs unfair trading practices (UTPs) in food supply chains. It is common, for example, that business risks are mainly shouldered by farmers and processors, and retailers use their near-dominant positions and short contracts to push prices very low. Political discussion on UTPs is lively. In 2011, European stakeholders agreed on Principles of Good Practice\(^3\) but these voluntary norms have not fulfilled expectations. In 2016, more binding EU-regulation to combat UTPs was suggested by both the parliament and the Agricultural Markets Task Force set by the Commission. The EU Council mandated further consideration of such regulation (Dec 2016).

Transparency is a major engine of sustainable trading and corporate responsibility trends. The internet has brought path-breaking changes in awareness. Consumers, civil society organizations, companies and public actors are aware that supply chains are global and production sometimes has catastrophic impacts on human rights and the environment. This propels sustainable business practices and policies. Long-term work in raising societal awareness and offering solutions to societal problems is foundational for societal change.

Climate change adaptation is crucial for both farmers and workers to be able to continue their work, as explained in Section 2.1. The importance of climate change adaptation needs to be addressed both in the North and South. It is important that the Southern civil society fully understands the urgency of action and is able to advocate local policymakers.

\(^3\) www.supplychaininitiative.eu
Fairtrade Finland conducts tailored cooperation with Fazer, which includes training and consultative support for Fazer in regard to its international level activities for sustainable cocoa. In addition, Fairtrade Finland provides expertise for strengthening Fazer’s approach and process of human rights due diligence.

Our programme will work cost-effectively with three carefully defined different segments of citizen-consumers. This segmentation is based on people’s values, studied in the Valuegraphics analysis (used by Taloustutkimus) and segmentation studies conducted by BBMG & GlobeScan and Kuudes Kerros31 32.

A broad coalition of actors is needed to drive change in the way trade is structured and practised

CSOs have a crucial role in raising awareness of societal problems and solutions, holding governments and companies to account, and strengthening the foundations of democracy. At its core, Fairtrade is a development CSO, set up and governed by civil society actors. The collective voice of farmer organizations, development NGOs, trade unions and supportive media ensures that issues of trade and corporate responsibility stay on top of political and corporate agendas.

Our work to support fair and sustainable trading builds on close collaboration with numerous NGOs working in Africa and the Middle East, Latin America and the Caribbean, Europe and Finland. In Finland, eleven NGOs have confirmed their participation in the sustainable public procurement campaign that we coordinate. Other confirmed partners include The Council of Service Union United PAM, FIBS and Fair Trade Advocacy Office in Brussels.

It is our dual strength as a well-known development NGO and an experienced commercial actor that makes us a preferred partner for many organizations. Our extensive knowledge and expertise in supply chains ranges from the fields to supermarkets and consumption trends. Our work engages considerably higher numbers of producers and workers in the South than is usual for a development NGO. Among the Finnish development NGOs, Fairtrade Finland has a unique position as an NGO which has strategic, long-term cooperation with an extensive network of Finnish companies and companies that conduct business in Finland. The network consists of companies manufacturing, importing or reselling Fairtrade certified commodities or products, as well as companies that consider these business opportunities. We work closely with a large number of companies, including leading retailers like Kesko, Lidl Suomi and SOK, and other major companies like Arvid Nordqvist, Ben & Jerry’s/Unilever, Fazer, Finlayson and Paulig.

Fairtrade Finland conducts tailored cooperation with Fazer, which includes training and consultative support for Fazer in regard to its international level activities for sustainable cocoa. In addition, Fairtrade Finland provides expertise for strengthening Fazer’s approach and process of human rights due diligence.

The programme will work cost-effectively with three carefully defined different segments of citizen-consumers. This segmentation is based on people’s values, studied in the Valuegraphics analysis (used by Taloustutkimus) and segmentation studies conducted by BBMG & GlobeScan and Kuudes Kerros31 32.

The target groups are:

1) Caretakers. These traditional, humanist people are strongly committed to their values. They appreciate stability and security, rarely seeking for novelties or challenges. Caretakers enjoy their homes to the full. They consider their purchases carefully, assessing what’s best for their families and communities. Caretakers are the largest Finnish consumer segment, encompassing 23.6 per cent of the Finnish population.

2) Aspirationals. This style and social status-seeking segment is defined by their love of shopping, desire for responsible consumption, and trust that brands act in the best interest of society. They unite materialism and interest in sustainability. Aspirationals share the desire to influence their peers based on shared interests, passions and values. They often support companies and brands that have a purpose of making a positive difference in society.

3) Advocates. These value-bound people have sustainability close to their heart. Their happiness requires choices that are in harmony with their values. They do their homework and participate actively in societal discussions, non-governmental organizations and social movements. They represent approximately 14 per cent of the Finnish population and have considerable potential to influence others by taking action on issues and causes they care about. They require rigorous social and environmental action from companies.

Fairtrade Finland has a vast experience in reaching wide target groups. In 2014 we organized a media visit to Tanzania in cooperation with the second biggest commercial radio station in Finland, Radio Nova and with their popular morning show. Five short documentaries reached a total of 3.5 million listeners. In 2016 we created five articles for the front page of Helsingin Sanomat web magazine (hs.fi) and one major article in Helsingin Sanomat Kuukausiliite magazine. Hs.fi has 1.6 million and Kuukausiliite nearly 900 000 readers a week.

The expected outcomes of this component of fair and sustainable trading are:
- more sustainable supply chain practices
- consumption patterns become more sustainable
- stronger voice for producers and workers

These outcomes complement each other. Coherent and enduring interventions in each of them are necessary to shape international trading into an engine of sustainable livelihoods and dignified life for small producers and workers.

**EXPECTED OUTCOMES FOR THE STRATEGIC OBJECTIVE 3**
The main activities to reach these outcomes and the indicators to measure are:

**MORE SUSTAINABLE SUPPLY CHAIN PRACTICES**

To mainstream human rights and equality in trading practices, the programme will raise the companies’ awareness about wage and income levels, SDGs and UNGPs, the workers’ rights situation and the risks in their sector and the sourcing/production countries. The Finnish government has an important role to play in setting an enabling environment and legislation for sustainable trading, so policymakers are an important target of this outcome.

Fairtrade Finland participated actively in negotiating and publicising the Shared Vision for Respecting the UNGPs in the Grocery Trade Supply Chains, a process that was coordinated by the Ministries for Foreign Affairs and Economic Affairs and Employment.

**Activities with companies:**
- Offer regular, tailored support for companies in the groceries and textile sectors (face-to-face meetings, breakfast seminars, training events, and written guidance).
- Encourage companies to work towards living incomes/wages for producers/workers, to undertake human rights due diligence in line with UNGPs, to abandon unfair trading practices, and to study and share information about their supply chains and value distribution more transparently.
- Highlight certifications as a concrete tool for companies in minimizing human rights risks.

**Activities towards policymakers:**
- Offer evidence of corporate progress in recognizing and minimizing human rights risks.

**Activities with civil society organizations:**
- Spur societal discussion about the lack of and progress towards living wages/incomes.
- A campaign in cooperation with several child rights, consumer and corporate responsibility NGOs to encourage sustainable procurement from developing countries, in several sectors from groceries to electronics, textiles, tools and paving stones.
- Promote human rights due diligence and transparency of supply chains and value distribution.
- Activate consumers to use their power to inspire their peers about fair trade.
Main indicators to measure fulfilment are:

- Number of companies incentivized to trade fairly and challenged on unfair trading practises (min. 40 companies yearly)
- Number of contacted companies that develop more sustainable supply chain practices
- Evidence on the achievement of our advocacy goals in Finnish policies

The objective of our public procurement campaign is that in 2020 we can publish a guide on “Ten exemplary procurements from developing countries”, which offers positive visibility for the pioneering procurers as well as encouragement and advice to other procurers.

Confirmed campaign partners include Finnish Committee for UNICEF, Kepa, KIOS Foundation, Plan International Finland, Pro Ethical Trade Finland, Trade Union Solidarity Centre of Finland SASK, Save the Children Finland, UNICEF Finland, and World Vision Finland.

CONSUMPTION PATTERNS BECOME MORE SUSTAINABLE

The Fairtrade movement links Northern consumers with Southern producers engaged in socially progressive and environmentally sustainable production. Fairtrade has a strong position for increasing consumers’ understanding about their purchasing choices, as 85 per cent of Finns recognize the Fairtrade label and 82 per cent can describe what it stands for. Our wide network of civil society stakeholders (Fairtrade universities, schools, towns, parishes, member organisations) and companies plays an important role in reaching citizen-consumers and in increasing their awareness.

We also work closely with public procurers like cities, towns and parishes. To mainstream human rights and equality in public procurement practices, the programme will raise the public sector’s awareness about wage and income levels, SDGs and UNGPs, the workers’ rights situation and risks in their sector and the sourcing countries. The Finnish government has an important role to play in creating an enabling environment and establishing legislation for sustainable sourcing, so policymakers are an important target of this outcome.

Activities with citizen-consumers (in three segments, see above):

- Deepen the knowledge of citizens on larger development issues, about the linkage between the smallholder farmers’ livelihoods and global trade, and about the challenges the farmers and workers face in the global supply chains, by regular dialogue with citizen-consumers especially via social media (Facebook with 47,600 followers).

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34 TNS Gallup, 2016
35 7 Fairtrade universities
36 6 Fairtrade schools
37 14 Fairtrade towns and municipalities
38 122 Fairtrade parishes
39 34 member organisations
Strong message through network of partners

Citizen-consumers

Advocates
Aspirationals
Caretakers

Communications of Fairtrade Finland

Fairtrade towns
Fairtrade universities and schools
Fairtrade parishes
Member organisations, CSOs
Work places
Companies
Committed advocates and volunteers
Own channels
Active PR work and media work
Co-operation with mass media (e.g., TV, radio and web)
• Implement campaign activities for a wider reach:
  – Fairtrade Week builds citizen-consumers’ awareness of the challenges facing farmers. Key messages are tailored annually, communication channels re-prioritized, outcomes evaluated and lessons utilized. The cooperation with a relevant mass media and media work with journalists play a key role in reaching a wide target group.
  – Raise awareness among consumers who seldom consider the sustainability of their consumption by campaigning together with SOK, the Martha Organization, the Nordic Swan ecolabel, and Finnish Organic Food Association Pro Luomu.

Activities towards policymakers:
• Encourage relevant policymakers to give public procurers a clear political mandate to source sustainable products
• Enduring dialogue with approximately 15 progressive procurement units to encourage the ambitious application of sustainability criteria in at least 10 procurements
• Coordinate an NGO campaign to foster sustainable public procurement from developing countries

Main indicators to measure fulfilment are:
• Share of citizen-consumers aware of the farmers’ and workers’ challenges in the global food and textile supply chains
• Share of consumers committed to purchase Fairtrade products (goal: 27 %)
• Share of consumers that purchase Fairtrade products time to time (goal: 85 %)
• Number of public procurement units engaging in enduring dialogue with our campaign
• Number of sustainable procurements prompted

STRONGER VOICE FOR PRODUCERS AND WORKERS
While the main activity under this programme’s third component is advocacy in Finland, the empowerment of Southern smallholder farmers and farm workers is foundational for fairer and more sustainable agricultural supply chains. Strong CSOs are important for social mobilisation, capacity development, information sharing and advocacy because they equip citizens to participate in their societies more fully. Farmers’ and workers’ organizations play a vital role in voicing the farmers’ and workers’ needs and defending their rights.

The programme strengthens the Fairtrade producer networks in Africa and Latin America to build producer organisations’ capacities in policy analysis, advocacy and communication. This work will include awareness-raising on human and child rights as well as climate change and gender equality, and is cross-cutting in all projects. In Latin America, together with CLAC, we have
planned a project for climate change advocacy. The project will increase the advocacy capacities of national producer networks in Latin America to advocate on climate change, influence decision-making processes, develop plans for adaptation, and raise awareness about the effects of global warming on small scale agriculture. The project is the outcome of the CLAC’s advocacy strategy whose development the previous programme supported.

From this advocacy project, we will get valuable substance for our advocacy and development communication work in Finland.

For more information, see the annexed short project descriptions.

**EVALUATION:**

**Finding:** The implementing partners’ capacity for advocacy has only been advanced through indirect means. Among the cooperatives and their umbrella organisations there is a felt need for building capacity for lobbying and advocacy.

**Recommendation:** The FT programme should emphasize specifically the capacity building of the coffee cooperatives, as well as that of their umbrella organisations for lobbying and advocacy with an emphasis on non-confrontational methods suitable for the political situations in Guatemala and Honduras.40

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40 Evaluation of the programme-based support through Finnish civil society organizations I. NIRAS Finland, 2016
Encourage companies to work towards living incomes/wages and to undertake human rights due diligence.

A campaign to encourage sustainable procurement from developing countries.

Activate citizens to call for fairer and more sustainable business practices.

Offering evidence of corporate progress in recognizing and minimizing human rights risks.

Promote transparency of supply chains and value distribution.

Activate consumers to use their power to inspire their peers about fair trade and participate in campaigns.

Spur societal discussion of the lack and progress towards living wages/incomes.

Raise awareness among consumers who seldom consider the sustainability of their consumption by campaigning.

Advocacy project in LAC on climate change.

Advocacy project in cooperation with Finnish towns and municipalities in Kenya & South Africa.

Business incentivized to trade fairly & challenged on unfair practices.

Greater knowledge & understanding of unfair trade, its root causes & how to address it (across society).

Increased collaboration among producers, workers & citizen-consumers to make trade fair.

Policy makers influenced to address unfair trade & create an enabling environment for ‘good’ business to thrive.

More sustainable supply chain practises.

Consumption patterns have become more sustainable.

Stronger voice for producers and workers.

Improved household income, assets & standard of living among small producer and worker households.

Less risk & vulnerability.

Improved access to basic services.

Enhanced gender equality and intergenerational sustainability in rural communities.

Increased environmental sustainability & resilience to climate change.

Increased dignity, confidence, voice, control & choice for small producers & workers at local, national & global levels.

Fairer & more sustainable trading system.

Ensure producers’ and farm workers’ right to a dignified life.
FINLAND
2.1.4. CROSS-CUTTING OBJECTIVES

In addition to the fact that the strengthening of civil society is present throughout the programme and thus could be called as cross-cutting, we have identified three additional cross-cutting themes to be taken into account in the implementation throughout the programme. These themes were defined during the planning workshops. They are an integral part of all Fairtrade Finland’s projects and include environmental sustainability, inclusion of vulnerable people and gender equality. These cross-cutting objectives that emerged from the field are all a fundamental part of the Fairtrade movement and strongly embedded in Fairtrade standards. The programme has indicators for all cross-cutting objectives.

ENVIRONMENTAL SUSTAINABILITY AND ADAPTATION TO CLIMATE CHANGE

There is no blueprint for adaptation. The effects of climate change differ according to region, depending on the natural conditions and the crops that the farmers are cultivating. Nevertheless, there are certain components in the adaptation approach that should be present for it to be successful. Most importantly, farmers must be recognised as potential innovators and should be placed at centre stage in agricultural adaptation and resilience building.

FAIRTRADE AND THE ENVIRONMENT

Fairtrade standards promote the adoption of environmentally sound agricultural practices, particularly regarding integrated pest management, prevention of soil erosion, improvement of soil fertility, sustainable use of water sources, sustainable waste management, protection of biodiversity, use of renewable energy, reduction of greenhouse gas emissions, minimized and safe use of agrochemicals, and prohibition of genetically modified organisms. Fairtrade promotes organic production through a higher Fairtrade Minimum Price for organically grown products. Fairtrade Standards promote sustainable development through sustainable agricultural practices. These not only guide producers to protect their local environment and to adapt to climate change, but also encourage the mitigation of greenhouse gas emissions, promoting further sustainable development practices, including promoting greater mitigation commitments by Fairtrade’s private sector partners.

