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Fairtrade is a non-profit movement focusing on the empowerment of small farmers and workers through fair and sustainable trade. Certifications are vital tools to enable development but are not sufficient to tackle the persistent challenges like climate change, child & forced labour, exclusion of immigrants or people with disabilities, and gender inequality.

The development goal of the 4-year programme is to ensure the rights of the producers and workers to a dignified life. Fairtrade Finland will pursue this goal through three closely interlinked and mutually supporting strategic objectives:

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

The programme also promotes 3 cross-cutting themes based on the values of Fairtrade: environmental sustainability, vulnerable people and gender equality. The comprehensive programme communication component raises awareness about the impact of the programme among Finns who ordinarily are not informed about development cooperation. The partner organisations in the South are local networks representing farmers and agricultural workers. The programme supports a total of 160,000 rightsholders of which 46% are women.

Year 2018 was the first year of the programme. The main objective of the year was to create a sustainable basis for the programme. Besides setting the implementation and administration structures, we also needed to adapt the programme to the significantly lower than applied funding decision. Almost all projects were new, so we used the main part of the year in project planning, adjusting the original project concepts, recruiting and capacitating project staff, updating project management guidelines and tools, organising projects kick-offs, and developing monitoring and evaluation processes.

The new programme expanded to new countries in Latin America and the Caribbean, and Africa. We started to work with a new partner, Fairtrade Africa, with whom the ways of working were established. Compared to the previous programme, new products were included, and more emphasis was put on the most vulnerable groups: workers, migrants, women, children, youth, and people with disabilities. These new approaches meant that further studies were conducted. We also started cooperation with Abilis, who trained our African project personnel on disability inclusion and conducted an assessment in Ethiopia.

The programme’s objectives were slightly streamlined from the original framework, combining some outcomes to have more dynamic structure. In 2018, we also worked on adjusting and refining our programme-wide MEL and made plans for capacity building of key staff at partner organisations.

For most projects, implementation of activities was started in the last quarter of the year, thus achieved results were still quite limited. The most visible results in 2018 were collected from the project in Honduras, which continued from our previous programme: improved productivity, increased income and better market access. Other main achievements included producer organizations’ strengthening and several improved collective bargaining agreements. In Finland, our contributions to #ykkösketjuun campaign, which united over 115 Finnish companies, NGOs and trade unions, were instrumental in promoting public and political discussion on human rights in business. Human rights in business is currently a very dynamic policy field – many governments and also the EU are considering legislative approaches to further respect for human rights in business – so any action by the Finnish government could have global impact.

The most important result from 2018 was probably that the profound participatory planning phases created a strong foundation for the projects and supported the rights-holders’
ownership. The programme was delayed, mainly due to slow recruitment processes in the field and the new partner organization. In the workers' rights' projects, tense industrial relations and opposition from some employers also resulted in prolonged planning phase, while political unrest in some countries complicated project planning. However, despite the challenges, we succeeded in laying a good base for a programme that is being implemented in a more challenging and wider context than before, reaching new vulnerable target groups.
ACRONYMS AND ABBREVIATIONS

AGM  Annual General Meeting
ANC  African National Congress
CBA  collective bargaining agreement
CGCJ  Coordinadora Guatemalteca de Comercio Justo
CHPP  Coordinadora Hondureña de Pequeños Productores
CLAC  Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo (Latin American and Caribbean Network of Small Fairtrade Producers)
CODImpact  Collection of Data for Impact
CSO  civil society organization
CSR  corporate social responsibility
DPP  Democratic Progressive Party
DRR  disaster risk reduction
ECDD  Ethiopian Centre for Disability and Development
ED  executive director
EPRDF  Ethiopian People’s Revolutionary Democratic Front
EU  European Union
FCA  Finn Church Aid
FELM  Finnish Evangelical Lutheran Mission
FLOCERT  Fairtrade certification body
FT  Fairtrade
FTA  Fairtrade Africa
GBV  gender-based violence
GEL  Golden Exotics Limited
GDP  gross domestic product
HL  hired labour
HLO  hired labour organisation
HLPF  High-Level Political Forum on Sustainable Development
HRDD  human rights due diligence
HRM  human resource management
ILO  International Labour Organization
IUF  International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
LAC  Latin America and the Caribbean
LDCs  least developed countries
MEL  monitoring, evaluation and learning
MFA  Ministry for Foreign Affairs of Finland
MP  member of parliament
NFO  national Fairtrade organization
NGO  non-governmental organization
OVC  orphan and vulnerable children
PAWU  Plantation and Agriculture Workers Union of Malawi
PME  planning, monitoring and evaluation
PN  producer network
PO  producer organisation
PPE  protective personal equipment
SALM  Sustainable Agriculture Land Management
SASK  Suomen Ammattiliittojen Solidaarisuuskeskus (Trade Union Solidarity Centre)
SC  steering committee
SDG  Sustainable Development Goals
SO  strategic objective
SPO  small producer organization
SWOT  strengths, weaknesses, opportunities, and threats
SYL  National Union of University Students in Finland
TAML  Tea Association of Malawi
ToC  Theory of Change
ToR  Terms of Reference
UN  United Nations
UNDP  United Nations Development Programme
UNGPs  UN Guiding Principles on Business and Human Rights
VREL  Volta River Estates Limited
WSOL  Women School of Leadership
YICBMR  Youth Inclusive Community Based Monitoring and Remediation System
01. INTRODUCTION
1. INTRODUCTION

Through working with businesses and civil society on the one hand and producers and workers on the other, Fairtrade Finland’s Development Cooperation programme links whole value chains in a unique way, to empower small producers and workers, so that they can achieve transformative change in their lives.

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 is an independent NGO, part of the system, working to connect producers and consumers, to promote fairer trading conditions and to advance 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 (SPOs) and agricultural workers in the poorest countries in the world. The standards consist of social, economic and environmental requirements, also supporting continuous improvements that certified organizations must make. The Fairtrade producers and workers are organized through regional Producer Networks and they are co-owners of the Fairtrade system.

The Fairtrade system consists of the central coordinating body Fairtrade International, three producer networks and 20 national Fairtrade organizations (NFOs) in the consumer countries. Fairtrade Finland (in Finnish Reilu kauppa ry), was established in 1998 by Kepa, International Solidarity Foundation, Finn Church Aid, Finnish Association of World Shops, Martha Organization and The Finnish Association for Nature Conservation. Currently there are 31 member organizations. Besides the development cooperation, covered by this annual report, Fairtrade Finland supervises the use of the FAIRTRADE Mark, promotes the selling of Fairtrade products through business-to-business arrangements, and conducts communications and campaign activities to increase awareness about Fairtrade and the impact of Fairtrade in developing countries. Fairtrade Finland also supervises the use of the FAIRTRADE Mark in the Baltic countries.

Although standards and certifications are vital tools to enable empowerment and development, they are not in themselves enough. 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 from conflict and disaster, exploitative work, child and forced labour, exclusion of immigrants and people with disabilities, and gender inequality.

Fairtrade Finland’s Development Cooperation programme is targeting these challenges.
1.1. THEORY OF CHANGE: TRANSFORMATIVE CHANGE THROUGH EMPOWERMENT OF PRODUCERS AND WORKERS

The Fairtrade Theory of Change (ToC) 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 (spheres of change):

- Small producer & worker organizations
- Supply chain business practices
- Consumer behaviour
- Civil society action
This comprehensive approach is central for the sustainability of the impact of the programme, supported by the Fairtrade standards, participatory approach, results-based management, minimal aid dependency and rigorous risk management. The developmental impact of the program is sustainable because the farmers’ organizations benefiting from the projects will continue Fairtrade certified trading afterwards, benefiting from the project’s improved productivity, sustainable production and increased capacity.

In line with our Theory of Change, the programme aims to empower producer and worker organizations as vehicles of inclusive development.

The most common challenges in agricultural projects are the poor access to supply chains of supported producers and limited consumer demand. Often, small-producers and workers have limited expertise and tools to develop the other links in the chain. We develop the entire supply chain: productivity and benefits of cultivation for small farmers and agricultural workers, responsible business operations in international supply chains, and more widespread consumption habits.

Fairtrade approach is based on human rights and supports sustainable development.

Fairtrade Finland bases its development cooperation on a rights-based and participatory approach. We aim to ensure the effectiveness, real ownership and sustainability of all projects, empowering people as individual subjects and rights-holders, but also as part of society.

Agriculture is the main industry for most people living in poverty. The right to a dignified life is reflected in the improved income level of small farmers and farm workers, the reduction of risks and vulnerabilities, preferential access to basic services, increased gender equality and environmental sustainability.

Improved household income will enable family members, and especially children, to have better access to education and health care, eradicate inequalities and put the local communities on the driving wheel of the economy. Reducing risks and vulnerabilities will enable families to participate more fully in society and defend their rights. All this contributes to the democratization and stability of societies. Improving environmental sustainability provides the basis for future agricultural-based livelihoods, supports national climate targets in the target countries and builds global climate resilience.
1.2. PROGRAMME OBJECTIVES, COMPONENTS AND RIGHTS-HOLDERS

The 4-year-programme has a thematic rather than a regional structure. The overarching development goal of the programme 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.

Fairtrade Finland’s programme will pursue this goal through three closely interlinked and mutually supporting strategic objectives (SOs):

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

Some projects have elements of both producer and worker livelihoods as equally strong components. 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.

Each of the three components of the programme has its own results-chain. These and the cross-cutting objectives will be discussed more in detail in the next chapter 2. Programme impact and results.

Programme development goals, three strategic objectives and the cross-cutting objectives for 2018-2021
As 2018 was the first year of the development cooperation programme and the funding decision being 58 per cent less than applied, in the first quarter of the year we focused on updating the programme content to correspond the funding decision. The preparatory tasks included prioritization process together with partners, agree on adjusted governance model, recruitment of programme’s key personnel both in Finland and in the field, project management toolkit update and signing of cooperation agreements both with co-funding and implementing partners (more information on administration and support functions in chapter 5).

In 2018 the programme consisted of 12 projects, of which all but the Honduran project were new. We expanded from Latin America to Africa, and in addition to country and product specific interventions, three regional projects were included in the project portfolio. Therefore, the activities in 2018 mainly focused on setting-up programme’s implementation structure and participatory planning of the projects in the field together with the rights-holders. Comprehensive planning process was led by local project coordinators and included e.g. resource analysis, needs assessment, gender analysis, risk analysis, feasibility study and stakeholder analysis. Based on these analyses and workshops, the project teams drafted project plans, result-based budgets, project indicators and monitoring plans. These were discussed with the Fairtrade Finland’s programme team and the final versions agreed together.

After the planning phase, the programme objectives were streamlined from the original framework as we could more easily see the possible pathways of change and inter-linkages between the focus areas of the planned interventions. No outcomes were dropped out of the programme, but we combined some that have overlapping features. For the first component, better protection of environment & adaptation to climate change was merged with improved farming performance, as all project results and activities related to farming are closely interlinked with environmental protection and climate change adaptation, and some interventions also fall under the cross-cutting theme climate and environment. Also, the outcome more resilient and viable small producer businesses was combined with stronger and more inclusive SPOs, as both of them are focused on strengthening the capacities, equality and inclusiveness of producer organisations. For the second component, the outcome improved social protection was merged with better terms and conditions at work, as the first can be seen falling under the improved working conditions. As a result, every component now has three programme level outcomes.

1.3. CIVIL SOCIETY STRENGTHENING AND PROGRAMME’S RIGHTS-HOLDERS

The programme supports a viable and rights-based civil society by supporting the development of small farmers’ and workers’ organisations, strengthening their voice and capabilities. Also, the programme involves all levels of supply chains, and that way also encourages the private sector to take their responsibility in building a favourable operating environment and adhering to human rights commitments. At this point it is too early to analyse the programme’s contribution to the changes taking place in the civil society, but we are positive about the change we can make in the long run.

The programme supports young people, immigrants, women, people with disabilities and landless people to combine forces by joining cooperatives or workers’ organisations. The programme enables them to demand change, to strive for leadership positions and to be role models and change agents. Active involvement in the democratic producer organisations is also a good school for promoting democracy elsewhere in society. In Latin America, the climate change advocacy project is building local leaders to advocate and increase the awareness of both duty bearers and the civil society about the challenges the small producers face on the one hand, and about the opportunities of sustainable trade and corporate responsibility on the other. In Finland,
the programme encourages the civil society to make a difference with consumption decisions, to demand responsible procurements from companies and the public sector, and to call for political guidance that promotes poverty-alleviating trade. Results from these interventions in the reporting year are analysed in the chapter 2 Programme results and impact.

Rights-holders of the programme are Fairtrade small-producers and agricultural workers, who are also direct beneficiaries, with their families and communities being the indirect beneficiaries. However, the interventions are very different in their reach and depth: in African HLO projects, targeted activities to promote workers’ rights are implemented at plantation level, whereas in Latin America the Workers’ Network project, targeting five specific countries, is strengthening the organisational structure and capacities of the workers representatives at regional level. Also, the targeted POs vary a lot in their operational structure and size: from small honey producer SPOs in Guatemala with few hundred members in each, to coffee unions in Ethiopia with 50 000 members, and from small locally owned passion-fruit plantations in Colombia to big international flower companies in Ethiopia. The final target groups were defined during the planning process in 2018, based on the projects’ focus and contexts. In most of the projects, the selection was based on the membership in the SPOs or HLOs and assessments of vulnerabilities and needs. In the CLAC’s Workers’ Network project, direct beneficiaries are the delegates of the regional workers’ network, and the criteria for deciding the target countries included the presence of vulnerable migrant workers, need for more support and training for workers, and higher inequality rates.

The programme promotes people-centred development in which rights-holders become agents of their own development, participating in decision-making and implementation. Rights-holders were involved in prioritizing the programme’s focus and project concept notes and had a central role in the project-level planning conducted in the reporting year. Rights-holders themselves defined their challenges and priority needs, gender issues, stakeholders and project objectives. They will also have a central role in the projects’ implementation in the field. Sustainability and ownership of the results are further supported by the fact that the producers and workers continue being part of the Fairtrade system even after the programme has phased out, continuing the started activities and following-up the outcomes. The regional producer networks Fairtrade Africa and CLAC continue their support to producers and workers as well.

The programme supports transparency in several ways. For example, in the reporting year, several workshops, meetings and launch events were organised as part of the planning process, where stakeholders were invited. All project plans, reports and other documents are public documents and the progress and results are frequently shared with rights-holders and their input collected.

“The Guatemalan honey SPOs participated actively in the planning phase and they will have an integral role in the review of the project’s progress and strategies. The Guatemalan National Fairtrade Producer Network is a member of the project’s strategic committee, takes actively part in decision-making and is responsible for the implementation of the project activities and communication to its member SPOs. They are also hosting the project office, which allows close collaboration.”

Annual report 2018, Honey for the future project, Guatemala
Below is a list of project rights-holders: beneficiaries and POs, as well as the most significant vulnerable groups supported in each project.

<table>
<thead>
<tr>
<th>project country and focus</th>
<th>direct beneficiaries</th>
<th>targeted vulnerable groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>male</td>
<td>female</td>
<td>total</td>
</tr>
<tr>
<td>Honduras: coffee, child labour</td>
<td>2330</td>
<td>1080</td>
</tr>
<tr>
<td>Guatemala &amp; regional: honey, climate</td>
<td>1020</td>
<td>299</td>
</tr>
<tr>
<td>(regional honey network beneficiaries)</td>
<td>(4798)</td>
<td>(27)</td>
</tr>
<tr>
<td>Haiti: cocoa, coffee &amp; mangoes, climate</td>
<td>5849</td>
<td>1032</td>
</tr>
<tr>
<td>LAC regional: workers’ network</td>
<td>13,460</td>
<td>98</td>
</tr>
<tr>
<td>LAC regional: climate change advocacy,</td>
<td>30,000</td>
<td>120</td>
</tr>
<tr>
<td>civil society strengthening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethiopia: coffee, sustainable production</td>
<td>35,000</td>
<td>17,000</td>
</tr>
<tr>
<td>Africa regional: workers’ rights pilot*</td>
<td>52,240</td>
<td>52,300</td>
</tr>
<tr>
<td>South Africa: wine, decent work</td>
<td>3000</td>
<td>9000</td>
</tr>
<tr>
<td>Ethiopia: flowers, living wage, gender</td>
<td>4600</td>
<td>15,400</td>
</tr>
<tr>
<td>Ghana: cocoa, child labour</td>
<td>3200</td>
<td>3000</td>
</tr>
<tr>
<td>Ghana: bananas, living wage</td>
<td>2846</td>
<td>304</td>
</tr>
<tr>
<td>Malawi: tea, decent work</td>
<td>4900</td>
<td>1500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>54,999</strong></td>
<td><strong>46,811</strong></td>
</tr>
</tbody>
</table>

**1.4. OPERATING ENVIRONMENT**

In geographical terms, the programme’s scope is extensive. As the programme has a thematic rather than geographical structure, there are nearly 20 countries in two continents included in the programme. Therefore, it is not feasible to include a thorough analysis of all operating environments of the programme in this chapter, but we have compiled and analysed the most significant changes, based on the reports and data from the field.