The programme aims to secure the sustainable livelihoods of disadvantaged producers by developing projects that enhance their resilience to climate change (climate change adaptation), while developing more sustainable production activities and reducing their environmental footprint (climate change mitigation). Fairtrade Finland has, in cooperation with its member organizations and based on Fairtrade International’s procedures, developed tools for environmental proofing. These tools are integrated into the project management toolkit and include recommended tools and examples for climate proofing, environmental assessment and disaster risk reduction (DRR). All these tools have two steps: an initial step to assess whether more detailed analysis is needed and the in-depth analysis of those projects that are classified as environmentally sensitive. The toolkit also includes recommendations for environmental mainstreaming.
Our programme includes tailor-made technical assistance, information exchange and private sector engagement emphasizing the role that producers play in deciding their own development path and in building climate change adaptive capacity:

1. **Strengthen the capacity of the farmer organizations**
The programme builds the capacity of SPOs to support their members to the greatest extent possible with basic services at the collective level, so that farmer households become less vulnerable. The programme also supports SPOs to learn how to implement risk analyses and develop adaptation action plans. Improving their knowledge and skills, in conjunction with greater access to financial resources, place them in a better position to anticipate extreme climate events in the future.

   SPO Standard no. 3.2.35: You and the members of your organization must maintain buffer zones around bodies of water and watershed recharge areas and between production areas and areas of high conservation value, either protected or not. Pesticides, other hazardous chemicals and fertilizers must not be applied in buffer zones.

2. **Make agriculture more climate resilient**
The programme relies on peer-learning and exchange of information. It uses the proven Farmer Field School method; to learn through demonstration from others in the same situation. The first step is to sensitize the communities to climate change. What causes it, why are farmers experiencing what they are experiencing, what have they been doing so far to live with it? The SPOs conduct a local risk analysis, after which it designs an adaptation strategy and helps its members to carry out this strategy. Part of the curriculum will entail the development of sustainable agriculture land management practices (SALM). Each local situation will determine the focus. The projects will train the lead farmers, and they in turn will train other farmers. There will be demonstrations on demo plots illustrating how to use specific adaptation methods.

   SALM views the farm as a holistic entity. Caring well for the soil and plants leads to healthier, more productive crops. It reduces the need to use artificial fertilizers and pesticides, encourages the use of organic fertilizers and plant waste, and integrates water management methods such as rainwater harvesting into the agricultural system. Agroforestry will also be introduced as well the use of shade trees above the coffee shrubs. Sustainable agriculture techniques can help to reduce climate risks, for example by catching and using water as efficiently as possible. Reforestation will help to regulate the water management and prevent erosion.

The programme’s third component aims to improve the farmer organizations’ advocacy skills to increase their claim to the services that the government should be providing. This includes government commitments under the framework of the National Climate Change Action Plan which SPOs are entitled to. Most projects include very important components for environmentally sustainable production and climate change adaptation: all coffee sector projects (Ethiopia, Haiti, Honduras), the grape-production project (South Africa), tea-sector project in Malawi, and beekeeping in Guatemala. Besides being cross-cutting and included in all the project plans, the programme
includes one specific project for capacity building on climate change advocacy. The project is improving the civil society’s capacities for dialogue, coordination and advocacy on climate change in Latin America. See the annexed project description for more information.
VULNERABLE PEOPLE

Another key feature across Fairtrade Finland’s programme is the protection and inclusion of vulnerable people including children, youth, people with disabilities, and seasonal migrants.

Child and forced labour in agriculture can only end when producers and communities themselves take responsibility for ensuring the wellbeing of children/vulnerable adults and when children and young people play a central role in determining their own wellbeing. From 2018–2021, we will continue to hone our approach to protection and inclusion, working with companies and governments to share our learning on how producer organizations can become leaders in tackling the exploitation of children in their communities. Investing in and safeguarding the actualization of core human rights is an investment for the future of the rural communities. The programme is committed to playing a positive role in enabling producers, workers and traders to adopt a rights-based approach to eliminating exploitative labour practices, by working cooperatively with Producer Networks and their producer and worker organizations, including suppliers, industry, non-governmental organizations, trade unions and governmental bodies, to address abuses that may exist in global supply chains. Particularly the projects in Ethiopia, Ghana and Honduras are focusing on the elimination of child and forced labour. The programme specifically includes the establishment of Youth Inclusive Community Based Monitoring and Remediation System (YICBMR) for Child and/or Forced Labour. For more information on YICBMR, see box in section 2.1.2. and for more information on the projects, see the attached project summaries.

All Fairtrade operators are audited against the relevant child and forced labour requirements of the Fairtrade Standards for SPOs and HLOs.
Investing in the potential of rural youth will be crucial to sustain dynamic rural economic growth, which means that they are one of the priority groups for the programme. To make migration a choice rather than a necessity, the programme is investing in decent youth employment creation in rural areas. To promote youth-inclusive development and to encourage young people to remain in rural communities and adopt farming as a livelihood, the programme will integrate the needs and objectives of young people into the project plans and will establish activities to help young rural women and men earn income on and off the farm, through activities such as quality control, cupping and organic fertilizer production. The projects also target youth in skills training initiatives like farmer field schools. SPOs will be supported to produce youth strategies and establish youth committees for these organisations.

Migrants, especially undocumented ones, are another important target group of the programme. The programme’s interventions will include protection, expert legal advice, support for migrants to be covered by social security systems, and encouragement for migrants to join trade unions. We have good experience on this from the pilots in the Dominican Republic and the activities under this programme will be built on those lessons. The programme supports SPOs and plantations to update their HR policies to better take into account non-discrimination, provides training for the management on the issue, and includes rights to protection of all workers, especially those found in forced and child labour situations. Besides the follow-up project in the Dominican Republic, the other project with a strong objective to support migrants’ rights is South African grape plantations. This same approach will be used to secure the rights of ethnic minorities and indigenous peoples as well.

For vulnerable groups in the targeted communities, the programme improves opportunities for decent work for seasonal harvest and post-harvest handling – especially in the coffee and grape sectors – or permanent work in sectors like flowers and bananas. The programme also builds their capacity to start and run small businesses like honey (Guatemala) or organic fertilizer production or plant nurseries (Ethiopia, Honduras).
Fairtrade, throughout all its standards, promotes an inclusive approach to **people with disabilities**. Fairtrade Standards’ requirements include the need to “eliminate employment barriers for disadvantaged people such as persons with disabilities and members of minority groups” through activities to achieve equity in the workplace. In addition, the Standards call for contracts to safeguard workers from loss of pay in the case of illness, disability and accident. The programme supports SPOs to mainstream disability inclusiveness in their internal organisational procedures and to especially look for suitable work opportunities for people with disability. The programme is piloting to include a minimum quota for workers with disabilities and conducting a review of suitable work tasks for people with different disabilities. For example, the coffee project in Ethiopia is focusing on involving people with disabilities in the coffee value chain. To enable the parents of children with disabilities to participate in working life, the programme is piloting the offer of childcare for children with special needs. All the projects include awareness-raising on the rights of people with disabilities for both SPO and HL settings and encourage premium committees to set initiatives for people with special needs. The programme also assists both SPOs and plantations to analyse their premises from an accessibility point of view and make the necessary changes for the premises to be accessible for all.

HLO Standard no. 2.2.7: Equity in the workplace. Your company undertakes activities to achieve equity in the workplace. This includes specifically addressing the employment and promotion of suitably qualified people disadvantaged and minority groups. Guidance: ‘Equity’ means fairness or justice in the way people are treated. The aim of this requirement is to eliminate employment barriers for disadvantaged people such as persons with disabilities and members of minority groups. Disadvantaged or minority groups include people who are discriminated against because of their ability, religion, gender, race, age, class, sexual orientation or similar and who have little or no means of influence in matters affecting them, the community at large and/or employment place. This can include religious minorities, people who cannot read or write, persons with disabilities, children, youth, women, migrants, people of colour, gay, lesbian or transgender people.
Many POs use Fairtrade Premiums to address the specific needs of people with disability in their communities, including support for improved access to education services for children with disabilities by funding school fees, school improvement projects, and mobility impairment equipment, among others.

**VULNERABLE PEOPLE**

- Number, type and value of Premium projects specifically targeting (1) Children and youth (up to 24 years), (2) [SPOs only] Workers, (3) [HLOs only] Migrant and seasonal workers, and estimated number of people benefiting, in last calendar year
- % of POs which contracted migrant workers in last calendar year, by type of migrant workers
- Attitudes of PO members and workers in relation to child rights and Fairtrade standards on child labour, by gender (trends over time)
- % of POs which (1) have a written child labour policy and (2) have an ICS\(^{41}\) to check for child labour at community level/within the workplace
- % of young adults (under 25 years old) among: (1) SPO Board members, (2) SPO management and salaried staff (excluding staff employed in processing), (3) Committee members (by type of committee), (4) participants in the last AGM
- (1) % of SPOs which implemented specific activities or measures to bring young people into the membership in the last calendar year, (2) type of activities/measures implemented, and (3) % of the measures which specifically targeted young women

**GENDER EQUALITY**

Ensuring right to sustainable livelihoods for producers and workers cannot be reached without addressing the critical issue of gender equality. Underlying all efforts must be a focus on women’s perspectives and choices: creating opportunities for women to fulfil their potential and live their lives as they wish to. Bringing men on board with the process is also vital for mitigating risks and for achieving broad-based change. Fairtrade Finland’s programme articulates a gender mainstreaming approach that specifically looks at how we can enable transformation and growth in the lives of male and female producers and workers, and specifically seeks to attain a better positioning and empowerment of women and young women in the value chains where women are predominant.

HLO Standard no. 2.2.6: Empowerment of women. Your company gives special attention to the empowerment of women by means of adequate training, capacity building, guidance, encouragement and assistance as necessary.

\(^{41}\) Internal Control System
The programme has a transformative gender approach. We understand the need to go beyond women’s participation in activities and institutions, to challenge deeper gender norms and structures with the aim of permanently and profoundly rebalancing unequal power distribution between persons of different genders. The programme focuses on changes in attitudes, practices, and policies in agricultural production and trade, but also for broader transformations in political and social life.

Fairtrade Standards endorse equal rights for women, counter gender discrimination and promote women’s participation in the decision-making bodies of producer organizations. Certified organizations are mandated to change the way they operate internally, to become more gender conscious and promote equal opportunities for both men and women.

The projects of the programme involve multiple strategies to address the barriers to women’s participation in SPOs. Gender equality and women’s empowerment will be promoted through work at all levels, and through a bottom-up and context-driven approach. Projects are based on thorough, contextualised gender analysis which identifies the most effective ways to address different types of barriers in a systematic way. The project design will take into account the views and opinions of women and men farmers, and involves SPOs as key agents of change in farming communities. Fairtrade’s cooperative approach offers rural women great opportunities to lift themselves out of poverty, and to have their voices heard collectively.

With the support of Fairtrade Finland’s project, the regional producer network CLAC produced its first gender strategy. Consultations included several participatory workshops and meetings. It has not been just a symbolic gesture. When the project was established in 2014, CLAC had 1400 active women members but by the end of 2016 there were over 5000 active women.

The programme aims to reduce the labour burden of rural women and strengthen their voice in decision making at all levels. We try to move beyond mainstreaming and scaling up in order to reach a real transformative gender impact. The programme will address the underlying root causes of gender inequality – including prevailing social norms, attitudes and behaviours, and social systems – to ensure equal access for women to productive assets and services and to employment and market opportunities. The programme and the projects under it are aiming to address gender issues in value chains by eliminating barriers to women’s involvement as members, leaders and salaried employees of the small producer and hired labour organizations. This will be done by:
• **Supporting change of organisation rules, structures and practices:**
The programme will support the review of POs’ by-laws and operational guidelines. Technical and financial support will be offered to producer organisations to develop and implement their own gender policies and action plans in a participatory way.

• The programme will support POs to advocate on sociocultural norms and practices in society.

• **Building awareness at the household level:** Gender equality issues can be discussed with women and their families, raising issues with an analysis of an ‘activity profile’, with all family members. The aim is to improve equity in decision-making at the household level using a method of active community level animators.

• **Women’s individual circumstances and choices:**
If women see sufficient benefits associated with SPO participation, they are more likely to accept any trade-offs involved (such as an increased workload or disapproval from members of their households or communities). The projects aim to increase these benefits:

  - Social capital: networks, alliances, partnerships and mentorship programmes.
  - Human capital: production knowledge and skills, leadership skills, confidence, advocacy skills, business knowledge.

• **Encouraging women leaders.** The projects encourage women to take leadership positions in producer or worker organizations, particularly targeting youth, widows and female household heads. This is also expected to encourage women to challenge social norms that leadership is a male role, thus having a wider impact in the communities.

With the support of Fairtrade Finland’s project, Guatemalan producer network CGCJ established a Gender Equality Commission in 2016. It has organized meetings across the country to discuss women’s participation and intergenerational changes. The Chairperson of the Equality Commission is a member of CGCJ Board and is tasked to ensure equality throughout the movement.

Gender equality and women’s empowerment will be promoted throughout the project cycle. Local project coordinators and project teams will receive training on gender equality and mainstreaming gender into the thematic training manuals. Where appropriate, objectives and indicators are gender-specific and data will be sex disaggregated. Besides being mainstreamed in all projects and all activities, the programme also has specific components for gender equality improvement, such as the Women’s leadership schools in Ethiopia.

*"WE BELIEVE WOMEN’S LEADERSHIP SCHOOL CAN BE A CATALYST FOR CHANGE, INCREASING WOMEN’S AGENCY IN LEADERSHIP AND CONTRIBUTE TO CHANGING SOCIAL NORMS WHICH ARE KEY BARRIERS TO WOMEN’S PARTICIPATION IN BUSINESS.*"

Dr Tsitsi Choruma, Chief Operating Officer, Fairtrade Africa
The work on empowering workers and small producers entails addressing many interrelated human rights. The most common categorization of human rights has been to split them into civil and political rights, and economic, social and cultural rights. Civil and political rights are enshrined in articles 3 to 21 of the Universal Declaration of Human Rights (UDHR) and in the International Covenant on Civil and Political Rights (ICCPR). Economic, social and cultural rights are enshrined in articles 22 to 28 of the Universal Declaration of Human Rights (UDHR) and in the International Covenant on Economic, Social and Cultural Rights (ICESCR). Civil and political rights ensure one's ability to participate in the civil and political life of the society and state without discrimination or repression. Civil rights include the ensuring of peoples’ physical and mental integrity, life, and safety; protection from discrimination on grounds such as race, gender, national origin, colour, age, political affiliation, ethnicity, religion, or disability. Political rights include natural justice (procedural fairness) in law, and rights of participation in civil society and politics such as freedom of association, the right to assemble, the right of self-defence, and the right to vote. Economic, social and cultural rights are socio-economic human rights, such as the right to education, right to housing, right to adequate standard of living, and right to health. These binding human rights form the very basis of a decent life.
3. PROGRAMME IMPLEMENTATION
Agenda 2030 is characterised by the commitment to leave no one behind. In this spirit Fair-trade Finland will strive to ensure that the maximum possible number of poor rural people benefit from the programme. Small producers and agricultural workers are the direct beneficiaries of this programme, with their families and communities being the indirect beneficiaries. They are the rights-holders.

3.1. TARGET GROUPS AND BENEFICIARIES

Small farmers targeted by the programme mostly live in remote rural areas and have less than 5 ha arable land which they cultivate with their own family work power. Small farmers are the beneficiaries of the activities under the first component of the programme. Workers benefitting directly from the programme can be classified as either seasonal workers hired by SPOs for the harvest season at small farms or hired labour at plantations. Seasonal workers typically work for a couple of months and under verbal, often even daily-based contracts. In many places they might travel from one place to another following the seasonal harvest calendar. Another beneficiary group consists of plantation workers. They work on large plantations with a contract of indefinite duration.

Within these three main beneficiary groups the programme focusses especially on the most vulnerable: children, youth, women, widows, landless people, people with disability and migrants. For more information, see vulnerable people under the section of cross-cutting objectives (2.1.4.). Our inclusive rural development programme promotes people-centred development in which “beneficiaries” become agents of their own development, participating in decision-making and implementation. Beneficiaries have been involved in prioritizing the programme’s focus and project concept notes and have a central role in the project-level planning and implementation in the field. Beneficiaries themselves are the ones who define their challenges and priority needs, gender issues, stakeholders and project objectives. This is the approach we used in the previous programme and it will be the cornerstone for this programme as well. Project beneficiaries provide continuous feedback and play an important role in the regular monitoring and the annual review workshops that bring together beneficiaries, project personnel and stakeholders. These mechanisms will provide a safe platform for beneficiary feedback and complaints.
Below is an estimate of the direct beneficiaries by project.

<table>
<thead>
<tr>
<th>project</th>
<th>male</th>
<th>female</th>
<th>total</th>
<th>special focus on:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia, coffee</td>
<td>70 000</td>
<td>42 000</td>
<td>112 000</td>
<td>producers and seasonal workers</td>
</tr>
<tr>
<td>Ghana; bananas</td>
<td>2 079</td>
<td>621</td>
<td>2 700</td>
<td>workers</td>
</tr>
<tr>
<td>Ghana; cocoa</td>
<td>3 200</td>
<td>3 000</td>
<td>6 200</td>
<td>child labour</td>
</tr>
<tr>
<td>Guatemala; honey</td>
<td>880</td>
<td>170</td>
<td>1 050</td>
<td>vulnerable groups</td>
</tr>
<tr>
<td>Haiti; cocoa, coffee, mangoes</td>
<td>8 150</td>
<td>1 550</td>
<td>9 700</td>
<td>producers and seasonal workers</td>
</tr>
<tr>
<td>Honduras; coffee</td>
<td>2 330</td>
<td>1 090</td>
<td>3 420</td>
<td>child labour</td>
</tr>
<tr>
<td>Ethiopia; flowers</td>
<td>19 300</td>
<td>22 000</td>
<td>41 300</td>
<td>women &amp; child labour</td>
</tr>
<tr>
<td>Malawi; tea</td>
<td>8 400</td>
<td>5 600</td>
<td>14 000</td>
<td>plantation workers</td>
</tr>
<tr>
<td>South Africa; grapes</td>
<td>3 000</td>
<td>9 000</td>
<td>12 000</td>
<td>immigrant workers</td>
</tr>
<tr>
<td>LAC; regional advocacy</td>
<td>70</td>
<td>30</td>
<td>100</td>
<td>(final beneficiaries TBC)</td>
</tr>
<tr>
<td>LAC; regional workers’ network</td>
<td>2 970</td>
<td>1 530</td>
<td>4 500</td>
<td>workers, final beneficiaries TBC</td>
</tr>
<tr>
<td>FTA; workers’ rights pilot</td>
<td>52 240</td>
<td>52 300</td>
<td>104 540</td>
<td>plantation workers</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>172 619</strong></td>
<td><strong>138 891</strong></td>
<td><strong>311 510</strong></td>
<td></td>
</tr>
</tbody>
</table>

Additional farmers and workers in the target countries will also benefit from the projects, including the replication of good practices, advocacy work and supply chain accessibility.
The programme will support the application and roll-out of the following global frameworks:

The International Covenant on Civil and Political Rights (ICCPR) is a multilateral treaty adopted by the United Nations General Assembly in 1966. It commits its parties, ratified countries, to respect the civil and political rights of individuals. All programme countries have signed and ratified the covenant.

The International Covenant on Economic, Social and Cultural Rights (ICESCR) is a multilateral treaty adopted by the same UN General Assembly. It commits its parties to work toward the granting of economic, social, and cultural rights (ESCR) including labour rights and the right to health, the right to education, and the right to an adequate standard of living. All programme countries have signed and ratified this covenant as well.

The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) was adopted in 1979 by the UN General Assembly. Described as an international bill of rights for women, it has been ratified by 189 states – including all the programme’s target countries. Thus, states – so-called duty-bearers – have a legal obligation to respect, protect and fulfil these rights and are expected to take “progressive action” towards their fulfilment.

As the states covered by the programme do not fully respect the signed human rights covenants, our development cooperation programme supports local civil society to offer services and to advocate local governments to uphold and fulfil their duties.
3.2. PROGRAMME COUNTRIES

The programme has two main geographical focuses:
• Africa
• Latin America and the Caribbean

Instead of focusing on just a few countries, the programme is focusing on a few themes. In these two regions, we have 9 projects in 8 countries and additionally 3 regional projects. The country selection was explained in section 1.2. 3 of these 8 countries (38 per cent) are classified as LDCs. The programme includes two countries which are classified as Upper Middle Income Countries (UMIC); due to important reasons we will target the Dominican Republic and South Africa. In South Africa, the abject situation of hired labour, much of which comes from the fragile state of Zimbabwe, is illustrated by recurring news about human rights scandals. South Africa was identified to have a potential for advocacy work on sustainable public procurements, which would benefit farmers and workers across the developing world. Bananas are an important export commodity of the Dominican Republic but the whole sector depends on the exploitation of cheap labour provided by undocumented Haitian migrants. Consequently, although these projects are implemented in UMICs, their impacts are mostly spread to LDCs and other vulnerable and fragile countries.

Our unique operating model enables to implement projects in many countries and with several products and target groups. We have strong, direct and reliable relationships with all the programme countries and our partner organizations know their countries both from the grassroots and higher political decision-maker levels. Partners are dealing with the producers’ and workers’ challenges on a daily basis – that is their reason of existence. Despite the numerous countries, the programme is not fragmented as the core activity of the Fairtrade is to reach whole value chains of plentiful products globally. We can address the themes of the programme in any of Fairtrade’s 75 producer countries, and able to do this very cost-effectively. Comprehensive certification provides a solid foundation for the programme and combined with the global Fairtrade movement, the development processes initiated by the programme will continue to be steady. Inclusion of the entire supply chains requires a comprehensive approach rather than limiting the programme to only a few countries with a more superficial approach. The number of target countries has been taken into account in the planning and implementation schedule of the programme with staggered project cycles. In addition, the comprehensive global MEL system ensures the stable implementation of the extensive programme.
GHANA:

Cocoa/child labour/climate change/gender; Bananas/workers’ rights. In 2015, Ghana was ranked eighth globally and third in Africa in terms of suffering the most from extreme weather events, such as heavy floods. Child labour in the cocoa sector is widespread and most child labourers in cocoa production are involved in hazardous work. The cooperatives have a large female membership, but women are less well-represented as leaders and elected representatives within the cooperative governance structures. Workers on banana plantations suffer from poor wages that don’t meet their basic living costs, leaving them in poverty which leads many into spiralling debt, while working long hours in hazardous conditions, with poor protection from illness and injury.

The project is addressing child labour, climate change adaptation and gender equality in Ghana’s cocoa sector. Another project focuses on workers’ rights on banana plantations.

ETHIOPIA:

Coffee/sustainable production; Flowers/workers’ rights. Ethiopia’s civil society is volatile and flammable. The authoritarian government declared a state of emergency in 2016 and again in early 2018. A serious drought has been troubling agriculture. Workers’ rights are violated and wages far from the living wage levels. Gender-based violence is common practice.

The project focuses on making the coffee supply chain environmentally and socially sustainable in the Sidama region. The project develops climate resilient and environmentally sound coffee production and supports SPOs to be more inclusive.

Another project in Ethiopia aims to improve gender equality and workers’ rights on the flower plantations. The focus is on capacity building for trade unions to strengthen participation in decision-making and collective bargaining. It supports the farms to roll out mechanisms for prevention, reporting and empowerment to resolve sexual harassment and GBV, and also includes a Women’s School of Leadership.

SOUTH AFRICA:

Grapes/workers’ rights. There are gross violations of human rights on South African grape plantations. Trade unions are weak and scattered, and the exploitation of migrant workers is increasing. A joint project in cooperation with SASK aims to improve the workers’ rights situation and to make the whole wine value chain more sustainable.

MALAWI:

Tea/workers’ rights. Malawi has been hit very hard by climate change. Floods have been destroying both infrastructure and plantations. The workers’ rights situation is alarming with child & forced labour occurring on the tea plantations. The project improves the workers’ rights situation by encouraging workers to join trade unions, building the capacity of the unions and increasing the workers’ knowledge of their rights in the workplace. The project also supports adaptation for climate change.
REGIONAL:

Advocacy/climate change. The goal of the project is to increase the awareness and empowerment of Latin American civil society on climate change. The project is building the civil society’s capacity to advocate on climate change, influence decision-making processes and adaptation plans, and raising awareness about the negative effects of global warming for small-scale agriculture. The project focuses especially on coffee.

For more detailed information on the projects and local contexts, please see the annexed project summaries.
The Ethiopian government’s five-year development strategy is called a growth and transformation plan (GTP). GTP II covers the years from 2016 to 2020 and aims to reach the poorest people more effectively, support the private sector to engage in the productive sectors of the economy and address youth unemployment. It also highlights the need to develop coffee production.

Kenya’s development strategy, Vision 2030, is implemented through five consecutive medium-term plans (MTPs). MTPII (2013-2017) focuses on the diversification and commercialisation of agriculture, food security, wider access to African and global markets, and job creation targeting unemployed youth. In also includes environmental sustainability and resilience to climate change as cross-cutting objectives.

The project complements the National Development Plan (K’atun: our Guatemala 2032) which aims for “comprehensive rural development” and “adaptation and mitigation to climate change” as well as the National Action Plan on Climate Change which aims to increase food production through the implementation of adaptation actions that reduce the vulnerability of families affected by the effects of climate change and guarantee their food and nutritional security.

Strategic Development Plan for Haiti: an emerging country in 2030. The Haitian government’s development strategy underlines the importance of developing the economy under an adaptation and mitigation approach to climate change.

The Democracy Index is an index compiled by the UK-based Economist Intelligence Unit that measures the state of democracy in 167 countries. The index is based on 60 indicators grouped in five different categories measuring pluralism, civil liberties, and political culture. The Economist, 2016.

The Global Climate Risk Index, Germanwatch 2017
Gender Inequality Index, Human Development Report 2016: Human Development For Everyone, UNDP

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>99</td>
<td>57</td>
<td>11</td>
<td>107</td>
<td>agriculture</td>
<td>17 100</td>
<td></td>
<td>UMIC</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>174</td>
<td>125</td>
<td>66</td>
<td>116</td>
<td>(no data)</td>
<td>2 100</td>
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<td>LDC</td>
</tr>
<tr>
<td>Ghana</td>
<td>139</td>
<td>54</td>
<td>113</td>
<td>131</td>
<td>cocoa</td>
<td>4 650</td>
<td></td>
<td>LMIC</td>
</tr>
<tr>
<td>Guatemala</td>
<td>125</td>
<td>79</td>
<td>9</td>
<td>113</td>
<td>coffee, sugar</td>
<td>8 130</td>
<td></td>
<td>LMIC</td>
</tr>
<tr>
<td>Haiti</td>
<td>163</td>
<td>115</td>
<td>3</td>
<td>142</td>
<td>(no data)</td>
<td>1 820</td>
<td>x</td>
<td>LDC</td>
</tr>
<tr>
<td>Honduras</td>
<td>130</td>
<td>79</td>
<td>1</td>
<td>101</td>
<td>coffee</td>
<td>5 490</td>
<td></td>
<td>LMIC</td>
</tr>
<tr>
<td>Kenya</td>
<td>146</td>
<td>92</td>
<td>85</td>
<td>135</td>
<td>coffee, tea</td>
<td>3 520</td>
<td></td>
<td>OLIC</td>
</tr>
<tr>
<td>Malawi</td>
<td>170</td>
<td>91</td>
<td>80</td>
<td>145</td>
<td>tea</td>
<td>1 180</td>
<td></td>
<td>LDC</td>
</tr>
<tr>
<td>South Africa</td>
<td>119</td>
<td>39</td>
<td>118</td>
<td>90</td>
<td>(no data)</td>
<td>13 410</td>
<td></td>
<td>UMIC</td>
</tr>
</tbody>
</table>

[42] The Ethiopian government’s five-year development strategy is called a growth and transformation plan (GTP). GTP II covers the years from 2016 to 2020 and aims to reach the poorest people more effectively, support the private sector to engage in the productive sectors of the economy and address youth unemployment. It also highlights the need to develop coffee production.


[44] The project complements the National Development Plan (K’atun: our Guatemala 2032) which aims for “comprehensive rural development” and “adaptation and mitigation to climate change” as well as the National Action Plan on Climate Change which aims to increase food production through the implementation of adaptation actions that reduce the vulnerability of families affected by the effects of climate change and guarantee their food and nutritional security.

[45] Strategic Development Plan for Haiti: an emerging country in 2030. The Haitian government’s development strategy underlines the importance of developing the economy under an adaptation and mitigation approach to climate change.

[46] by the GDP (PPP) per capita

Human Development Index. Human Development Report 2016: Human Development For Everyone, UNDP

The Democracy Index is an index compiled by the UK-based Economist Intelligence Unit that measures the state of democracy in 167 countries. The index is based on 60 indicators grouped in five different categories measuring pluralism, civil liberties, and political culture. The Economist, 2016.

Global Climate Risk Index, Germanwatch 2017
Gender Inequality Index, Human Development Report 2016: Human Development For Everyone, UNDP. The GII is an inequality index. It measures gender inequalities in three important aspects of human development—reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older.

Trafficking Victims Protection Reauthorization Act; List of goods produced by child labor or forced labor (2016)

World Economic Outlook (April 2017), IMF


LDC: Least Developed Country; OLIC: Other Low Income Country; LMIC: Lower Middle Income Country; UMIC: Upper Middle Income Country.

child labour in coffee, rice and tomatoes; both child and forced labour in sugarcane production
3.3. MODALITIES OF WORK

Fairtrade's mission is to connect disadvantaged producers and workers with consumers, to promote fairer trading conditions and to empower producers and workers to combat poverty, strengthen their position and take more control over their lives. Thus, producers and workers and their legitimate representatives – the producer networks – are at the forefront of this programme as partner organizations.

The fragmentation of development cooperation and the overlapping of activities require the development of both cooperation between actors and the division of labour. Among Fairtrade organizations in Europe there is a growing intensification of mutual cooperation and combining the special expertise among the organizations. In recent years, national Fairtrade organisations (NFOs) have been specializing in some parts of the system. For example, joint communications and marketing are coordinated by Fairtrade Germany, product specialists in Fairtrade UK, Switzerland and many other NFOs assist the whole movement with their product-specific expertise, Fairtrade Ireland and Fairtrade Finland focus on workers’ rights issues, as the theme is particularly important for their own member organizations and the local Fairtrade movement. In addition, Fairtrade Finland has strongly been involved in the piloting of Fairtrade's programmatic approach and development cooperation. We cooperate closely with international actors in order to avoid duplication and to maximize complementarity and effectiveness. The programme is implemented in close harmonization and coordination with NFOs from Sweden, Germany, UK, Switzerland and Ireland. As Fairtrade Finland is a consortium of Finnish organizations working towards a common goal we naturally cooperate closely with our member organizations, six of which are also under MFA’s programmatic finance. Our closest cooperation in the programme implementation is with SASK through two joint projects.