In 2018, there were several changes in the projects’ contexts, which might affect the civil society and are related to the programme targets. We are closely monitoring the situation and make adjustments if needed. One significant setback happened with the planned project in Haiti. Violent demonstrations started in July 2018 and continued until the end of the year, resulting to a halt in the project planning. Several protests against president Jovenel Moïse took place during the second half of the year. People are accusing the government of corruption and low economic growth, while the depreciation of the local currency, and the high price of gasoline exacerbated the protests. The public transport was suspended, and all state offices closed due to the demonstrations, which made any planning activity impossible.

In the Dominican Republic, the situation in Haiti is also visible at the banana plantations, where most of the workers are Haitian migrants. In 2014, the country established a plan to regularize migrant population that were undocumented and without a legal status, and a process for all foreigners to obtain a working visa. However, the authorities have not been able to implement the process effectively, and a huge number of Haitian workers remain undocumented. Due to the political crisis in Haiti, the government is not issuing passports, needed for the working visa.
Migration has also become a major issue in Colombia and Brazil, due to the influx of Venezuelan migrants, after the country’s economy plummeted. We will closely monitor the situation, although so far this has not affected our programme areas.

In Ethiopia, during the first half of the year 2018, the country faced serious challenges, as mass protests and unrest led to a declaration of the state of emergency restricting civil society and slowing down the start of the Ethiopian projects. There was also an increase in violent nationalism and for example the flower farms – mostly in international ownership – were attacked in Ziway. However, after the prime minister resigned and new prime minister was appointed in early April starting series of ambitious reforms the situation calmed and high hopes were set for the country’s development. The government is for example reforming the coffee sector in a way that can increase traceability of Ethiopian coffee and engage more exporters in coffee sector by allowing individual farmers, coffee processing owners and coffee traders to export coffee. Another significant change is related to plantation workers’ Fairtrade premium committees, that had not been allowed to register. This was complicating the premium use for workers’ benefit, but the new CSO law is expected to change the situation. Despite promising development, with the ruling Ethiopian People’s Revolutionary Democratic Front (EPRDF) still controlling 100 percent of the seats in the parliament, the institutional and legal impediments for civil society development and sustained political space remain a challenge. Some unrest still prevailed in the country complicating project activities and keeping risk levels elevated.

In Nicaragua the protests against President Ortega started in April 2018 and continued until end of the year, which might also affect the start of the Climate Change project activities. Also, in Bolivia the new illegal candidacy of President Evo Morales was confirmed, which led to strikes and social instability. However, the planning activities could be carried out without challenges and we have taken a step-by-step approach, where the activities of the regional project are gradually started, and so far, there have been no delays.

Economic growth has been relatively good in most program countries except for Argentina and South Africa, where droughts hit the harvests. In Argentina the crash of the country’s currency led to a severe recession. Coupled with rising unemployment and high inflation this has led to financial difficulties of the wine plantation workers and might affect the participation of the workers in the Workers’ Network project activities in the country. In South Africa, frustration with president Jacob Zuma’s sparked multiple protests across the country and he announced his resignation in February. Ahead of May 2019 elections, the promise of land reform came to prominence again as a key feature of the ANC’s political campaign. The parliament passed a motion to review the property ownership clause of the constitution, to allow for the expropriation of land, in the public interest, without compensation. This was supported by the ruling ANC on the grounds that the land was originally seized by whites without just compensation. Industrial relations were really tense in with several, partly violent, strikes which police attacked with rubber bullets. The parliament adopted Labour Relations Amendment Act, which is intended to reduce the number of protracted, unprotected and violent strikes. Trade unions feel that the amendments complicate protected strikes due to the introduction of a secret strike ballot, default picketing rules, compulsory arbitration and more cumbersome procedures prior to the declaration of a strike actions. Farm workers’ minimum wage was increased twice but stays still below the national minimum wage of R20 for other workers. The new National Minimum Wage Act creates a National Minimum Wage Commission which must review the minimum wage annually. Despite upbeat talk around political change, the GDP growth for 2018 crawls to only 0.8%, which did not help the demands for employment or wage increase.

Climate has been challenging in other countries too. In Central America during 2018 the countries faced cold fronts accompanied by heavy rains, which have affected honey cultivations in Guatemala. Also, the eruption of Volcán de Fuego caused damage in some areas. There were
also some social tensions in the country in 2018, as a reaction to the expulsion of the United Nations Commission against corruption also generated social tensions. Coupled with the declining market prices for honey and coffee, the situation might turn difficult for the SPOs.

The low coffee prices affected producers in Central America and Ethiopia. In Honduras, the government established a special fund for financing the hard-hit coffee producers, who however consider their business currently not profitable in the long-term. This situation together with prevailing unemployment rate, violence and harsh climate conditions has resulted in the increase of migrants from all Central American countries to the United States in search of better opportunities. This might have impact on the programme’s projects in the area. The SPOs are already reporting about the difficulty of finding seasonal workers for coffee and honey harvests, as so many people have moved from the communities and coffee cultivations are even being abandoned. Also, in Colombia, the social cohesion and peace are still fragile after the decades long conflict and unemployment is prevalent, resulting to young people falling into crime and narco-trafficking.

Ghana experienced nice economic growth and relative stability but, in some industries, especially mining sector, workers faced quite brutal treatment. The military used tear gas, pepper spray and fired warning shots to violently disperse demonstrating mine workers. This increased industrial relations’ tension in whole country.

While in general terms the human rights situation remained stable in Malawi during 2018, low intensity violence persisted and had a particular impact on vulnerable groups. There were threats and violence against activists and women involved in politics and severe attacks against persons with albinism. Politicians from opposition parties were facing restrictions ahead of May 2019 general elections. These killings and violence led to mob justice as people felt that police was doing nothing, which complicated travelling and thus project activities. There were also nationwide protests demanding a greater transparency and accountability from the Democratic Progressive Party (DPP) led government. The long dry spell in the first half of 2018 and fall 2018’s pest outbreak (armyworm infestation) reduced crucial the maize output, contributing substantially to GDP deceleration in 2018.

In Finland, our programme activities to advance fair and sustainable trading were noticeably influenced by the increasing attention to the theme of Business and human rights. As the #ykkösketjuun-coalition, coordinated by Finnwatch, was joined by an unprecedented number of companies, NGOs and trade unions, we decided to seize the moment and give this theme more attention than originally planned.
02. PROGRAMME
IMPACT AND RESULTS
2. PROGRAMME IMPACT AND RESULTS

The result-based approach is reflected in the entire development programme and at all stages of the project cycle: planning, budgeting, implementation, monitoring, decision-making, evaluation, learning, reporting and communication. All projects have clear objectives, indicators and monitoring plans, as well as a performance-based structured action plans, budgets and reports. During 2018, a programme level baseline was conducted. Project baselines were planned for the first quarter of 2019, and the findings will be used for making final adjustments in the plans, if needed.

2.1. PROGRAMME BASELINE

During 2018, we started experimenting the use of the data collected through the Fairtrade certification system. We conducted a programme level baseline, through which Fairtrade International’s MEL experts extracted and analysed the data available from the POs targeted by the programme. These Fairtrade ToC indicators, collected by FLOCERT during the certification audit process, form the basis of the programme level monitoring system. During the audit, each producer organization (PO) is given scores from 1-5 on their compliance level against Fairtrade standards. Some POs also go through a more thorough digital questionnaire CODImpact (see the detailed description of the MEL process in Chapter 3). As the data collection and analysis process of all Fairtrade certified producer organisations is a time-consuming process, the most recent data available used is from 2017. The final MEL framework will also include additional indicators collected by the Producer Networks, but these will be defined in the second year of the programme, after the project level baselines are finalised.

Twenty core indicators were measured and ten of them were selected for the final baseline report, reflecting the current status of the POs against the programme level expected outcomes. Although the sample size proved to be quite small for most indicators, some conclusions can be made. The findings support the programme’s planned interventions, that are well in line with the challenges identified in the baseline. In the following a summary of the findings and some examples of the baseline are given.