Cost-efficiency is one of our development cooperation programme’s key principles. We think it is fair that the maximum share of the budget goes to the programme countries to support the development of their civil society. We keep our team in Finland to a minimum, at the same time as ensuring comprehensive expert thematic support and monitoring of the expanded programme. Our value for money solution to ensure highly professional support functions has been our close cooperation and coordination with other Fairtrade organizations. As such, instead of hiring a team of specialists to sit in Vallila, we have a decentralized team whose expenses are not included in the budget. For example, Fairtrade International’s strong MEL system and existing data collection procedures enables us to get reliable, comparable, aggregable programme-wide monitoring data from the field. Fairtrade International’s thematic and products special advisors (child labour, forced labour, workers’ rights, organizational development and climate change) provide advice on the programme's implementation. The decentralized structure was chosen to avoid duplication, to achieve efficiency and value for money by utilizing the expertise readily available in the Fairtrade system. The structure also ensures coherence and cooperation in the field.
EVALUATION

Finding: Expenditures for management, administration and technical assistance have been kept low and the team has not been able to identify other more cost-efficient alternatives.

Recommendation: Fairtrade Finland should continue its efforts to keep costs low and to allocate as much as possible to the beneficiaries.

Our principle is to build on existing strengths. We use the strengths of the target countries, beneficiaries, and our partner organizations as well as our own strengths. As a multi-stakeholder system, the global Fairtrade movement is unique in uniting producers, workers, civil societies, businesses and consumers around the world behind a common vision and goal. Fairtrade has 1.65 million farmers and workers from 75 countries as its members and the Fairtrade Producer Networks are our main partner organizations; therefore we have a direct and continuous link to producers and workers. Producers and workers are in the driver’s seat in the whole Fairtrade movement and they have been leading the programme planning as well. Within the development NGO environment, Fairtrade is a pioneer in supporting democratization at the grassroots level. Democracy in the decision-making of all Fairtrade certified groups is ensured and audited by systematic and independent assessments (FLO-CERT). The close link between the Fairtrade movement and the Finnish private sector and civil society is an important aspect in enhancing market access for the products generated by producers and workers. The programme is not just developing production but also securing better access to markets for those products.

We have strong development cooperation and trade union expertise in our member organizations and our board, which has been reflected in the design of the programme. Our large support base, high public awareness and close media links will be used in our development communications to reach large audiences. These characteristics make Fairtrade Finland and the Fairtrade movement a unique movement in the area of sustainable development and the empowerment of small producers and workers, thus enabling them to create sustainable livelihoods.

56 Evaluation of the programme-based support through Finnish civil society organizations I. NIRAS Finland. 2016
3.3.1. PARTNERSHIPS AND IMPLEMENTING ORGANIZATIONS

Fairtrade is about partnerships. Fairtrade brings people together to change things for the better through long-term, equitable partnerships. Our goals are ambitious and cannot be achieved through short-term quick fixes. We rely on more complex, emergent change processes involving multiple actors. We aim to maximise the potential of our partnerships to ensure they are fully inclusive and focused to deliver the positive changes. True partnership is based on equality and has a focus on the long-term outcomes: we go on a journey with our partners towards a common goal, on the basis of a shared vision. Besides the practical reasons for partnerships, there is a deeper, more fundamental reason for working with others: because our approach to development – participatory governance – demands it. In Fairtrade, it is not just what we achieve that matters. Of equal importance is how we achieve it. Human rights principles guide the programme and project management with the ambition to promote inclusive, participatory, non-discriminatory and transparent processes and the accountability of all stakeholders.

Fairtrade Finland’s partner organizations in the programme implementation represent the beneficiaries: associations of producers, workers and cooperatives. These are spaces where people come together to promote common interests. They are natural partners for us as we share the same vision, already work closely together and thus know each other well. Our main partner organizations for this programme are the PNs of Latin America and the Caribbean (CLAC) and Africa and the Middle East (FTA) and their national networks. PNs play an important role in enabling the sharing of learning, especially through peer-to-peer techniques, and in giving farmers and workers a voice for change in their own supply chains and with their own governments. PNs and their country platforms demonstrably have the capacity to run effective projects. Moreover, they are democratic organizations representing the needs and priorities of workers and producers. As our partners are real local organizations which existed well before our projects and will continue to work towards their own goal well after our project, we don’t create aid dependency in the partner through this programme. Rather, we help them to continue their work as local civil society actors by becoming stronger organizations. Our partners are at the same time grassroots civic movements in the field and strong advocacy organizations in the cities.

We work directly with our partners thus always having a direct contact with the local civil society. At the project implementation level, there are other local partnerships including local universities, research centres, children’s rights organizations, trade unions and several interest organizations that bring their expertise and local know-how to enhance the programme’s impact. This cooperation also ensures coordination, coherency and special knowledge of each situation. For example, the child-labour component in the Honduran project is implemented in cooperation with Plan Honduras and decent work training in South Africa and Malawi are implemented in cooperation with local trade unions (IUF, ABANTU, CSAWU) and the dispute resolution body CCMA. The coffee project in Ethiopia is implemented in cooperation with Jimma Agricultural Research Centre and Awada Coffee Research Centre. Food 4 Farmers (F4F) is advising the implementation of the Guatemalan project and ActionAid the project in Ghana.
Our partnership principles guide us in the development and management of our work with others:

- **Equality.** We will respect the distinctive position of each of our partners, recognising their history, mandate, constraints and independence.

- **Complementarity** ensures that partnerships add value to our work. Fairtrade Finland and our partner organizations are giving peer support and complement each other.

- **Results-oriented.** As organisations committed to change we retain a focus on results. The work we do with our partners must be simultaneously ambitious, achievable and results-based.

- **Clarity.** Beyond the identification of mutual objectives, partnerships require clarity on the roles and responsibilities of partners, and of decision-making processes relating to the partnership. Gaps in capacity need to be identified and processes agreed for addressing deficiencies. While we enter into partnerships on the principle of equality, we will respect the fact that equality does not extend to the operational capacities of each partner relationship.

- **Flexibility.** When working towards long-term objectives we need to be responsive to changes that affect the partnership, and to maintain a positive and optimistic outlook. We commit to reviewing progress and adapting our plans to reflect changed realities.

- **Mutual accountability.** Successful partnerships demand that all parties accept responsibility for achieving mutually agreed results. Transparency, including financial transparency and access to information, enhances trust among and between partners and facilitates the efficient use of resources. Equality among partners is a prerequisite for achieving the necessary levels of transparency in a partnership.

### THE MAIN IMPLEMENTING PARTNER ORGANIZATIONS OF THE PROGRAMME ARE:

**Fairtrade Africa** became a legally registered organisation in 2006. The Members Meeting held every two years is the highest decision-making body. All members have the right to participate and vote for the election of the Fairtrade Africa Board through their regional representatives at the Members Meeting. Fairtrade Africa works through primary structures which enable members to have a strong voice in the governance and management of the organisation. Currently there are four regional networks: East & Central Africa Network (FTA-ECAN) based in Nairobi, Kenya; West Africa Network (FTA-WAN) based in Accra, Ghana and Southern Africa Network (FTA-SAN) based in Cape Town, South Africa; Middle East & Northern Africa Network (FTA-MENA) based in Tunis, Tunisia. The Fairtrade Africa secretariat is located in Nairobi, Kenya. Fairtrade Africa has over 410 producer organizations in 33 countries in Africa and the Middle East and represents over 1,050,000 farmers and workers.

FTA has 62 employees and an annual budget of 5.2 million euros.

Besides the project in Ethiopia funded by Finnpartnership & Gustav Paulig, FTA has implemented several projects and programmes. Their main project funders have been Fairtrade Foundation, DFID and Comic Relief, British Lottery Fund, Dutch Post Code Lottery, Swedish Lottery, Nordic Climate Fund and Shared Interest Foundation, among others.

**Coordinadora Latinoamericana y del Caribe de Comercio Justo (CLAC)** was established in 2004 to gather and represent all Fairtrade certified small producers’ organizations and workers’ associations in the region of Latin America and the Caribbean. CLAC provides assistance to
its grassroots organizations, promoting their products and values, influencing development and commercial policies through advocacy, and improving strategic positioning at the national and international level. CLAC is registered in El Salvador and consists of close to 700 small producer organisations engaging over 330,000 farmers and workers in 24 counties throughout the region. The majority are coffee producers (55 per cent), followed by banana and cocoa (11 per cent each). CLAC is organized into National Platforms (coordinadoras) and Product Networks. The former organizes CLAC members per country; while the latter organizes CLAC members per product, regardless of the country of origin.

CLAC has total of 56 employees and an annual budget of 3.9 million euros.

CLAC has strong project management experience and successfully fulfilled its role as the main partner organization of Fairtrade Finland’s first development cooperation programme. In 2016–2017 CLAC is implementing projects funded by UNDP, Shared Interest, TRIAS Bélgica, Max Havelaar Foundation Switzerland, Cooperación Belgica and TransFair. CLAC is also managing projects financed by private companies, such as LIDL Germany and Ben & Jerry’s. CLAC’s programme team has expertise in PMDPro certification and are constantly training staff on project management skills.

CLAC’s mission is not only to represent democratically organized small producer and hired labour organizations, but also to ensure their strengthening and development as well as providing assistance to its members, promoting their products and values, and influencing social, political and economic institutions.

National Fairtrade producer platforms are important partner organizations; for some projects they are co-partners together with the regional producer networks and for some projects they are implementing the projects directly.

The producer network of Honduras, Coordinadora Hondureña de Pequeños Productores (CHPP) was established in 2007. Currently it has 26 member organizations, all producing coffee. Its mission is to bring together small producer organizations at the national level, representing and supporting them in organizational strengthening, thus improving the capacities of member organizations, striving for a better quality of life for producers and their families. It has 3 full-time workers and an annual budget of 200,000 euros. CHPP is one of the strongest national networks in LAC and it proved its project implementation capacity already in the previous programme. The first project was started under CLAC’s administration but switched to CHPP for the second year. The implementation and administration of the project proved to function efficiently and this direct implementation will be continued under the second programme.

In Guatemala Coordinadora Guatemalteca de Comercio Justo (CGCJ) was registered in 2008 to coordinate and represent Fairtrade certified small producers in Guatemala. Its mission is to support the socioeconomic development of its members. Currently CGCJ has 15 member organizations most of which produce coffee but there are an increasing number of honey-producing organizations as well. The previous programme included one project which was implemented in close cooperation between CGCJ and CLAC, and the similar administrative structure will be continued under this programme.
The programme will work in close cooperation with Fairtrade Finland’s member organizations. We have established a deeper partnership with SASK to implement one joint project in South Africa. In the programme’s advocacy work, Finnish NGO partners include the Finnish chapters of the Consumers’ Union, Fashion Revolution, Pro Ethical Trade, Save the Children, UNICEF, World Vision, Trade Union Solidarity Centre (SASK) as well as Kepa. We have also initiated discussions on strategic collaboration with the Central Union of Agricultural Producers and Forest Owners (MTK). Finnish towns and parishes are also important partners, especially for the advocacy and communications.

The private sector is an important partner for a more effective sustainable development model. The Finnish business community is strongly involved in the programme. In addition to co-financing the programme (see section 5.2.2), they are also heavily involved in the implementation and monitoring of the programme. For example, Gustav Paulig Ltd is advising the project on improving the sustainability of the Ethiopian coffee supply chain. Finnish companies are also the target of the programme’s advocacy component. With contractual relationships with a vast number of Finnish companies selling Fairtrade products, Fairtrade Finland is the most business-linked development NGO in Finland.
3.3.2. PROJECT CYCLE MANAGEMENT

Fairtrade Finland has a comprehensive toolkit to guide the management of the development projects throughout the whole cycle. For coherency and coordination, the toolkit is based on Fairtrade International’s existing procedures. The toolkit includes procedures for project planning, implementation, monitoring and evaluation. It also includes a complete set of tools and templates for planning and reporting. The templates are reviewed annually and updated based on experience and feedback from the field. The toolkit aims to ensure consistency and clarity of approaches in line with Fairtrade’s strategies, while allowing for the operational flexibility required for designing projects in different countries and situational contexts. Below is a short summary of areas covered in the toolkit.

3.3.2.1. PLANNING

Once the eligibility of a project is approved and the organizational environment is established, detailed project planning can take place. During the planning phase, the situation at the national and sector level is analysed in more detail to identify problems, constraints and opportunities which the project could address. Project planning begins with a plan and a budget for the planning phase. This plan includes all the analyses and timetables as well as responsibilities. The plan for the planning phase is prepared by a Project Implementation Team (PIT). After review and the approval of the regional manager it is sent to the Fairtrade Finland programme manager for review and approval. An agreement for the project’s planning phase is signed.

The project planning phase includes various analyses to ensure the relevance and feasibility of a project and to ensure the participation of the beneficiaries, partners and other relevant stakeholders. Participation at all levels seeks to contribute to empowerment, capacity building, sustainability and ownership. Participation helps to ensure that different groups are aware of the work and can be involved, that activities are not unintentionally biased according to gender, ethnicity or age. There are numerous participatory methods that can be used at the farmer and community level, for example transect walks, community mapping, daily activities chart, seasonal calendars, group discussions, ranking and role-play.

The standard project planning phase includes steps like needs/problem analysis, force field analysis, gender analysis, resource analysis, environmental proofing (climate proofing, environmental assessment, DRR), plan for environmental mainstreaming, SWOT analysis, stakeholder mapping and analysis, PEST Analysis, do-no-harm rapid appraisal, risk matrix, setting of objectives, logical framework, and accountability matrix. A monitoring plan is developed and baseline studies are conducted. During the project’s planning, the financial administration capacity of all the partner organizations is assessed.
3.3.2.2. IMPLEMENTATION

Before implementation, cooperation agreements, defining the roles and responsibilities of all partners (Fairtrade Finland, PNs and national producer networks in the region) are signed.

Two different kick-off meetings take place in the field: an internal meeting with the project manager, team members and other relevant key stakeholders, and an official kick-off meeting with a public audience and local media to make the project visible in the community.

PROJECT PERSONNEL

The local project partners hire local staff for the projects. In addition to local labour legislation, the partner organizations should follow ILO criteria for decent work. The recruiting process must be open and follow good governance.

FINANCIAL ADMINISTRATION

Under the cooperation agreement, each partner organization is obliged to abide by the standards of good governance and generally accepted accounting principles. The partner organization’s financial administration guideline must include the procedures for approving documents, payments and receipts. The partner organization employs a person to manage the financial administration of the project, who is responsible for the accuracy of the financial management.

The accounting is based on original, appropriate and numbered receipts. In addition, the partner organization’s internal receipts, such as cash register, salary, travel advance, and travel receipts, must be appropriately signed by the recipient of the payment. The partner organization’s Executive Director or Project Coordinator confirms with her/his signature that all receipts are related to the project and stamps them with the project’s or Fairtrade Finland’s stamp.
Fairtrade Finland’s finance manager makes the advance payments according to the approved quarterly budgets to the partner’s account after the programme manager has approved the accounting of the previous period and the balance of the last day of the previous period has been verified.

**MONITORING AND REPORTING**

Project monitoring is conducted by the project staff according to the project’s monitoring plan. A key component of the projects is to support producer organizations to strengthen their capacities to undertake effective data collection, storage, and analysis to support their businesses, and to feed into the monitoring of the programme. To support organizational learning and improvement, baseline and annual data analysis will be conducted in a participatory process through workshops held in the project countries. The findings will be used to review and adjust projects activities.

Regular monitoring includes:

- **Annual and quarterly work plans** that focus on the activities under each outcome/result of the project. The plans are prepared by the PIT and submitted to the regional manager for review and approval.
- **Quarterly narrative reports** have the similar results-based structure as the plan and the focus is on activities and concrete outputs. Also, the challenges faced and the changes in the context (national, product, organization) are reviewed and recommendations for future implementation are given.
- **Quarterly financial reports** have the results-based structure.
- The **Annual report** is based on the analysis of the collected monitoring data for the indicators, and an annual monitoring review meeting. The review meeting evaluates the experiences of the previous year and makes sure that the activities implemented and outputs obtained lead towards the achievement of the project’s purpose and goal. The annual review meeting also assesses changes in the project environment and the status of identified possible risks. The annual report is submitted to the regional manager for review and approval, after which it is submitted to the programme manager.
- At the end of the project, the partner organization submits a Final report, combining the results of the annual reports. The final report describes the project’s results, impacts, experiences and their adaptability to other contexts. Special attention is given to the sustainability of the results.
- **Lessons learned Workshop** leads the participants through a systematic and shared reflection of learning experiences from an ongoing or finalised project. It will typically use the findings from the project evaluation or mid-term report as the basis for reflection and learning. The workshop is held at the end of the project or after every phase of the project, approximately every 3-4 years. The intention is to make good and useful practices available for replication and to make it easier to avoid mistakes in the future. This is also why a lessons-learned workshop refers to both positive and negative learning experiences, intended and unintended.
- In addition, Fairtrade Finland’s programme team staff communicate regularly with partners and conduct monitoring field visits.

The programme’s mid-term review will be implemented in the first quarter of 2020. In addition to these regular M&E activities, specific impact assessments will be conducted based on the information and data gathered and analysed through the monitoring and evaluation system.
3.3.2.3. EVALUATION

The evaluation of the project will undertake the systematic assessment of the project’s achievements according to the OECD criteria of relevance, efficiency, effectiveness, impact and sustainability. All projects under the programme will be externally evaluated. Evaluations will include learning components, including participatory data collection methodologies and workshops to review the results and facilitate learning emerging from the evaluation. Besides OECD-DAC criteria, the evaluation will include an overall assessment, review of cross-cutting objectives and recommendations for future projects. The project toolkit has instructions for both the TOR and evaluation report. The evaluation reports will be published, in line with our own commitment to transparency and accountability.

3.3.3. IMPLEMENTATION SCHEDULE

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<th>2018</th>
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<td>Q1:</td>
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<tr>
<td>hiring programme level key personnel; implementation of pre-planned projects</td>
<td>annual project review workshops; update activity plans</td>
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<td>Q2:</td>
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<td>programme kick-off meetings in the field; hiring project manager</td>
<td>programme review workshop; programme annual plan &amp; updated budget</td>
<td>programme review workshop; programme annual plan &amp; updated budget; start the planning process of the next programme</td>
<td>project evaluations; programme evaluation</td>
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<td>Q2-Q3:</td>
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<tr>
<td>participatory planning of new projects</td>
<td>programme planning workshop in the field</td>
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<td>implementation of new projects; programme review workshop; programme annual plan &amp; updated budget</td>
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3.4. LINKS TO DEVELOPMENT CONTEXT

3.4.1. FAIRTRADE FINLAND’S STRATEGY

The programme will directly contribute to the realisation of Fairtrade Finland’s strategy’s five priorities for 2016–2020’s:

• **Building benefits for smallholder farmers and workers** – The programme aims for both groups to secure a fair return from their work so that smallholders receive a living income and workers can earn a living wage. The programme enables stronger representation, participation and inclusion of the smallholders and workers, putting them at the driving seat of their own development. The products focused on under the programme were selected bearing in mind their growth and sales potential.

• **Deepening impact through services & programmes** – This priority is the core of the programme. Producers and workers will benefit from the programme on issues that are most pressing for the realisation of their rights and needs (e.g. workers’ rights, gender, climate change, next generation farming, prevention of child labour), which they have been planning and which they themselves implement.

• **Building fair markets** – The programme is pro-actively developing innovative services (especially Business-to-Business – B2B) to increase private sector commitment towards more equitable supply chains. The programme is lobbying companies to expand their range of fair and sustainable products, and for supermarket chains to increase the availability of fair and sustainable products. The programme is also actively increasing demand for fairly and sustainably produced products. This will be done especially by increasing consumer awareness of the challenges facing the producers and workers in developing countries and advocating for more sustainable public purchases.

• **Influencing political decision-making** – The programme builds the capacity of the PNs to engage with relevant national or regional platforms, amplifying the voices of farmers and workers in key debates. The programme will also support engagement with campaigners to build new connections between producers and consumers through public engagement campaigning. The programme is also advocating for more ethical public procurement, particularly in towns, municipalities and parishes.

• **Strengthen and consolidate the Fairtrade movement** – The programme was planned in close cooperation with PNs in the South and NFOs in the North. The planning and implementation of the programme is conducted in coordination with other NFOs to ensure coherence and to pool resources for a bigger impact. The programme includes the capacity building and strengthening of change management at the PN level.

3.4.2. FINLAND’S OBJECTIVES

The programme puts into practice and complements Finnish Government Report to Parliament and Finland’s Guidelines for Civil Society in Development Policy. The programme also aligns with Finland’s country programme for Ethiopia, and Finland’s commitment to Agenda 2030 (see next section). The programme especially engages companies in the development cooperation, working with several Finnish companies both as funding partners and as cooperation partners in
implementation and communications. Through its exceptionally wide awareness and positive image in Finland, Fairtrade can help foster greater support from the Finnish public and private sector organisations to development cooperation.

Fairtrade Finland’s development cooperation programme supports all four priority areas of the Finnish Government Report to Parliament (2016):

I. *Enhancing the rights and status of women and girls.* The rights of women and girls are a cross-cutting objective of the programme. For more information, see section 2.1.4. on cross-cutting objectives. In addition, Fairtrade standards, which are the backbone of the quality assurance of the programme, have strict gender equality requirements.

II. *Improving the economies of developing countries to ensure more jobs, livelihood opportunities and well-being.* This is the core of the whole programme with interventions targeting the farmers’ and workers’ livelihoods and wellbeing.

III. *Democratic and better functioning societies.* Similarly, as Fairtrade standards require gender equality and non-discrimination, they require democracy and participation as core commitments from the Fairtrade certified organizations. These requirements are monitored by FLO-CERT. The cooperative values of democracy and equality are an effective role model for replicating participation and democracy in a society. The programme encourages and builds the capacity of vulnerable groups to take leadership positions at cooperatives and workers’ associations. By breaking the barriers to participation, the programme aims to enable and empower farmers and workers to contribute to the development of their societies.

IV. *Increased food security and better access to water and energy; and the sustainability of natural resources.* The programme promotes a two-pronged approach to increase food security: improve livelihoods to increase income generation and develop agricultural production. Although the main focus on agricultural production development is on export products, the same skills and equipment can be used for subsistence farming. The programme is promoting the adoption of sustainable water management and wider sustainable agricultural practices. Fairtrade standards include strict rules for the sustainable use of natural resources. For more information, see the section on objectives (2.1.1) and cross-cutting objectives (2.1.4.)

The programme strongly complies with the Finnish Guidelines for Civil Society in Development Policy by supporting the local partners’ capacities and developing a more enabling environment for civil society to work. To support local civil society organizations, the programme builds the capacity of producer organizations (strategic objective 1) and workers’ associations (strategic objective 2). The programme’s third objective focus is on advocacy work, supporting the organizations’ capacity to advocate for a more enabling environment and for duty-bearers to uphold human rights commitments. The programme is advocating for duty-bearers to deliver services as well as building the capacity of producer and worker associations to provide these services in their communities. The programme focuses not only on the reduction of poverty but strongly aims to increase the social inclusion of vulnerable groups. The programme is supporting youth, migrants, women, people with disabilities, and landless people to join forces by joining cooperatives or workers’ associations. The programme supports them to demand the change they want: to aim for leadership positions and to be role models and agents of change. Representing producers and workers, the programme partners have clear roles in the development of their societies. The programme is building the capacity of cooperatives with democratic and inclusive values to demand more democracy and openness in other sectors in the society. The programme’s
second component is supporting organizations to better handle conflict situations on farms and plantations, thus enabling a more peaceful society. The programme is human rights based and is especially increasing the workers’ knowledge of their rights. The programme also has an important component on advocacy in Finland. This aims to increase the citizens’ knowledge, inspire them to participate in development with their own consumption decision, and demand responsible sourcing from companies and public procurers.

The programme complements Finland’s Country Strategy for Development Cooperation in Ethiopia, published in March 2017. This strategy has three impact objectives and Fairtrade Finland’s development cooperation programme supports and complements especially the first impact: people in rural Ethiopia are empowered to enjoy sustainable growth and decent livelihoods. Finnish bilateral aid is focusing on agriculture to provide a decent and sustainable livelihood in the rural Amhara region. Fairtrade Finland is complementing this outcome by supporting the increase of agricultural productivity and developing value chains in the Sidama region.

During the programme implementation Fairtrade Finland is informing the Embassies of Finland on the results and activities.

Cooperatives and labour rights have played a central role in the development of Finland – still the most cooperative country in the world. With this programme, we are exporting this Finnish added value to support the development of the countries in great need.
3.4.3. INTERNATIONAL DEVELOPMENT CONTEXT

Fairtrade Finland’s development cooperation programme has been planned against the backdrop of landmark international agreements which demonstrate the international community’s commitment to address global challenges.

The programme is also in compliance with the International Framework for Civil Society Organizations’ Development Effectiveness (Istanbul Principles). The programme strongly promotes human rights, including the right to development, decent work, social justice and equity for all. Other Istanbul principles – i.e. on gender equality, democratic ownership and participation, environmental sustainability, equitable partnerships and solidarity – are all at the heart of the Fairtrade movement. Fairtrade Finland’s programme was also constructed in the spirit of the Paris Declaration and Accra Agenda for Action. Ownership and accountability are ensured in the whole Fairtrade system as farmer and worker representatives themselves have 50 per cent of the decision-making power. The programme’s main partner organizations are the regional producer networks owned by the producers and workers themselves. The programme was developed in close cooperation with producer networks through a participatory approach. Fairtrade Finland follows the guidelines and procedures developed and used by Fairtrade International to avoid duplication and to ensure harmonisation. We are committed to applying the principles of development effectiveness, as established at the Busan High Level Forum in 2011 and to putting them into practice in our development cooperation. In the spirit of Busan, we aim to work together with several partners effectively to guarantee sustainable results. See section 4 for more information.

We have taken account of country- and sector-specific priorities and policies, in line with the Addis Ababa Action Agenda. The programme is in line with a wide range of regional and national policy guidelines that have been adopted by each country like national development plans, National Adaptation Plans (NAPs) and Nationally Appropriate Mitigation Actions (NAMA’s). The programme countries have specific and recent strategies and policies tackling economic recoveries and agricultural development among smallholder farmers. See section 3.2. and attached project summaries for more information.

The programme supports several European Union policies. The 2013 EU Report on Policy Coherence for Development highlighted that the EU is committed to supporting fair and ethical trade schemes as a major contributor to advancing sustainable and inclusive development. The EU has committed to strengthening the capacity of producers, exporters, policymakers and buyers, to participate in more sustainable production and trade as well as to “accelerate sustainable local and global trade in agricultural commodities by supporting coalitions of companies, NGOs, producers, governments”\(^5\). The programme will contribute to the EU Trade Strategy, “Trade for all: Towards a more responsible trade and investment policy” (2015), in particular the EU’s commitment to promote fair trade and other sustainability assurance schemes; address fair and ethical trade, and promote fair and ethical trade schemes for small producers. The programme also aligns with the EC Communication “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries” (2014). Fairtrade Finland’s direct engagement with businesses to foster responsible investment through equitable

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\(^5\) EC Communication on “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”, 2014
supply chains will contribute to the EC’s communications aims of securing sustainable supply chains and production patterns, and the promotion of consumer awareness concerning sustainable consumption and production patterns and practices.

The **Beijing Declaration and the Platform for Action** (1995) – the main global policy document on gender equality – sets strategic objectives and actions for the advancement and empowerment of women. The programme is strongly in line with the declaration as it is training women to have better and more sustainable livelihood opportunities and supporting them to climb higher in power and decision-making positions. The programme’s gender approach is transformative. The programme is also improving health and safety, especially of female workers, and working against gender-based violence. For more information on how the programme is ensuring the realisation of women’s human rights, see section 2.1.4. on cross-cutting objectives.

Finally and most importantly, the programme supports Finland’s commitments towards the implementation of Agenda 2030 for Sustainable Development. Agenda 2030, adopted by the UN General Assembly in 2015, represents a new and ambitious framework to achieve sustainable development and poverty eradication. The core of Agenda 2030 is the set of Sustainable Development Goals (SDGs) and associated targets. These SDGs – an ambitious set of 17 overarching global goals to combat poverty and ending poverty “in all its forms, everywhere”, while leaving no-one behind – represent a powerful opportunity to improve the lives of the 1.3 billion small scale farmers and agricultural workers upon whom the world depends on to produce our food and to protect our planet. Agenda 2030 offers a clear sign that Fairtrade’s mandate of investing in rural people and enabling inclusive and sustainable development through smallholder-led growth and decent work is extremely important.

The overaching SDG, Goal 1 – *to end poverty in all its forms everywhere* – is central to Fairtrade’s mission. All our work stems from this overarching goal, as we seek to ensure that trade fuels sustainable livelihoods for poor smallholders and workers. Notably, of the targets underlying the goals that will determine the world’s action plan over the next fifteen years, there is barely a single one of the 169 different action points that isn’t directly or indirectly related to food and farming.

**GOAL 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture**

The programme builds the capacity of farmers and workers (and the organizations representing their interests) to secure their right for a livelihood – to achieve food security. This can be achieved through increasing capacity in sustainable agriculture. Additionally, the Fairtrade Standards help foster sustainable food production by imposing strict rules on pesticide use, water conservation, soil erosion, GMOs, biodiversity, energy use and reducing the carbon footprint of agriculture. The programme also seeks to enable farmers to achieve better market access, and campaigns to ensure that trade policies support their needs in practice.
WITH FAIRTRADE WE HAVE AN INCENTIVE TO INVEST IN SOCIAL PROGRAMS THAT BENEFIT PRODUCERS AND THE COMMUNITY. WE ALSO RECEIVE HIGHER INCOMES TO SUSTAIN OURSELVES. IF IT WEREN’T FOR FAIRTRADE, WE WOULDN’T EXIST AS BANANA PRODUCERS SINCE THE AMOUNT WE RECEIVE FOR A BOX OF CONVENTIONAL BANANAS DOES NOT COVER OUR EXPENSES.”