1) Realizing the right to a sustainable livelihood of producer households

The indicators reflecting the status of the programme’s targeted small producer organisations show clearly, that there is a big difference between the countries in the programme. However, the thorough assessments done at the project level during the planning phase showed significant differences also within the countries, hence our interventions are carefully targeted to support the most vulnerable SPOs and communities also in the more progressed countries.

For the indicators reflecting the measures being taken against child and forced labour, gender-based violence or sexual harassment, Ethiopia and Ghana are ranking the lowest, with Guatemala also having several challenges. The indicators measuring the control systems in place for proper health and safety procedures or measures taken to support vulnerable adults show the same countries are at the bottom. These lowest ranking countries also lack proper risk management plans and internal control systems.

Also, the level of SPOs’ profitability was measured using the CODImpact data. According to that, only 36% of the SPOs under the programme were profitable.

BASELINE:
36% OF THE SPOS WERE PROFITABLE
2) Realizing the right to a sustainable livelihood of worker households

In the hired labour setup, it should be noted that the programme’s interventions are very different in Africa and in Latin America. In the former, the projects include concrete activities to improve the status of plantation workers, while the Latin American Workers’ Rights project is strengthening the workers’ representatives’ capacities. The baseline findings support this approach.

There are great differences between the countries also with the HLOs, like seen with the SPOs. The African project countries of Malawi, South Africa and Ethiopia are significantly below the average in most of the indicators, while also in Latin America some countries stand out with low scores, namely Colombia and in some cases Dominican Republic and Brazil. Among the baseline data, the lack of policies or internal control systems to protect vulnerable adults and prevent child or forced labour is prevalent in the POs of these countries. Freedom of association is an issue especially in South Africa and Malawi, whereas Ethiopia stands out as the only programme country with problems preventing sexual harassment at workplace.

In all countries within the programme with HLO projects, the conditions of employment and the standard of health and safety practices are merely compliant with Fairtrade standard, but none of the countries reach above the average in the Score ranking. Only 12 % of all HLOs had a collective bargaining agreement in place.

### SPOs with a policy and/or internal control system to protect vulnerable adults (prevention of forced, bonded, or involuntary labour)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of SPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>100%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50%</strong></td>
</tr>
</tbody>
</table>

### SPOs that have assessed risks & respond to child and forced labour & gender based violence, and have policies & procedures in place

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of SPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>0%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20%</strong></td>
</tr>
</tbody>
</table>

### SPOs with a policy and/or internal management system to protect against behaviors sexually intimidating, abusive, and exploitative

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of SPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>0%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20%</strong></td>
</tr>
</tbody>
</table>

**Baseline:**

12% of the HLOs had a collective bargaining agreement.

### HLOs with above average and superior freedom of association practices

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of HLOs</th>
<th>Percentage of HLOs above average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Colombia</td>
<td>71%</td>
<td>0%</td>
</tr>
<tr>
<td>Dominican Republic</td>
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<td>0%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>75%</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Malawi</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>38%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>61%</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>
### HLOS WITH A POLICY TO PROTECT VULNERABLE ADULTS (PREVENTION OF FORCED LABOUR)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of HLOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>100%</td>
</tr>
<tr>
<td>Brazil</td>
<td>0%</td>
</tr>
<tr>
<td>Colombia</td>
<td>43%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>100%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>100%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>50%</td>
</tr>
<tr>
<td>Ghana</td>
<td>100%</td>
</tr>
<tr>
<td>Malawi</td>
<td>0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>56%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56%</strong></td>
</tr>
</tbody>
</table>

### HLOS WITH A POLICY AND/OR INTERNAL CONTROL SYSTEM TO PROTECT VULNERABLE ADULTS (PREVENTION OF FORCED, BONDED, OR INVOLUNTARY LABOUR)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of HLOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>100%</td>
</tr>
<tr>
<td>Brazil</td>
<td>0%</td>
</tr>
<tr>
<td>Colombia</td>
<td>43%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>100%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>100%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>50%</td>
</tr>
<tr>
<td>Ghana</td>
<td>100%</td>
</tr>
<tr>
<td>Malawi</td>
<td>0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>56%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56%</strong></td>
</tr>
</tbody>
</table>

### HLOS WHO HAD ABOVE AVERAGE AND SUPERIOR HEALTH AND SAFETY PRACTICES

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of HLOS</th>
<th>Percentage of HLOS above average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Colombia</td>
<td>43%</td>
<td>0%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Malawi</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50%</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>

### HLOS WITH ABOVE AVERAGE OR SUPERIOR CONDITIONS OF EMPLOYMENT

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of HLOS</th>
<th>Percentage of HLOS above average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Colombia</td>
<td>86%</td>
<td>0%</td>
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<tr>
<td>Dominican Republic</td>
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<tr>
<td>Ecuador</td>
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<td>0%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Malawi</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>31%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56%</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>
2.2. ANALYSIS OF THE PROGRAMME RESULTS PER COMPONENTS

As 2018 was the first year of the programme, not much can be reported in terms of results so far. However, we will briefly discuss about the expected results and the implemented interventions to achieve them and will point out some major achievements. We will also discuss the challenges and lessons learnt as well as risks and sustainability of the results. In the previous chapter, we described some of the main changes in the operating environment that might have affected the programme interventions. Each of the three components of the programme has its own result chain with many possible development paths. These are discussed in the following chapters, reflecting the programme’s results framework.

2.2.1. Realizing the right to a sustainable livelihood of producer households

EXPECTED OUTCOMES FOR THE STRATEGIC OBJECTIVE 1

Fairtrade believes that disadvantaged producers can overcome marginalisation if they are empowered to take more control over their lives and their work. 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. There are total of 5 projects under this programme’s first component, 2 in Africa and 3 in Latin America and the Caribbean. Except for the Honduran coffee project which started in 2017 and the project in Haiti, which was delayed, all projects started in 2018 through a participatory planning phase.

Expected outcomes of this component are:
1. stronger and more inclusive SPOs
2. improved farming performance
3. enhanced benefits for small producers’ communities

Below is a list of projects under this component, their linkages to the programme level outcomes (as per the numbers in the list of the outcomes above) as well as main project level objectives and expected results. Many of the projects are also contributing to the programme’s second component (workers’ rights) but are not listed here. However, their main results, mainly from interventions related to seasonal workers, are included in the following analysis.
1.1 Stronger and more inclusive SPOs

This outcome especially seeks strong accountable leadership, inclusion of young adults and gender equity as well as enhancing the SPOs’ negotiating power and control in supply chains. To improve the leadership and management skills of the SPOs, in the Honduran coffee project organisations developed strategic and operational plans and policies, as well as operating manuals, internal control systems, administrative and accounting systems. There was a strong focus on the inclusion of youth and women in Honduras, where youth and gender committees in SPOs were supported, organic agriculture training for SPOs’ young inspectors was organized, and an event to promote the activities of youth and women was held in partnership with local coffee stakeholders. In Guatemala, a study on gender was conducted to get a thorough understanding of the current situation and challenges the women producers are facing. To improve the SPOs’ market access and control of supply chains, in Guatemala a study of the national honey markets was conducted, to inform future value addition interventions.

Main achieved outputs in the reporting year are:

- Strengthened management capabilities of the coffee SPOs in Honduras, in terms of
  a. 94 % of the SPOs had strategic and operational plans and budgets in place, compared to 44 % in the baseline and 70 % in 2017.
  b. 94 % SPOs produced financial reports, compared to 19 % SPOs in the baseline and 70 % in 2017.
  c. 80 % of the employees’ representatives present development proposals in the general assembly of the producers, compared to 31 % in 2017.
- 87 % of the Honduran SPOs had access to specialized coffee markets, a significant increase from 50 % in baseline and 70 % in 2017.
- A multi-year strategic plan designed by the Latin American honey network to promote and advocate for producers.
- 34 % of young people are now involved in the activities of coffee SPOs in Honduras, a 2 % increase compared to the baseline.
1.2 Improved farming performance

The thematic focus areas of this outcome are increased productivity, improved quality, sustainable management of natural resources and increased adaptation, and reduction of the carbon footprint. In Guatemala trainings on honey production and product transformation were held with 75 producers (44 youth). In Honduras, several trainings and exchange visits on agroecology were held, participatory field-schools on sustainable coffee farming were organised and demonstration plots established. In Ethiopia, a curriculum for coffee quality training and certification process (Q-graders) was developed, to be used in the coffee lab and training centre supported by the project.