Edinson Cabana Zapata, coop member, ASOPROBAN banana cooperative, Colombia

GOAL 5: Achieve gender equality and empower all women and girls

The Fairtrade Standards themselves define our aspirations for gender equality and empowerment. The programme works to enable women to participate more equally in farmer and worker organisations. For example, with the help of our first programme a growing number of cooperatives have introduced quotas for women’s participation and initiatives to create a more enabling environment for women. With this new programme, we aim to replicate these experiences to more countries. The programme helps to overcome the barriers to gender equality in agriculture by promoting:

• A more equal voice for women through better representation
• Leadership training for women members
• Education on and protection from gender-based violence

IT’S IMPORTANT TO BE AN ACTIVE MEMBER OF THE ASSOCIATION BECAUSE IT GIVES WOMEN THE RIGHT TO VOTE, TO PARTICIPATE IN DECISION-MAKING, THE RIGHT TO RECEIVE BENEFITS AND TO LIVE WITH DIGNITY. IT GIVES WOMEN THE RIGHT TO SAY ‘IT’S MY ORGANIZATION’, NOT AN ORGANISATION BELONGING TO A SMALL GROUP, BUT EVERYONE’S WITH THE RIGHT TO SAY WHAT IS GOOD AND WHAT IS BAD.”

Female member of Small Producer Organisation, Dominican Republic

GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Fairtrade Standards are based on core ILO Conventions, and through the programme’s second component we enable workers to organise and negotiate better pay and conditions through collective bargaining. The programme works with employers and farmers to build their capacity to respond to and mitigate the risks of child and forced labour. Working with trade unions, the programme is supporting collective bargaining at the sectoral level. The programme also includes the challenging and sensitive task of supporting informal agricultural labourers.
One of the primary challenges in addressing child labour is to acknowledge it. Fairtrade hosted a child labour discussion and training with producers in Paraguay, where there is a known risk of child labour in the sugar cane industry. However, nervous of sanctions which could affect their livelihoods, the tendency is to hide the issue, rather than confront it. Thus, farmers were initially reluctant to discuss child labour, but through careful facilitation, they were slowly able to admit that during busy harvest times, the problem might exist.

GOAL 10: Reduce inequality within and among countries

Goal 10 calls for reducing inequalities in income as well as those based on age, sex, disability, race, ethnicity, origin, religion or economic or other status within a country. The Goal also addresses inequalities among countries, including those related to representation, migration and development assistance. Fairtrade Standards call for reduction of inequalities but the programme especially supports this goal as a cross-cutting objective of gender equality and in the selection of both beneficiaries and target countries. The programme focuses on LDCs or the most vulnerable people.

GOAL 12: Ensure sustainable consumption and production patterns

Fairtrade has combined a social movement with a business proposition to help the world’s poorest farmers and workers achieve their right to a sustainable livelihood. The programme supports:

- consumers to make informed choices about the benefits of purchasing from sustainable producers
- adoption of ethical procurement policies, both in the North and the South
- cooperatives’ capacity for continuous improvement to reduce the impact of agriculture on the planet
- POs in building sustainable farming systems, such as better irrigation, or to improve productivity and yields without using more resources

Moreover, Fairtrade Standards ensure that environmentally sustainable practices are adhered to at farm level.
Public procurement provides a significant opportunity to align policies for sustainable development across governments. In Europe, a growing number of contracting authorities are choosing to integrate fair trade criteria in their sustainable procurement policies and calls for tenders. Several municipalities and their procurement units are already committed, but the programme is advocating more cities to commit to more sustainable public procurements.

GOAL 13: Take urgent action to combat climate change and its impacts

The programme provides the tools to enable smallholder farmers and larger plantations to cope with a changing climate while reducing impacts. Farmers are given training, tools and support to adapt to climate change, and reduce impacts. The programme is investing in training for the establishment of rainwater irrigation systems and in experimental plots where pest-resistant and productive varieties of seeds can be tested for local use. Fairtrade Finland aims to ensure that producer voices are heard in key global forums dealing with climate change policy, such as the UNFCCC’s annual COP meetings, thus the programme trains producers on how to understand and influence the relevant climate change decision-making spaces. In Latin America, the programme includes an advocacy project for climate change.

The Fairtrade standards require a reduction in energy use and other sources of greenhouse gas emissions, such as fertilisers; they promote soil and water quality management as well as biodiversity protection.

In the previous programme, we trained over 10,000 farmers on how to improve agricultural practices, encouraging more environmentally friendly production methods.

GOAL 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Fairtrade standards include requirements for environmentally sound agricultural practices. The focus areas are: minimized and safe use of agrochemicals, proper and safe management of waste, maintenance of soil fertility and water resources and no use of genetically modified organisms. Additionally, the programme has a strong focus on environmental sustainability both as a cross-cutting objective and with targeted environmental projects.
GOAL 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

The programme’s approach, in line with the Fairtrade movement, combines rights-based standards with inclusive, bottom-up ownership and commitment by the producers themselves to strengthen governance and accountability, and to tackle human rights abuses. Fairtrade’s unique governance, with 50 per cent producer ownership and representation at all levels, lays the foundations for the genuine empowerment of smallholders and workers.

The programme supports the goal by:
• Formation and capacity building of representative local, national and regional structures of small producers
• Raising the voices of smallholders and workers in key debates
• Expert support to producers, private sector and government on tackling human rights abuses in supply chains
• Provision of the data and information needed to equip producer organisations and networks to understand and advocate for the removal of key barriers to effective agriculture and trade
• Consumer pressure for change, in both the consuming and producing countries

In the Dominican Republic, Fairtrade Finland’s pilot project supported producer-led, in-country solutions to address the issues facing Haitian migrant workers in SPOs and large commercial farms. Working as a sector Fairtrade entered dialogue with the Dominican and Haitian governments, partnering with trade unions and labour rights NGOs, to advocate a better legal solution for undocumented Haitian workers. As a result, the Dominican and Haitian governments have reduced the costs and facilitated simpler processes for the legalisation of migrant workers.

GOAL 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Fairtrade is well placed to play our part in the ‘data revolution’ with reliable and aggregable monitoring data on over 1200 SPOs and HLOs and 1.66 million farmers and workers. Working within the framework of Fairtrade’s Theory of Change, developed with the farmers and workers themselves, and supported by the certification and auditing body FLOCERT, we are helping both the private sector and producer organisations access the data they need to monitor and measure the change they seek to make. The programme supports the Goal 17 especially by organisational development to strengthen farmer and worker organisation and empower them to become full participants in the SDG agenda. By catalysing actors in the supply chain through a multi-stakeholder approach, the programme impacts wider change – across communities, sectors and at policy level – as well as leveraging greater financing for development. Finally, we strive to foster policy coherence in support of smallholder
farmers and agricultural workers, and to provide insight and support on how the private sector can be most effective in development.

The programme is also supporting SDGs 4 (ensure inclusive and equitable quality education) and 6 (ensure availability and sustainable management of water and sanitation for all) indirectly as it is building POs’ capacity to advocate duty-bearers to offer services for the communities. POs are also offering these educational, water and sanitation services in their communities in situations where duty-bearers are failing to do so.

3.5. PROGRAMME COMMUNICATION

The aim of Fairtrade Finland’s programme communication is to raise awareness about the importance, results and impact of the programme and to have a positive impact on the attitudes and behaviour of Finnish citizen-consumers. The programme communication is of special relevance for the citizen-consumers as they have an everyday linkage with the beneficiaries of the programme: the farmers and workers producing coffee, flowers, grapes, bananas, cocoa, sugar and honey. This aspect provides a great opportunity for Fairtrade Finland to implement inspiring programme communications with true change in the attitudes of the target group. In this way, the programme communication provides a strong support for the advocacy work as described in section 2.1.3. As the awareness about the themes of the programme increases, citizen-consumers understand better their important role as advocates and users of positive purchasing power. When the requirements for sustainable sourcing by companies and public procurement increase and the demand for sustainably produced products rises, this improves the prospects for realising the right of Southern agricultural producers and workers to a sustainable livelihood. By implementing compelling communications, we will be able to show in a very concrete way the impact of our development cooperation programme on the lives of the programme’s beneficiaries.

Fairtrade Finland reaches a variety of audiences that are generally not focused on in development cooperation. There are thousands of people who follow us actively on our social media channels but who have not necessarily paid attention to development cooperation issues previously. We have the advantage to effectively demonstrate the important connection between the well-being of a coffee farmer, climate change and a consumer’s cup of coffee or between a worker on a flower plantation, labour rights and a bunch of roses in the Finnish supermarket. With such concrete examples, we will reach wide audiences and can truly impact on the attitudes of the target group. We tailor the messaging to resonate with three different types of segments as illustrated in section 2.1.3.

We will focus on the positive impacts of the programme on the daily lives of farmers and workers, their families and communities of people in developing countries with success stories as well as the qualitative and quantitative results achieved through our projects. As a key principle, the viewpoint and the voice of the beneficiaries is emphasized in all communication. We are highlighting what were their most significant challenges before the programme and how the programme has influenced their livelihood and well-being. We will collect concrete examples of what beneficiaries have learnt and follow how their lives change during the programme period. Alongside these individual-level cases of change, we will communicate about the wider changes in local civil societies.
and how the programme is empowering civil society actors and widening the space for civil societies. We will also assess and communicate about attitudinal changes in the target societies.

In the programme communications, we will also disseminate the sustainability of the results by having occasional “flashback Thursdays” and going back on our previous projects to check and tell how the life of the beneficiaries has been since the exit of the project, how the results have been sustained and if the beneficiaries have faced any further challenges. This method is also used to gather information on how they have been acting as change agents in the local communities and spread the development impact even further.

The programme communication highlights in a concrete way how our programme supports the Sustainable Development Goals, raising examples from different projects and showing different local approaches. Another important focus of the programme communications is to demonstrate to the general public how the programme is supporting the four priority areas of the Finnish Government.

The programme communication topics also include:
- how our activities support the rights and status of women and girls
- how the programme supports the communities to become more democratic
- how the environment is considered in all decision-making
- how the rights of the most vulnerable people are taken into account
- open communication about the challenges faced in implementing the programme

In accordance with our principle of transparency (see section 4.2.6. for more information), we are publishing project information at IATI58 and publishing all project and programme evaluations on our website.

The Programme communications is planned thoroughly to take into account the target groups’ present level of knowledge and understanding. We will develop innovative methods to disseminate the above-mentioned programme communication topics to the target groups. Very few Finnish citizen-consumers have a possibility to travel and visit the origin of their everyday products (e.g. coffee, bananas and cocoa) and personally witness the need and importance of the programme. In order to bring the programme to life in the minds of the target audience, we will visualize the programme environment and the results with the help of different communicational tools and materials.

Fairtrade Finland will create a wide variety of communicational materials to convey the wanted message for the target groups. The materials include:
- articles
- photos
- videos
- infographics

58 International Aid Transparency Initiative
Screenshot of an animation that explains the benefits of Fairtrade. We have plans to produce this type of animations explaining the focus of our development cooperation programme.

Fairtrade Finland works closely with the global network of Fairtrade movement. With communication professionals across the network, we can work in a very cost-efficient way. We can use the resources and expertise of our colleagues both in the North and the South and avoid sending a person to the programme countries every time we need a photo of a farmer or detailed information about a certain cooperative targeted by the programme. Fairtrade's global database includes up-to-date professional photos and producer information from all programme countries. We will also share programme resources with our international colleagues and thus ensure wider dissemination of the programme in other countries.

**COMMUNICATION CHANNELS**

The channels that are most widely used by the target groups have been chosen for the communication channels of the programme in order for the target groups to be reached as effectively as possible.

We cooperate with the Finnish media and our commercial and non-commercial partners and regularly share information with students and researchers. All the produced communication material can be used in all our own channels but also shared with schools, universities, parishes and volunteer groups. We can use the content also in the meetings and trainings that we organize.

1) **Fairtrade Finland’s own channels**

   - **Social media:** Fairtrade Finland has very active followers in its own social media channels and people are actively approaching the organization with comments and questions. We have prioritized Facebook as our main social media channel because of the great reach and activity level. Currently we have over 47,000 followers on Facebook. Since we get questions and comments through Facebook on a daily basis and currently reach on average 5,000 people every day of the year, we can implement a more impactful dialogue with the target group. We also actively use Twitter, Instagram and YouTube. We communicate about the project activities and results through Facebook and Twitter by providing updates directly from the field on the project activities and by including wider impact stories.
Our social media presence is growing steadily. Besides Facebook and Twitter, we have accounts in YouTube, LinkedIn and Instagram. We will continue sharing stories, photos, videos and infographics about our development cooperation programme.
• Newsletters: Fairtrade Finland sends several newsletters to different target audiences: volunteers, member organisations, Fairtrade towns, parishes, schools and universities. In these newsletters, we share information about the programme’s achievements. All together these newsletters reach about 3,500 people. The newsletters are tailored for each target audience, bringing up the point of view most relevant for that audience.

• Internet: We have a webpage for our development cooperation programme where we have collected updated information about our development cooperation.

• Meetings, seminars, events and training sessions: The representatives of Fairtrade Finland hold regular meetings, seminars, events and training sessions with a wide network of stakeholders. These points of contact are used also for the programme’s communications.

2) Partners’ channels
Fairtrade Finland cooperates with a vast number of partners60 in many sectors of the Finnish society and thus has a very large number of available communication channels.

• Fairtrade Finland has member organisations whose combined memberships exceed the population of Finland. These organisations conduct very active and diverse communication work and leverage their respective own channels for programme communications.

• Fairtrade towns, parishes, schools and universities have their own publications, social media channels and professional communications teams. We will offer them material about our development cooperation programme and underline the connection between their audiences/members/customers and the farmers and workers in the South.

60 www.reilukauppa.fi/kehitysyhteistyota
61 34 member organisations, 14 Fairtrade towns and municipalities, 122 Fairtrade parishes, 6 Fairtrade schools, 7 Fairtrade universities
3) Media (newspapers, magazines, online media)
Fairtrade receives regular visibility in national, regional and local media. For example, in 2016 the newspaper Helsingin Sanomat published in-depth articles about the price formation of coffee and bananas. We feed and pitch the media with article ideas. This way we are able to reach a wide target audience and share the results of the projects with the general public.

4) Paid media (newspapers, magazines, online media, bloggers)
To reach the aim of the programme communications we also use paid media as one of the key communicational channels. This means working with journalists, and bloggers who have the knowledge to tailor the message for a specific target group. Their voice resonates more effectively with the people who are not actively following development communications. Fairtrade Finland has expertise and positive previous experience in harnessing well-known advocates for the purposes of programme communications.

In 2016 we organized a journalist visit to Guatemala in cooperation with MTV3 Channel’s popular morning show, Huomenta Suomi. Five short documentaries were broadcast on television, reaching 700,000 viewers. In addition, short film inserts reached 826,000 viewers on TV. The previous year we had similar cooperation with the second biggest commercial radio station in Finland, Radio Nova. With these popular media we have been able to reach especially the target groups which are not that familiar with development cooperation.
4. QUALITY MANAGEMENT
Fairtrade Finland’s comprehensive development cooperation quality management system ensures the sustainability, high quality and effectiveness of our programme. The quality management system comprises of three components. The **theory of change** describes the areas that the programme is aiming to change and how we are aiming to make the change. The **effectiveness** is based on principles of results-oriented approach, ownership rights-based approach, strong partnerships, harmonization, transparency and efficiency. The third component describes the methods and tools that ensure the **sustainability** and quality of the programme. Additionally, these three components are surrounded by professional support functions consisting of precise financial administration, comprehensive instructions concerning administration, robust human resource management and the stable financial situation of the organization.

The quality management of Fairtrade Finland’s development cooperation is explained in more detail in a separate document called Quality management system.

### 4.1. CHANGE

Fairtrade’s theory of change is aiming at capturing and assessing the simultaneous change in four areas:

- Small producer & worker organizations
- Supply chain business practices
- Consumer behaviour
- Civil society action
Fairtrade Finland’s development cooperation programme is actively influencing all these areas which are central for the sustainability of the impact of the programme.