Honduran coffee project focused strongly on the management of natural resources and climate change adaptation & mitigation: workshops and advice on organic fertilizers, use and management of coffee by-products and fluids, and on climate resistant coffee varieties. In Guatemala, plans have been made to ensure that sustainable beekeeping is promoted in the project, complying with organic production, and that proper management of water and flora are encouraged.

Main achieved outputs in the reporting year are:

- Improved productivity of the Honduras coffee producers: 93% of the organizations increased the number of their coffee plants in 2018, compared to 12% in 2017. The above result translates also to the increased profitability: In Honduras, 80% of the SPOs made profit in 2018, compared to 75% in 2017.
- Improved quality of coffee in Honduras: 80% of the SPOs organised trainings on quality control, compared to 57% at baseline and 73% in 2017.

1.3 Enhanced benefits for small producers’ communities

This outcome includes improved access to basic services for SPO members, improved services in communities and support for marginalized groups. For protection of children and vulnerable persons in Ghana cocoa growing communities, the formation of community committees was commenced and awareness creation through the information centres was started. The project also started to build the capacity of the cooperative union on internal control systems. In Honduras, SPOs were trained on issues related to child labour, child rights and protection. The campaigning against child labour in coffee production was also contributing to the awareness raising within larger community.

In the Honduran project, 22% of the rights-holders belong to the ethnic minority lenca and one of the SPOs is completely formed by lenca women. The project has a significant role in promoting their status in the larger community, where lenca are still discriminated in many ways. In Guatemala, the project encouraged local youth to start the honey production. In Ethiopia, the project staff participated in the training on disability inclusion and we started to prepare an assessment on the existing situation, gaps and needs in the target, together with experts on disability. The findings will be integrated in the project plan.

Main achieved outputs in the reporting year are:

- Improved support to marginalized groups in Honduras, where 80% of the coffee SPOs incorporate actions in favour of human rights and child protection, compared to 70% in 2017.
Conclusions

As the programme is just starting, the most significant results achieved so far fall under the first outcome area, in terms of organizational strengthening of the SPOs. Strategies and operational structures were laid for effective implementation of the programme in the future. The studies, workshops, and consultations informed the project plans and will ensure well-targeted interventions. The participatory planning also supported the rights-holders’ ownership of the projects and built their capacities in project management. For the other outcome areas, it is worth to mention the active participation of youth, women and local authorities and important alliances created especially in Guatemala, Ethiopia and Ghana.

The most significant and concrete outcomes under this programme component, however, came from the Honduran coffee project, that was already started in the previous programme: there was significant increase in the SPOs management and business skills, in productivity and income as well as improved market access. Inclusion of women and youth is slowly improving. So, it can be concluded that our approach for working with small producers is working, and the results are sustainable, a statement also verified by the final evaluation of the previous programme.

Challenges, risks and lessons learnt

Although most of the projects under this component started off well, there were also challenges. The project in Haiti could not be fully started due to political instability in the country and the planning phase was postponed to 2019. Also, the planning of the project to eradicate child labour abuse in the Ghanaian cocoa sector started late as the recruitment of the project coordinator was delayed. Once the planning phase commenced, things moved smoothly according to the plan.

In Ethiopia, the planning phase of the coffee project had to be extended until the end of the year. One reason is the size of the project, in terms of geography, number of stakeholders and scope of interventions, so many meetings and workshops were needed to ensure that expected results and roles of different stakeholders are mutually agreed by all. Another challenge was the follow-up of an intervention started by an earlier pilot project, namely the initiation of activities of a coffee quality lab and training campus. Initially the centre was agreed to be established in a local training institution, but after lengthy discussions with coffee unions and authorities, it was decided that the unit should be relocated within Sidama coffee union premises in Hawassa town, and managed collaboratively by three coffee unions, the local coffee authority and a local education institute. We believe that the decision was right and will improve the sustainability of the results, but there is a risk that the large number of stakeholders with their different priorities will continue being a challenge.

In the Honduran project, the inclusion of youth and women in the SPOs’ activities, although improved, has been slower than expected. This is partly due to the challenges caused by the climate change and slow economic growth, that has led to youth migrating from the countryside to cities or abroad. Also, although especially young women have taken more active roles within the SPOs, the membership of women is still low, as most of producer families still register the male as SPO members, so men still tend to get most of the decision-making positions. A similar challenge was identified in the Guatemalan honey project. In both projects, all interventions are designed to target youth and women and the situation monitored closely to make changes in plans, if needed.

On a positive side, the Honduran project has truly served as a source of innovation and the learnings and the good practices in organic farming, organizational development, child-protection and climate change adaptation are already spreading across the communities. The project’s best practices will also be used in the programme’s other SPO projects, and signs of this can already be seen in Guatemala, for example.
RESULT FRAMEWORK OF THE COMPONENT AND EXAMPLE PATHWAYS OF CHANGE FOR PRODUCERS IN 2018

Training of SPO leaders in business, administrative and HRM skills, preparation of strategies, operational plans and internal control system

- Training on market access, forming collaboration platforms and organizing marketing events
- Establishment and support for youth and women’s groups and events to promote women and young coffee producers
- Training on environmentally sustainable & organic production, water & waste management and soil improvement
- Training on post-harvest processing, value addition and quality management
- Training and campaigning on prevention of child-labour, formation of community child-protection committees and information centres

Stronger, well-managed, democratic organizations and enhanced knowledge & capacity among small producers
- 94% of the SPOs had strategic and operational plans and budgets (70% in 2017)
- 94% SPOs produced financial reports (70% in 2017)
- The LAC honey network has a multi-year strategic plan in place

Enhanced access to fair trading conditions
- 87% of the Honduran SPOs had access to specialized coffee markets (70% in 2017)

Enhanced democracy, participation and transparency
- 80% of the employees’ representatives present development proposals (31% in 2017)
- 34% of young people are involved in the activities of coffee SPOs in Honduras (32% in 2017)

Capacity among small producers to improve productivity and quality, protect environment & adapt to climate change
- 80% of the SPOs organized trainings on quality control in Honduras (31% in 2017)
- 50% of the SPOs in Honduras have analyzed the risks of climate change & have adaptation plans
- 83% of SPOs in Honduras increased the number of their coffee plants (12% in 2017)

Awareness of & commitment to human rights
- Radio spots and videos have reached thousands of people in coffee growing communities in Honduras

Linkages to communities to support local development

Stronger and more inclusive SPOs
- 93% of the members of the SPOs in Honduras perform actions supporting their mission

Improved farming performance
- 80% of the SPOs in Honduras made profit (70% in 2017)

Enhanced benefits for small producers’ communities
- 80% of the coffee SPOs in Honduras incorporate actions on human rights and child protection (70% in 2017)

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

- Less risk & vulnerability
- 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

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

Stronger and more inclusive SPOs

Enhanced benefits for small producers’ communities

Increased environmental sustainability & resilience to climate change

Increased dignity, confidence, voice, control & choice for small producers

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

Increased influence of contextual factors
Decreasing influence of Fairtrade
### 2.2.2. Realizing the right to a sustainable livelihood of worker households

#### EXPECTED OUTCOMES FOR THE STRATEGIC OBJECTIVE 2

This second strategic objective of our programme includes the rights of both hired labour (HL) workers in big plantations as well as the seasonal workers of small producer organizations. Under the component there are 9 projects, of which 6 are purely workers’ rights projects and 3 mainly fall under the programme’s first component (producers’ rights) but include workers’ rights aspect as well. The regional pilot in Africa, which was started in 2017, was concluded in 2018. The purpose of the project was to pilot the new approach (workers’ rights) and collaboration with partners in a new region (Fairtrade Africa), and the projects under this objective will base on these experiences.