Fairtrade has a unique approach which combines production improvement with demand-side support. The programme covers the entire value chain, making it a much more sustainable approach than conventional interventions that support producers’ productivity and quality. The projects integrate economic, social and environmental objectives. Through its certification and the popular and active civil society movement, Fairtrade is able to provide a growing market, which means that the development impacts which the projects under the programme have sparked will keep on running. Fairtrade’s global certification work with direct grassroots links and an active civil society movement enable us to reach a relatively large number of beneficiaries and in several countries, but with relatively small resources. Our efficient programme is aiming for a comprehensive change, making it exceptionally sustainable.

4.2. EFFECTIVENESS

The effectiveness of development cooperation is examined especially from the beneficiaries’ point of view: what principles and approaches can ensure that the programme’s objectives are reached. The principles agreed in Paris, Istanbul, Accra and Busan form the basis for the programme’s effectiveness, but we have assessed together with the partners what effectiveness means for us and agreed on the following effectiveness principles to deliver concrete results:

- results-oriented approach
- ownership and local priorities
- rights-based approach
- inclusive, strong partnerships
- harmonization
- transparency and accountability
- efficiency
4.2.1. RESULTS-ORIENTED APPROACH

Fairtrade seeks to achieve measurable, real and sustainable results and impact. Fairtrade Finland has a results-oriented culture focusing on results, not only with its development cooperation but in all activities at all levels within the organization (e.g. setting annual and biannual sales targets for products, teams and the whole organization as well as personal result targets with agreed indicators for each worker and team). The learning process includes assessment of reached results compared to invested inputs. We also aim to transfer the results-based way of working to our partner organizations.

The results-based approach is reflected across our development cooperation programme and all steps of the project cycle: planning, budgeting, implementation, monitoring, decision-making, evaluation, learning, reporting and communications. Our projects have clear objectives, indicators and monitoring procedures as well as results-based structured budgeting and reporting. The projects’ logical framework is a tool for planning, monitoring management and learning. The design of a logframe is based on the priorities of the beneficiaries and its formulation focuses on the intended changes. Inputs and activities are always defined only after the objectives are first agreed.

4.2.2. OWNERSHIP AND LOCAL PRIORITIES

Fairtrade Finland’s projects are planned by local partner organizations and beneficiaries, leading to a more extensive but inclusive bottom-up process. Targets and objectives are always based on the partners’ and beneficiaries’ development challenges and their development strategy. Overall responsibility for change rests with the partner organization and beneficiaries themselves: the role of Fairtrade Finland is merely to support their development.

4.2.3. RIGHTS-BASED APPROACH

Fairtrade Finland is a rights-based organization and the rights-based approach forms an essential element of all our work. Fairtrade is guided by international human rights’ standards and principles. Fairtrade Finland’s activities strongly promote human rights, including the right to development, decent work, social justice and equity for all. The programme is strongly rights-based – it is based on the Universal Declaration of Human Rights as well as on international fundamental labour rights as defined in ILO conventions. In the projects, a human rights based approach determines what will be implemented (objectives) and a results-based management determines how we will ensure that those set objectives are reached. The programme is supporting local civil societies to make sure that the authorities are aware of their human rights obligations and act to implement these. Our main partners are cooperatives or trade unions and as their needs and activities represent the members’ priorities, the approach is in line with Fairtrade’s rights-based values.

Respect for human rights and their promotion is a principle that guides the planning and implementation of the programme to ensure that the poorest, vulnerable or marginalized know their
rights and are able to act to realize them. Human rights assessment is part of the projects’ planning phase, including the identification of human rights in the proposed context, identification of the rights’ holders and duty-bearers and ensuring that the human rights principles will be applied in the project cycle. The projects actively seek to address the identified root causes and patterns of non-fulfilment of human rights and discrimination. Human rights guide the identification of expected results. The specific needs and rights of the most vulnerable are included in the project objectives.

Fairtrade Standards include requirements on gender equality, fair trade agreements, non-discrimination, monitoring and remediation processes, prohibition of child and forced labour, and inclusion of vulnerable groups. For more information, see sections for standards and cross-cutting objectives.

4.2.4. INCLUSIVE, STRONG PARTNERSHIPS

Fairtrade works with cooperatives, workers’ associations and their networks which are formed by the producers and workers themselves. These are open and democratic organizations. Most producer organizations are registered as cooperatives which are autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations. Cooperatives share internationally agreed principles and act together to build a better world through cooperation. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. Cooperatives and their network organizations’ basic operations are not dependent on aid interventions. The same applies for workers’ associations – they are inclusive organizations which have a strong reason for their existence and their existence is not dependent on development cooperation projects.

The programme strengthens these partners further. The capacity of partner organizations is strengthened so that they can progressively take on more responsibilities and are able to replicate the approach to benefit more producers and workers. Capacity strengthening supports the consolidation of the partners’ activities and sets them on a sustainable footing. We develop our partners to be strong enough to overcome future challenges, encourage people to join producer organizations and trade unions, and influence local societies to be more open for active, inclusive civil societies.

4.2.5. HARMONIZATION

The programme is based on the global Fairtrade strategy and it is jointly considered when development challenges are so urgent and vast that any trade certification or standard setting alone cannot tackle them, and thus additional development interventions are required. We cooperate closely with other national Fairtrade organizations on joint projects, reports, field visits etc. Together we have unified and simplified project administration procedures. Fairtrade International
established a Global Resource Mobilization (GRM) working group in 2015 to harmonize project interventions and administration. The GRM group has developed a set of project administration tools, templates and procedures to harmonize how NFOs run projects. Fairtrade Finland’s first programme has been piloting these. The Fairtrade family has not only harmonized processes but interventions as well. Fairtrade International established the Fairtrade Programmatic Approach (FPA) to increase coordination and cooperation of development cooperation projects. With close cooperation and coordination, we can avoid duplication. During the planning phase of all projects we closely map other actors and projects in the region to avoid duplication.

4.2.6. TRANSPARENCY AND ACCOUNTABILITY

In line with our rights-based approach, the programme will meet standards for accountability to the targeted groups. Fairtrade is governed by members of producer organisations, whose members are key decision-makers through annual general assembly meetings held at the national, regional and global levels. Fairtrade standards require Fairtrade certified organisations to establish participatory and transparent decision-making bodies, as well as participatory development plans benefiting their organisations, their members and local society. Throughout the programme and individual projects implementation, the decision-making and the roles of the different actors are made clear and transparent, and monitored on an ongoing basis.

We organize project launches to which we invite local media representatives and local politicians, in addition to the beneficiaries. Project documents are available at the implementing organization’s local office and are discussed in annual meetings. The projects’ annual reports are produced through participatory workshops. Project and programme evaluations are translated to local languages for greater accessibility.

We inform consumers actively, openly and transparently about the benefits of the programme and Fairtrade in general. Fairtrade publishes project information as part of IATI. The programme, its annual plans and annual reports are available on the organization’s website.

4.2.7. EFFICIENCY

Fairtrade Finland is administering and implementing the programme with minimal additional resources, using the expertise of Fairtrade International and other NFOs, including technical inputs from specialists on gender, climate change, environment, child protection, monitoring and product-specific areas. Their worktime is not included in the budget and costs. This way we don’t have to set up a parallel structure of specialists in our Finnish office but are still able have comprehensive expertise at our disposal to ensure the high quality of the projects. The role of our central organization’s expertise is on advisory and strategical level guidance, and Fairtrade Finland always has a direct contact and partner relationship with our partner organizations and beneficiaries on the ground. As our administrative costs are pressed and held to a minimum (3–4 per cent) and as we don’t have a team of specialists of our own, the programme’s costs are highly concentrated in the field.
4.3. SUSTAINABILITY AND QUALITY ASSURANCE

It is not enough to bring about a comprehensive change and rights-based results in an effective way. These results and the change must be sustainable. The main ingredients of the programme’s sustainability are:

- Fairtrade standards
- Reliable partner organizations
- Planning, monitoring, evaluation and learning
- Minimal aid dependency
- Sustainable exit strategies
- Risk management
- Anti-corruption

**SUSTAINABLE RESULTS**

The projects are designed to raise the producers’ livelihood to the next level. Fairtrade system supports the sustainability of the results and prevents aid-dependency.
4.3.1. FAIRTRADE STANDARDS

Fairtrade standards are essential for the quality control, sustainability and risk management of our development cooperation. These standards, whose compliance is regularly monitored by an independent certification body FLO-CERT, establish an exceptionally firm foundation for our development cooperation. Standards have requirements for the organizations’ internal democracy, strict environmental criteria, economic sustainability (the Fairtrade minimum price and premium, consumer demand, and private sector sourcing commitment).

4.3.2. RELIABLE AND STRONG PARTNER ORGANIZATIONS

At Fairtrade Finland, we are privileged to work with partners who share the same vision and a similar strategy. Our partner organizations are mainly local producer networks that belong to the global Fairtrade movement, who share the common goal with us, who we know to be efficient and reliable partners. These partners and their member organizations are formed by the producers and workers themselves and their basic operations are not dependent on aid interventions. The programme supports strengthening the capacity of the partner organizations, their staff and their members. The programme strengthens the capacity of producer networks so that they can progressively take on more responsibilities and are able to replicate the approach to more producers in other countries in their region. Capacity strengthening supports the consolidation of the partners’ activities and sets them on a sustainable footing.
4.3.3. PLANNING, MONITORING, EVALUATION AND LEARNING

PLANNING
A jointly agreed development vision by all the stakeholders is the core for sustainable results. The programme is based on development needs defined by the beneficiaries themselves. The projects’ sustainability analysis will be reviewed and updated at least on an annual basis, and thus the project plan is revised if necessary to ensure sustainability. For more information on our participatory planning and implementation methods, see the section on project cycle management (3.3.2) or the project management toolkit.

MONITORING
Active monitoring allows the updating of the projects and adjusting the programme to be more appropriate and relevant, if necessary, during the implementation. Fairtrade has a robust system of monitoring, evaluation and learning to guide the programme’s direction and ensure the continuous improvement of our efforts to support more sustainable livelihoods and greater empowerment for farmers and workers. In 2014, Fairtrade International’s MEL system was assessed by an independent evaluator as being in compliance with the ISEAL Impacts Code. The Fairtrade monitoring system relies on regular producer data that is collected by FLOCERT during the audit process (collected on-site by auditors) complemented by Fairtrade’s CODImpact (Collection of Data for Impact) tool. CODImpact is a digital tool that provides more comprehensive data in order to assess the impact of Fairtrade’s work. This unique system-wide monitoring enables us to get reliable, programme-level monitoring data. These aggregatable indicators –188 in total – enable us to monitor that the programme as whole is on track (see the attached programme’s objective framework and its list of the programme-level indicators with detailed definitions). These are further supported by project-specific indicators and case studies. Key informant interviews, focus group discussions, and other discussions and assessments are facilitated separately with men and women and by age or other relevant groups to ensure an enabling environment for the marginalised to have a voice and be able to influence the project’s implementation. Our combination of SMART indicators and a bottom-up approach establish a culture that focuses on results.

PROJECT EVALUATIONS
All projects are evaluated by an independent evaluator. OACD/DAC evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability will be used. For more information, see the project management toolkit.

LEARNING
PNs will disseminate the projects’ work through existing regional platforms and alliances of which Fairtrade is a part of – maximising opportunities for scale up through Fairtrade national platforms as well as regional product platforms. Programme partners will disseminate the case studies and several analyses, including supply chain and living wage analyses, generated by the programme as well as policy advocacy reports. In order to maximise the value of monitoring and evaluation data and findings, more effective dissemination at the target country and PN levels will be established through face-to-face learning events. For each year, annual learning events will be held in each PN to promote awareness and uptake at the regional level. In line with Fairtrade’s value for money commitment, we will integrate learning events within selected annual meetings at PNs to
reduce costs and maximise the availability of a cross-section of staff (from management to operational). In addition to these face-to-face events, we will also facilitate online webinars to complement the wider dissemination of learning and generation of debate.

**PROGRAMME DEVELOPMENT**
Fairtrade Finland is building the projects on the lessons learnt and best practices of the producers and producer organizations. Annual two-day programme development workshops will be held with all programme personnel, both from Finland and the field. At these workshops the programme’s next year’s annual plan is drafted and the programme document is updated based on the lessons learnt. Programme-level monitoring data and feedback from the annual project-level workshops form the base of this programme-level development. Annual meetings with the MFA and its feedback are used to develop the programme further. The programme is evaluated by an external evaluator during the last year of implementation and the recommendations are used to develop the next development cooperation programme.

**4.3.4. MINIMAL AID DEPENDENCY**
Our projects are aiming to reach a large number of beneficiaries with small support instead of a small number of people with large support. This way we can avoid aid dependency and ensure the beneficiaries’ livelihoods are improved on an economically sustainable basis. This also avoids causing any unfair competition in the local market.

**4.3.5. NATURAL, SUSTAINABLE EXIT**
The programme's partner organizations are very strong civil society organizations that are not dependent on project finance. These producer and worker organizations are democratically representing the interests of their members and constantly working in their support; thus we can hand over all responsibilities to local partners with great confidence. Although the projects might end, these organizations are important natural partners for us in our other operations and in this way the close relationship continues, which helps in ensuring the sustainability of the results. The hand-over plan is initially made during the project’s planning phase and updated in the last quarter of the implementation. This exit plan is sent for approval to the programme manager and it includes at least maintenance plans, transfer of key skills from the project team to beneficiaries and plans for how activities are continued and how sustainability is ensured. This transfer process is discussed in the final workshop of the project. As our projects focus on the capacity building of producers and workers, their organizations and the training of trainers, the results regarding improved capacities are set, as such, to be sustainable beyond the timeframe of the project. Exit plans also include the scheduling of monitoring visits to the project site after the end of the project. This includes a minimum of two monitoring visits in the first year after the project and then one in the second and fourth year.
4.3.6. RISK MANAGEMENT

Local, country, regional and global contexts set risks on the achievement of the programme's development results. The risks may be of a political, policy, social, environmental, technical, institutional, economic, financial or security nature. Risk management does not mean trying to abolish all the risks facing a project or organization but to understand the nature and scale of the risks, and implementing control procedures to reduce or mitigate any threats and also to maximise possible opportunities. Risk management is always better than crisis management.

Risk is a function of threats, probability of occurrence and impacts. For each identified threat, risk is determined by evaluating the probability that the threat will occur and the impact of each occurrence. Management of risk may include a range of strategies for risk avoidance, reduction, mitigation or absorption.

<table>
<thead>
<tr>
<th>Contextual Risk</th>
<th>10</th>
<th>15</th>
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<tr>
<td>Major 4</td>
<td>8</td>
<td>12</td>
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<tr>
<td>Moderate 3</td>
<td>6</td>
<td>9</td>
<td>12</td>
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<td>18</td>
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<tr>
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<td>4</td>
<td>6</td>
<td>8</td>
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<td>12</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Impact Likelihood:
1. Remote
2. Unlikely
3. Possible
4. Probable
5. Highly Probable

We use three categories for risk management: contextual, institutional and programme.

Contextual risk refers to a wide range of possible adverse consequences that might arise in a particular context and thus effect on a broader range of risks at other levels. The context might be region, country, weather or global market prices. We have very narrow control over these, but continuously monitor their development and impact on the delivery of the programme.
Institutional risk is divided into two types:

- **Movement-wide risks** are long-term challenges or single events, internal or external, which may impact directly or indirectly on the Fairtrade movement’s ability to achieve its mission and objectives over the medium to long term. Of particular concern for Fairtrade is the issue of reputation. At the level of the Fairtrade movement, major risks were identified based on reviews of numerous documents, semi-structured interviews with representatives of the Fairtrade movement, workshops and meetings with Fairtrade International’s Leadership team, the Audit and risk committee, and a workshop with PN representatives.