The expected outcomes of this component are:
1. improved terms, conditions and rights at work
2. increased social dialogue and mature systems of industrial relations
3. enhanced benefits for workers’ communities

Below is a list of projects under this component, their linkages to the programme level outcomes of the

<table>
<thead>
<tr>
<th>Country &amp; focus</th>
<th>Component’s outcome(s)</th>
<th>Project purpose</th>
<th>Main expected results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia; flowers, gender</td>
<td>1, 2</td>
<td>Improved terms, conditions and rights for workers in the flower farms</td>
<td>1) Improved relations at workplaces 2) Increased capacity of trade unions 3) Established agents for gender equality enforcement 4) Enhanced occupational health and safety practices and environmental protection 5) Workers with disabilities are included at workplace</td>
</tr>
<tr>
<td>Ghana; bananas, living wage</td>
<td>1, 2</td>
<td>Improved wages, labour rights and gender equality in banana plantations</td>
<td>1) Enhanced awareness of gender rights and equality 2) Enhanced awareness of labour rights 3) Strengthened capacity of workers to organize in participatory structures 4) Greater understanding and commitment by companies towards achieving a living wage 5) Enhanced negotiation skills of workers</td>
</tr>
<tr>
<td>Malawi; tea, living wage</td>
<td>1, 2</td>
<td>Improved terms, conditions and rights at work in tea plantations</td>
<td>1) Strengthened trade union capacity to represent workers 2) Improved worker welfare in tea estates 3) Increased worker productivity 4) Improved resilience and adaptation to climate change and environmental degradation 5) Increased gender equality 6) Increased opportunities for people with disabilities in the Fairtrade certified tea estates</td>
</tr>
<tr>
<td>South Africa; wine grapes, worker welfare</td>
<td>1, 2</td>
<td>Improved terms, conditions and rights at work</td>
<td>1) Improved workers’ welfare 2) Improved gender equality 3) enhanced awareness of freedom of association 4) increased opportunities for vulnerable 5) improved worker productivity</td>
</tr>
<tr>
<td>Africa, regional (pilot)*</td>
<td>1, 2, 3</td>
<td>Solid foundation for workers’ rights projects in Africa casted</td>
<td>1) Agricultural workers’ capacity building curriculum developed 2) Workers’ committees’ capacity building scheme established 3) Increased commitment of companies to move towards living wage</td>
</tr>
<tr>
<td>Latin American regional; bananas, fruit, flowers, wine grapes</td>
<td>1,2</td>
<td>Strengthened capacity of the Latin American Workers’ Network to represent and advocate for workers</td>
<td>1) Improved leadership and advocacy skills of the workers’ representatives 2) Improved relations between the workers and their employers 3) Improved recognition and awareness of the Worker’s Network by the workers and different stakeholders</td>
</tr>
</tbody>
</table>

*The project started in Q2 of 2017 and ended in Q1 2018; it was a bridge-project for the workers’ rights projects in Africa.
component (as per the numbers in the list of the outcomes above) as well as main project level objectives and expected results. The projects mainly contributing to the programme's first component (producers' rights) are not listed here, but their main results that fall under this outcome area are included in the following analysis.

2.1 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, and increased equality and opportunities. To move closer to living wages, in 2018 the programme trained trade union and worker representatives on negotiation skills, labour laws and trade unions' role especially in Malawian tea, Ghanaian banana and Ethiopian flower sectors. To improve workers' health and safety, worker representatives and management were trained coffee sector in Ethiopia and banana sector in Ghana. To increase equality and workers' opportunities, trade union representatives were trained on gender equality in the projects under the programme. In Latin America, a study was carried out on labour laws, sectoral agreements and regulations that affect agricultural workers, especially focusing on structures that enable or prevent gender equality and the inclusion of people with disabilities.

Main achieved outputs in the reporting year are:

- Enhanced capacity of tea sector trade union in Malawi - PAWU - to hold CBA negotiations that resulted in workers' wage increment by 15% in July 2018 followed by another CBA negotiation that revised the wage further by 8.6%, 64% above national minimum wage.
- Increased wages for workers at Golden Exotics Limited (GEL) banana plantations in Ghana by 22%, 3 times higher than the national minimum wage.
- Increased use of PPEs among workers in Ethiopia.
- Inclusion of gender policy into CBA in Ghana, including:
  a. Provision of a special bus support system for pregnant women.
  b. Extra rest periods before and after delivery, surpassing the legal minimum maternity leave.
  c. Specialized medical support for female workers, in particular pregnant women and mothers.
- Through OHS training, banana plantation GEL in Ghana has:
  a. Constructed separate changing rooms for male and female workers.
  b. Identified lighter duties e.g. leaf-cutting, washing and packaging bananas at the pack-house to encourage employment and retention of more women.
  c. Given flexible time for breast-feeding mothers enabling nursing from home.
- Improved capacity of the Latin American Workers' Network delegates to represent the workers in the region, through the development of a tailored communication training curriculum.
- Improved knowledge and advocacy skills of workers within banana plantations in the Dominican Republic, through:
  b. Identification of main compliance issues concerning the migrants and possible corrective actions.
2.2 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, PO leaders in Ethiopia and Ghana were trained on decent work, labour laws and the trade union movement. In Malawi, tea sector trade union was trained on membership recruitment and management. In South Africa three wine sector trade unions and plantation workers representatives were trained on case handling skills. Social dialogue was improved through human resource management training especially in Ethiopian and Honduran coffee cooperatives.

Interviews, focus-group discussions and bibliographic reviews were conducted in preparation of audio-visual documentation of the achievements and challenges faced by the banana producers and workers on the regularization of migrant workers.

Main achieved outputs in the reporting year are:

- Increased trade union membership in Malawi, where Plantation and Agriculture Workers Union (PAWU) increased its membership from 15% to 17.7% of the total workforce of approximately 53,000 workers. This is crucial as 15% is set as minimum level to grant PAWU bargaining rights with the tea producers’ association TAML.
- Increased cooperation among South African trade union
- Connections, communication channels and understanding of common goals established between key actors of the Latin American workers’ project in the Dominican Republic, Colombia, Argentina, Ecuador and Brazil.
- Plan established to address the problems faced by banana producers in the Dominican Republic, through the establishment of a working group including representatives from different sectors, to protect the Haitian migrant workers livelihood opportunities and social security.

2.3 Enhanced benefits for workers’ communities

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

To improve services and infrastructure in communities, HLOs’ premium committees were trained on project planning, reporting and financial management. Vulnerable & marginalized groups were supported by commencing a disability inclusion study in Ethiopian coffee and flower sectors and by developing and establishing a Well-Being Committee comprising of business community, school head-teachers, government through local administration e.g. area chiefs, police units and Child Protection and Vulnerable Adults strategy for Simbi Roses in Kenya. To address and respond to child and forced labour risks, youth-inclusive, community-based monitoring and remediation system (YICBMRS) was established in Kenyan flower sector.

2018 being the first year of the programme and most projects are new, there were not visible results or indicator data on this outcome area so far, as the community level changes take time.

However, some hints of positive development were noted like commencement of disability inclusion study in Ethiopia was enthusiastically received and will most likely lead to a change in attitudes and increased opportunities for people with disabilities.
“This is the first time we are being taught the rights and responsibilities as is in the labour law and I believe with further cascading workers will definitely be better able to express their rights,”
Juliet Mensah, worker at VREL Banana plantation, Ghana.

“The youth inclusive project is granting us an opportunity to better our community by addressing major issues affecting our children and the youth. Currently, children are sometimes engaged to harvest coffee, macadamia and avocados; they are pushed even by their own parents who need to earn an extra income. When you look at our youth, they are largely affected by drug and substance abuse, making them vulnerable to many other vices. This project is an avenue for us to create awareness about these vices and to engage our own community in finding our own remedy” Pauline Maina, member of the Well Being Committee, Simbi Roses, Kenya.

Conclusion

Improvement of the enforcement of workers’ rights requires persistent and long-term work. Despite being the first year of the programme, some signs of the development were in the sight – partly thanks to the pilot project started in 2017. This pilot seems to have served its purpose of ensuring the smooth transition from the previous programme to new continent and more challenging themes. The programme has managed to empower trade unions and thus contribute to several CBA improvements, but the achievement of decent work is still a long way off.

Focus was especially in the rights of the most vulnerable workers. One could argue that the programme has managed to arouse the interest for these issues and besides being cross-cutting objective in the projects, now most project plans have special component for the improvement of the rights of the most vulnerable people.

In many of our programme countries, industrial relations have quite conflictive background. The programme is aiming at attitudinal change of both workers’ and employers’ representatives. Reducing unnecessary confrontation is sustainable approach to ensure the right for a sustainable livelihood. The programme has studied several critical points in the local industrial relations. Already now the cooperation among social partners has increased and the programme has laid the foundation for the long-term work.