- **Internal risk** refers to Fairtrade Finland’s and its staff’s ability to develop and maintain effective management practices, control systems, and flexibility and adaptability to meet organizational requirements. In Fairtrade Finland, risk management is under the responsibility of relevant line managers, reporting to the Executive Director. In the development cooperation programme, the relevant line manager is the Programme Manager. Relevant line managers are responsible for collecting the risks from their field and keeping them updated. The executive team reviews the risks quarterly. The executive director keeps the board updated of the risks via regular meetings with the chairperson and includes risk reviews in the reports to the board.

There are two kinds of **programmatic risks** in Fairtrade Finland’s development cooperation programme:

- risk to fail to achieve the set objectives
- risk to cause harm to the external environment

The risk not to achieve the set objectives can be linked to contextual risks (which are usually out of the project management’s control) but also risks with the planning and implementation of project or programme. These programme risks may include insufficient understanding of the project’s context, weak analysis of the needs and challenges, or operational and managerial failures, or simply having objectives that are too ambitious.

To control these programme risks, Fairtrade Finland conducts risk management at three levels:

- **Partner organization**: All partner organizations are reviewed from a risk point of view. This analysis includes a review of organisational capacities, project cycle management capacities, administrative capacity and financial administration capacity.

- **Project level**
  - Project planning is the crucial step for risk aversion. All projects include a comprehensive planning phase including e.g. analyses for risk aversion. All analyses are conducted in a participatory way to get different perspectives. Based on these analyses, a comprehensive plan for the risk prevention and mitigating the consequences is prepared for all projects.

- **Programme level**
  - Programme Manager and Executive Director meet weekly and analyse any potential risks
  - The Board analyse programme risks in their meetings (approx. 6 per year)
  - The Steering Committee meet annually to review progress and evaluate major risks

The project management toolkit includes instructions on financial administration for partner organizations and project personnel. The cooperation agreements with partners include a detailed section required for good financial administration procedures.

For further information please see the project management toolkit and risk management documents.
4.3.7. ANTI-CORRUPTION

Fairtrade Finland has zero tolerance towards corruption. As a certification system, Fairtrade’s comprehensive set of standards – built on principles of democracy, transparency and accountability – and the rigorous FLOCERT audit process, are the key tools in identifying corrupt practices. We use also MFA’s “Anti-corruption Handbook for development practitioners” as a guideline to prevent corruption in development cooperation and copies of this document are distributed to all partner organizations. Anti-corruption instructions and requirements are included as a binding requirement in our cooperation agreements. Besides instructions, the handbook and contractual requirements, anti-corruption policy is integrated into projects by training personnel on good governance and supporting both partner organizations and beneficiary organizations like SPOs and workers’ associations to integrate anti-corruption strongly in their guidelines and operations.
5. PROGRAMME MANAGEMENT AND SUPPORT
5.1. ADMINISTRATION SYSTEM

The bi-annual General Meeting consisting of representatives of the member organizations is the highest decision-making body of Fairtrade Finland. The General Meeting elects the Chair, Vice-Chair and 6–8 members to the Board for a period of two years. The Board has an overall responsibility for the activities of Fairtrade Finland in accordance with the legislation as well as the values and principles agreed by the organization’s by-laws and the General Meeting.

Management and Financial Regulations of Fairtrade Finland describes the administrational and financial procedures of the organization, including decision-making structures, responsibilities and mandates of the different actors from the board to individual employees, guidelines on conflicts of interest, internal control system and guidelines and procedures on money transactions, accounting, financial statements and other financial administration.

To implement this programme, a coordination mechanism was established to facilitate effective and efficient collaboration among all participating actors. The programme’s decision-making system is inclusive and takes into account the views of the rights-holders. Fairtrade Finland is responsible to the Ministry of Foreign Affairs that the funds are used in the target countries according to the guidelines of the Ministry and international principles of sustainable and effective development cooperation. For this specific programme, Fairtrade Finland, Fairtrade International and implementing partner organizations will form a joint programme decision-making body comprising of representatives from each organization. This Steering Committee (SC) will meet once a year to give general guidance and have the oversight of implementation. The members of the SC are Fairtrade Finland’s executive director, Fairtrade International’s Senior Advisor for Programmes, and regional managers appointed by responsible PNs. The programme manager acts as a secretary of the SC. Its responsibilities are the overall steering of the programme implementation, including systematic monitoring of risks and mitigation measures. The SC reviews the programme’s annual plans and reports, and it approves and is responsible for the risk assessment and response. Urgent approvals can be handled by digital communication between the members.

The programme manager (PM) of Fairtrade Finland is responsible for ensuring that the programme is operated according to the organization’s strategy, rules, the SC’s and the board’s decisions, and MFA’s guidelines. The PM will carry out programme management activities at the central level at the same time as coordinating the joint work of all other partners involved in the various projects. In consultation with the SC and the programme implementation team (PMT), the PM confirms project plans and the annual budgets of the projects. The Programme manager is the contact person with the MFA and other programmatic support organizations. The PM monitors the projects’ performance and compliance of the implementation with the HRBA and cross-cutting objectives. The PM has the authority to accept variations in budget lines under an established thresholds (thresholds to be defined in the SC). The PM reviews and approves project-level documents like the projects’ annual plans and reports, evaluation reports and annual audit reports.

The programme team will be strengthened with a new post; programme coordinator (PC). PC facilitates, advices and monitors the planning and implementation of a set of the projects.
Fairtrade Finland’s executive director (ED) confirms new partner organizations. The ED approves the Terms of Reference and budgets for short-term consultants and service provision contracts. The ED approves the programme’s annual plans and budgets before submitting them to the MFA.

The PNs appoint a regional manager (RM) for their region. The RM is responsible for monitoring and supporting the projects in the region. The RM is the projects’ main contact for support and advice. The Project managers/coordinators send the projects’ quarterly and annual plans, budgets and reports first to the RM to review and approve. The RM reports to the programme manager.

The programme management team (PMT) will be coordinated by the programme manager and is responsible for the facilitation, advisory and monitoring of the projects. The PMT will include the programme manager, regional managers and the advisors for cross-cutting issues, products and thematic focus areas (workers’ rights, child labour and organizational development) as well as the M&E specialists. The PMT, meeting biannually, is a decision-making forum where Fairtrade Finland and implementing partners discuss progress, results, fulfilment of agreed obligations as well as work plans and budgets for the coming period. The PMT makes strategic decisions on the projects’ scope and major changes in the projects’ plans and budgets, including required changes in results, targets, or administration. The PMT reviews quarterly financial and progress reports. Besides the Helsinki-based programme manager, all the other team members are based in the field at PNs. This decentralized structure was chosen to avoid duplication and to achieve efficiency and value for money.

To backstop activities in the field and contribute to capacity building on the local and regional levels, thematic experts of Fairtrade International (covering child protection, workers’ rights, product specialists and programmes, MEL experts) will allocate part of their working time to this programme and they form part of the programme advisory team (PAT).

The implementing partner organization has overall responsibility to implement the project activities, monitor the project and use the funds available to the project as budgeted. The implementing organization may establish a Project Implementation Team (PIT) to run the project as defined in the project plan. The PIT is responsible for the day-to-day management of the project. The PIT usually consists of the project manager, finance manager and regional manager. Fairtrade Finland’s programme manager (PM) may be invited to join when needed. The PIT organizes the project’s annual review workshop. The PIT prepares the annual plans and budgets, quarterly reports and financial statements, and makes annual budget updates to the PMT for review and approval. The PIT updates the risk analysis, implements mitigation measures and reports about risks to the PMT.

Fairtrade Finland’s advocacy manager is responsible for the programme’s advocacy activities in Finland under the third objective of the programme.

In addition, the communications staff of Fairtrade Finland is responsible for the implementation of all activities under the programme communications.
Programme administration is strengthened for the new programme period by hiring an administration coordinator. Administrational expenses were cut sharply in the previous programme following the MFA’s budget cuts. Although the administrational costs will be increased to ensure fluent implementation and quality control, the administrational costs will still be very low, at only 3–4 per cent of total expenses.

The coordination structure at the beginning of the programme implementation is shown in the figure below. In total, the programme includes 4.6 person-years in Finland. Two of these person-years are for programme planning and monitoring, 1.7 for advocacy and programme communications and 0.9 for administration. The implementation structure and capacity are reviewed by the steering committee every six months and supplemented if necessary.
## 5.2. FINANCE

### 5.2.1. BUDGET

Planned budget allocation:

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<td></td>
<td></td>
<td></td>
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<tr>
<td>1. Latin America and the Caribbean</td>
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<td>149 415</td>
<td>149 415</td>
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<td>8,0 %</td>
<td>8,2 %</td>
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<td>2. Africa &amp; Middle East</td>
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<tr>
<td>Ethiopia, coffee</td>
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<td>229 510</td>
<td>229 510</td>
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<td>12,9 %</td>
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<td>105 510</td>
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<td>3,7 %</td>
<td>5,8 %</td>
<td>6,3 %</td>
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<tr>
<td>Ethiopia: flowers, living wage &amp; gender</td>
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<td>125 510</td>
<td>125 510</td>
<td>125 510</td>
<td>6,7 %</td>
<td>7,1 %</td>
<td>6,9 %</td>
<td>6,9 %</td>
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<td>Ghana: cocoa, child labour &amp; climate</td>
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<td>122 510</td>
<td>132 510</td>
<td>119 510</td>
<td>3,9 %</td>
<td>6,9 %</td>
<td>7,2 %</td>
<td>6,5 %</td>
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<tr>
<td>Ghana: bananas, living wage, gender</td>
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<td>122 510</td>
<td>132 510</td>
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<td>6,9 %</td>
<td>7,2 %</td>
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<td>Malawi, tea workers</td>
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<td>135 510</td>
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<td>1 528 302</td>
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<td><strong>B: PLANNING, MONITORING, EVALUATION &amp; DEVELOPMENT</strong></td>
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<td></td>
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<tr>
<td>Planning, Monitoring, evaluation and development</td>
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<td>98 251</td>
<td>97 248</td>
<td>127 787</td>
<td>6,0 %</td>
<td>5,5 %</td>
<td>5,3 %</td>
<td>7,0 %</td>
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<tr>
<td><strong>subtotal</strong></td>
<td>99 941</td>
<td>98 251</td>
<td>97 248</td>
<td>127 787</td>
<td>6,0 %</td>
<td>5,5 %</td>
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<td>7,0 %</td>
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<td><strong>C: COMMUNICATION AND ADVOCACY</strong></td>
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<td>Development education &amp; advocacy in Finland</td>
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<td>82 878</td>
<td>82 781</td>
<td>83 098</td>
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<td>Programme Communications</td>
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<td>23 690</td>
<td>24 812</td>
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<td><strong>subtotal</strong></td>
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<td>106 451</td>
<td>107 910</td>
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<td><strong>D: ADMINISTRATION (flat rate)</strong></td>
<td>100 000</td>
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<td><strong>TOTAL</strong></td>
<td>1 654 650</td>
<td>1 777 000</td>
<td>1 832 001</td>
<td>1 827 000</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
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<td>Grant from MFA</td>
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<td>Self-finance</td>
<td>754 650</td>
<td>737 000</td>
<td>762 000</td>
<td>757 000</td>
<td>45,6 %</td>
<td>41,5 %</td>
<td>41,6 %</td>
<td>41,4 %</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1 654 650</td>
<td>1 777 000</td>
<td>1 832 001</td>
<td>1 827 000</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
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</table>
5.2.2. FUNDRAISING

The programme draws additional co-financing of at least 2.9 million euros from four main sources:

1. **Companies.** Fairtrade Finland will engage a range of commercial partners during the life of the programme, including major retailers and suppliers. The companies that have already committed to giving substantial funding for the programme include Gustav Paulig Ltd and Aldi Süd. Several other strongly committed companies are also providing funding, for example Hunajainen Sam which is one of the first Fairtrade licensees in Finland. Fairtrade aims to broker relationships between these companies and farmers and workers’ groups, seeking to leverage a minimum of EUR 1,460,000 of finance through direct private sector investments in the programme. Only the secured funding is included, thus the trend looks like downward as the companies have not been able to commit for the whole period. In reality, the trend will be upwards but to be on the safe side and to avoid any speculations, only the secured finance is included. In addition, the sourcing commitments of these company partners on Fairtrade terms will generate a premium payment.
back to the farmers’ and workers’ associations and their societies. Although this figure is not being counted towards co-financing, it is supporting the sustainability of the projects.

2. Fairtrade’s licence fee. The license fee paid by companies producing Fairtrade products is Fairtrade Finland’s main source of income. Part of the license fees is used to finance the programme expenses. In 2016, the license fees hit a new record of 969,700 euros, an increase of 11.4 per cent from 2015. Despite strong additional investment to the development cooperation to patch the gap caused by the MFA’s budget cuts, Fairtrade Finland’s financial statements for 2016 were 32,000 euros in surplus. The organization’s self-finance capacity is therefore on a strong base.

3. Fairtrade movement’s direct contributions
In the name of cooperation and coordination, Fairtrade Finland works closely with other NFOs which co-finance the programme. Already at the planning stage of the programme some NFOs have committed to finance it, namely the NFOs from Germany and Sweden. Other NFOs are also likely to donate but only the secured funding is included herein. These funding commitments from other NFOs total 1.3 million euros.

<table>
<thead>
<tr>
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<th>2018</th>
<th>2019</th>
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<th>2021</th>
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<td>Companies</td>
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<td>298 000</td>
<td>323 000</td>
<td>343 000</td>
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<td>Licence fees</td>
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<td>114 000</td>
<td>114 000</td>
<td>114 000</td>
<td>456 000</td>
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<td>Other NFOs</td>
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<td>325 000</td>
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<td>300 000</td>
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<tr>
<td>total</td>
<td>754 650</td>
<td>737 000</td>
<td>762 000</td>
<td>757 000</td>
<td>3 010 650</td>
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<tr>
<td>COSTS</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NET</td>
<td>754 650</td>
<td>737 000</td>
<td>762 000</td>
<td>757 000</td>
<td>3 010 650</td>
</tr>
</tbody>
</table>

The table above includes only the funding which was secured at the planning phase of the programme, totalling almost 2.9 million euros, enabling a substantially bigger programme than our first programme. Our previous programme’s match-funding was on an increasing trend starting from 17 per cent and reaching well over 50 per cent in 2017 – clearly exceeding the 15 per cent minimum set by the MFA. The programme budget’s self-finance is at least 42 per cent for 2018–2021. Self-finance will increase significantly during the implementation of the programme but to avoid any speculations and risks, we have included only the match-funding that we have either already received or have a secured commitment. For the first programme year, self-finance is estimated to be 45.6 per cent and, although not visible in the official conservative budget, other years will likely surpass this amount clearly.
Fairtrade Finland differs from most other CSOs under the MFA’s programmatic finance as we don’t have any fundraising personnel and neither any fundraising costs. Private sector investments are negotiated simultaneously as we discuss other cooperation with companies. With NFOs we cooperate closely on a regular basis where this programmatic cooperation is discussed.

**Finance 2018**

- **Ministry:** 54.4%
- **Other NFOs:** 22.7%
- **Licence fees:** 6.9%
- **Companies:** 16.0%
- **Match funding:** 45.6%

**Annexes**

- Objectives and Indicators
- Project Descriptions
- Risk Analyses