Challenges, risks and lessons learnt

During the planning of the programme it was already analysed that shifting focus from Central American coffee production to more challenging Africa and especially workers’ rights won’t be easy. To prepare for this we started several pilot projects towards the end of the previous programme but still it turned out to be really challenging. In several cases we faced serious resistance towards the projects. There were a variety of reasons for this opposition, like the notion that improved workers’ rights will lead to increased expenses for the companies, and also some suspicion by trade unions’ side about Fairtrade-led projects, based partly on misunderstanding of Fairtrade standards. Some companies which in theory were cooperative still were hesitant as they feared that language of development cooperation and human rights, voicing out existing problems and challenges, would make them look bad. This made the planning of the projects much more complicated than expected. In some cases, this resistance could have been avoided with better stakeholder and risk analyses. More focus has to be put on project coordinators briefing, instructing and training in future. Additional identified factor was late start of the planning phases leading to pressure to fast-track in some cases. Important learnt lesson is first to avoid delays in the first place but highlight the importance of careful planning in all situations.

The Malawian tea sector project’s planning phase took longer than scheduled. The first project
plan was planned with IUF and PAWU, and TAML was only informed but not consulted leading to TAML’s strong resistance to the project. The project’s planning phase was continued in cooperation with TAML and its Industrial Relations Committee to reach consensus, but the final project plan was not agreed in the reporting year.

South African trade union sector is quite fragmented and complex. The project’s planning was started with IUF-affiliated three unions out of dozens in the Western Cape wine sector. Cooperation with IUF turned also to be difficult due to their limited resources in the field and although some trainings were implemented in the reporting year, the final project plan was not completed. Complicated and militant situation increases the project’s risks but at the same time highlights the importance of the intervention.

Flower workers’ rights project in Ethiopia was also behind the schedule. As there was slight gap in the implementation of the pilot phase and planning phase of the new project, the original project coordinator acquired other job resulting even longer gap before the participatory planning phase could be started. The project’s plan was finalized in November leaving only very short time for actual implementation.

Kenya was cut out from the final programme, but it was included in the pilot project which started in the previous year. This shorter than planned implementation time will risk sustainability of the Kenyan results but the connection to Kenyan flower sector is active and we are able to follow-up and monitor the situation.

In Latin America, more time than anticipated was needed for the planning and preparation of the Workers’ Network project. As the network has been recently established, it was important to first clarify its role, scope of work, responsibilities and ways of working, as well as the project’s limitations. The network and its representatives had limited knowledge about trade unions and labour movement, and no thorough understanding of the workers’ relationship with unions in different countries. As the scope of the project is big, consisting of five countries with very different contexts, it was decided that the planning phase will be extended.

Despite some challenges and delays, most projects under the workers’ rights’ component of the programme were fully planned and managed to start implementation in the reporting year. The projects’ which planning phase was not successfully finalized, were already very close to final version with clear roadmap to finalize the planning early next year. We have, however, included the management of stakeholder relations in workers’ rights projects as a possible risk for the programme and will monitor the situation closely.
RESULT FRAMEWORK OF THE COMPONENT AND EXAMPLE PATHWAYS OF CHANGE FOR WORKERS IN 2018

**Interventions**
- Train trade union and worker representatives on negotiation skills, labour laws and trade union role
- OHS training
- Training on decent work, labour laws and the trade union movement
- Train trade union on membership recruitment and management
- HRM training

**Outputs**
- Improved labour conditions
  - Increased use of PPEs among workers in Ethiopia
  - Separate changing rooms for male and female workers in Ghana
  - Working group established to address the problems of the Haitian migrant labour
  - YICBMRS established in Kenyan flower sector
- Enhanced knowledge and capacity
  - Identification of main compliance issues concerning the migrants and possible corrective actions in the Dominican Republic’s banana sector
- Increased freedom of association
  - PAWU membership 15% -> 17.7%
  - Increased cooperation among South African trade unions
  - Multi-sectoral roundtable established to advocate Dominican Republic’s authorities on Haitian migrants regulation processes
- Stronger, well-managed and democratic organizations
  - Regulatory panorama for five target countries established for CLAC workers’ network
  - A disability inclusion study in Ethiopian coffee and flower sectors commenced

**Outcomes**
- Improved terms, conditions and rights at work
  - Increased social dialogue and mature systems of industrial relations
  - CBA negotiations in Malawi tea sector
  - CBA negotiations in Ghana banana sector
- Enhanced benefits for workers’ communities
- Improved household income, assets & standard of living among small producer and worker households
  - Wage increase of 23.6% in Malawi tea sector
  - Wage increase of 22% in Ghana banana sector
- Less risk & vulnerability
- Improved access to basic services
- Enhanced gender equality and intergenerational sustainability in rural communities
  - Inclusion of gender policy into CBA in Ghana including:
    - Provision of a special bus support system for pregnant women
    - Extra rest periods before and after delivery, surpassing the legal minimum maternity leave
    - Specialized medical support for female workers, in particular pregnant women and mothers

**Impacts**
- Ensure producers’ and farm workers’ right to a dignified life
2.2.3. Advancing fair and sustainable trading

To meet the programme’s impact objective, a dignified life for producers and workers, it is essential to engage the whole supply chains. The programme’s third component focuses on awareness raising and advocacy towards consumers, companies and policy makers. We will work side-by-side with producers and workers to raise awareness and voice their needs to consumers, companies and policy makers in Finland, as well as civil society and public actors in the South.

The expected outcomes of this component are:
1. more sustainable supply chain practices
2. consumption patterns have become more sustainable
3. stronger voice for producers and workers

In 2018, our work focused on three themes: 1) Transparency of supply chains and value distribution, 2) Business and human rights, and 3) Socially sustainable public procurement. During the year, the Business and human rights theme gained rapidly increasing attention: The campaign-coalition in favour of a binding law on corporate human rights responsibilities (“#ykkösketjuun”-campaign), coordinated by Finnwatch, gained over 115 members and considerable attention from politicians and political parties. We decided to seize the moment and give this theme more attention than originally planned. In result, we postponed our work on two other themes (Unfair trading practices in food supply chains and Climate change adaptation).

While the main activity under this programme’s third component is advocacy in Finland, we have one project implemented in Latin America (listed below).

It should be noted, that many other projects also have components on increasing the producers’ and workers’ ability to voice their concerns, but these are described in the previous chapters as per the projects’ main objectives.

<table>
<thead>
<tr>
<th>Country &amp; focus</th>
<th>Programme outcome(s)</th>
<th>Project purpose</th>
<th>Main expected results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America, regional; coffee</td>
<td>3</td>
<td>Strengthened capacities of the SPOs to advocate for social actions and public policies for climate change adaptation</td>
<td>1) Improved capacities of the National Fairtrade Networks to advocate and raise awareness about climate change 2) Increased leadership and advocacy skills of small producers 3) Increased recognition of small producers as protagonists of climate change adaptation and mitigation</td>
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</table>
3.1 More sustainable supply chain practices

To promote human rights and equality in trading practices, the programme promotes strong public policies and corporate action on human rights, transparency in global supply chains and sustainable development, particularly in the grocery sector.

Fairtrade Finland had a noticeable role in promoting corporate and political action to further transparency and respect for human rights in business. To promote corporate action, we made an assessment of the human rights due diligence (HRDD) work of the 23 largest Finnish grocery and textile companies and had dialogue on the findings and ways forward with each of these companies. Many of these companies gave feedback that our assessment gave them new understanding of international HRDD standards and the expectations of CSOs. Dialogue with several of these companies continues till today. Our assessment methodology and the best practices we found are publicly available on our website.

To promote discussion about public policy makers’ role in furthering transparency and respect for human rights in business, Fairtrade Finland participated actively in the “#ykkösketjuun”-campaign, coordinated by Finnwatch. We coordinated dialogue with the Coalition and Centre parties. We also organized the four largest events of the campaign in 2018:

• a breakfast seminar at SuomiAreena with Fingo, UNICEF Finland and Coca Cola Finland;
• a breakfast seminar open for all MPs with Finnwatch;
• a public seminar with ministers from the Coalition and Centre parties as well as representatives from Kesko, Finlayson, SAK and several NGOs;
• a Fair coffee break event at the parliament, where one dozen MPs made social media videos on the HRDD law, with the Finnish Evangelical Lutheran Mission FELM.

By the end of 2018, human rights in business had become an election topic.

Fairtrade Finland contributed to Finnish development NGOs’ SDG-report, compiled by Kepa. We wrote the status report and recommendations related to sustainable consumption and production (SDG12). The report was utilized in advocacy work both in Finland and at the High-Level Political Forum on Sustainable Development (HLPF). Further, we gathered information about the prevalence of so-called Unfair Trading Practices in Finnish grocery chains, which we will use later on.

To nourish the dialogue with our Southern partners, which is the foundation of our advocacy work, we participated actively in the discussions and development of Fairtrade’s Global Advocacy Working Group. To further the effectiveness of our work, we shared lessons learnt with several other Finnish development NGOs, Fairtrade offices in other countries and continents, and some European NGOs working on HRDD.

Main achieved outputs in the reporting year are:

• Finnish companies incentivized to strengthen their human rights work: 23 companies through dialogue on their HRDD work, 11 companies through dialogue on supply chain transparency and 29 companies through participation in our public HRDD seminar
• The Social Democrats, Greens and Left Alliance were officially in favour and several leading Centre party members also supported a binding human rights due diligence (HRDD) law.

3.2 Consumption patterns have become more sustainable

The Fairtrade movement links Northern consumers with Southern producers engaged in socially progressive and environmentally sustainable production. During 2018, Fairtrade Finland ran several campaigns to raise Finnish people’s understanding of Southern farmers’ and workers’ challenges and awareness of sustainable consumption opportunities. In April, we joined the “Merkkitekoja” campaign with the Marthas, The Consumers’ Union of Finland (Kuluttajaliitto), The Finnish Organic Food Association (Pro Luomu) and the Nordic Swan Ecolabel. In May, we organ-
ized a Fairtrade coffee break campaign and in October we celebrated the Fairtrade Week, to remind people that everyday consumption choices matter for global sustainability. While these three campaigns were realized as planned, we utilized organisation’s own funds to organize them, and thus the expenses are not included in the programme accounts.

In our social media work, which prior to this programme was more focused on Fairtrade related news, we gave increasing attention to wider issues related to sustainable supply chains. In particular, we initiated discussions on supply chain transparency, human rights in business, rights-based approaches in global development, climate adaptation and sustainable public procurement. We also participated in the World Village festival, organizing a discussion entitled “What does Aku Hirviniemi pay attention to when food shopping?”, with the Marthas. Actor Aku Hirviniemi was a fun audience magnet and brought visibility to the importance of sustainable consumer choices in Twitter and the World Village programme magazine.

Our activities towards public procurers were part of a shared campaign of 15 Finnish NGOs, running for 2017-2020, which we coordinate. The campaign aims to encourage at least 10 procurement units to use social criteria in innovative ways, when procuring goods from developing countries, and to share these best practices with other procurement units nationwide in Finland. When Finnwatch, Hansel and KL Kuntahankinnat published the outcomes of their ground-breaking collaboration, which resulted in the development of Codes of Conduct for socially sustainable procurements from developing countries, Fairtrade Finland spread the news about these best-practice examples through an article, social media communication, as well as direct emails to 16 cities and 348 city councillors working on the theme. Our dialogue was particularly lively with the procurement centres of Vantaa, Jyväskylä and Tampere. Due to the wider campaign on Business and human rights, where the same NGOs were active, some campaign activities were postponed till 2019.

Main achieved outputs in the reporting year are:

- 79% of Finnish people find that grocery and textile supply chains are today more transparent than a decade ago and 73% find this information interesting and important to themselves
- 77% of consumers purchase Fairtrade products time to time (up from 73% in the end of 2017. Goal: 85 %).

3.3 Stronger voice for producers and workers

This outcome seeks to strengthen the Fairtrade producer networks in Africa and Latin America to build producer organisations’ capacities in policy analysis, advocacy and communication. Different projects across the programme include aspects of awareness-raising on human, labour and child rights, as well as climate change and gender equality. For example, in Ethiopia the project supported in lobbying for Ethiopian new CSO law to allow Fairtrade premium committees to be registered as legal entities. Although the prime minister’s resignation in mid-February 2018 meant that the lobbying had to be started all over again, the new government seems to be quite open for civil society development, so this goal looks promising. In Guatemala, the Latin American honey network was supported to form a strategic plan, for improving the leadership and advocacy capacities of the honey producers, creating synergies and sharing knowledge between producers, and improving their bargaining power.

We have also one specific advocacy project in Latin America, which aims to increase the capacities of the national producer networks to advocate, influence decision-making processes, develop plans for climate change adaptation, and raise awareness about the effects of global warming on small scale agriculture. In 2018, a study was carried out on the impact of climate change on cocoa, one of the main crops of Fairtrade producers in Latin America, and two studies were made on the effects of climate change on small producers in the Andean region and Central America. These will guide the planning of subsequent activities and be used in capacity building of produc-
A curriculum for an advocacy and leadership school was designed, to be implemented in the five target countries of the project. Also, national Fairtrade networks were supported to update and develop their advocacy plans and guided in their implementation. Representatives of the producers also participated in international events on climate change, which gave them an opportunity to generate contacts and to communicate about the small producers’ challenges.

Main achieved outputs in the reporting year are:

- The National Fairtrade Networks in the 5 participating countries implement at least two advocacy actions annually on Climate Change in their respective countries

Conclusion

The #ykkösketjuun campaign, where Fairtrade Finland was one of the most active contributors, was groundbreaking in several ways. It was the widest corporate social responsibility (CSR) campaign in Finland throughout history (to our knowledge): Close collaboration was reached among a wide range of companies, development NGOs and trade unions in both communication and advocacy activities. This is a great example of a new type of cross-sector dialogue and collaboration, increasingly called for by development policy thinkers since the UN Earth Summit of 2002.

By the end of 2018 it seemed possible that the #ykkösketjuun campaign would achieve its objective and the government programme of May 2019 could include a commitment to address human rights problems in global supply chains through binding human rights due diligence (HRDD) legislation at national level and work towards the same at EU-level. This development is closely followed by other EU countries and hundreds of NGOs around the world. If Finland develops an HRDD law, taking advantage of lessons learnt from previous related laws in the UK, France, the Netherlands and Australia, the impact will be global.

For the climate change advocacy project in Latin America, effective structures for implementing a regional project expanding from Central America to the Andes was established and clear roles and responsibilities agreed among the stakeholders. In most of the target countries national advocacy plans were updated, and the design of the central component of the project, the leadership and advocacy school, was started with the rights-holders.

Challenges, risks, and lessons learnt

Fairtrade Finland has had very limited human resources in communication, and our communication work has benefited from active contributions by staff members responsible for advocacy and volunteer work, partnerships with Finnish cities and universities and programme work in South. By the end of 2018, however, a decision was reached that professional communications resources will be expanded during 2019, as we found that this is required to reach effective interventions and monitoring in the increasing number of (social media) channels.

As this is the first time a regional, advocacy-oriented project is realized with Latin American Fairtrade producers, several learnings were obtained from the planning process and first activities implemented. First, to ensure the effective execution of the activities and funds, the implementation structure between the National Networks, CLAC and external consultants was systematized, and tripartite agreements made between them. Secondly, it was realized that the extremely tight work schedules of the National Networks and their limited resources affect their coordination ca-
pacity despite their great commitment, which must be considered in planning the interventions. Therefore, it was decided that the leadership school will be started gradually in the five target countries, instead of starting the activity in all of them at once. Also, although the producers perceive the urgency of reacting to the effects of the climate change, their priorities continue to be more related to short-term issues related to productivity and market access, so continuous awareness raising is needed. However, it is expected that the project interventions will build the National Networks’ administrative capacities and generate new alliances for attracting additional resources. The leadership schools will also be a way to maintain continuity, by strengthening and promoting the inclusion of committed leaders with a vision that prioritizes adaptation to climate change and values the importance of advocacy.

One particular challenge was related to one of the targeted countries, Nicaragua, where the workshop for updating the national advocacy plan could not be realized due to social upheavals in the country. However, the National Coordinator keeps monitoring the situation closely, so that once the situation has calmed down, the activities can be started.

The first planning workshop on the Climate Change Advocacy Leadership School was held in El Salvador in December 2018. The participants reflected on the current challenges and opportunities of each of the five target countries. "Sometimes young people leave our communities because there are no opportunities for them, but now that the SPOs made a commitment to develop leadership, the youth want to return or remotely support our work," Lorena Perca, from Bolivia, commented.
RESULTS FRAMEWORK OF THE COMPONENT AND EXAMPLE PATHWAYS OF CHANGE FOR FAIR AND SUSTAINABLE TRADING IN 2018

Assessment of 23 Finnish grocery and textile companies’ human rights due diligence work

Organizing the four largest events of the #ykkösketjuun campaign in 2018

Planning workshop for the leadership and advocacy school

Study on climate change and cocoa

Advocacy actions by National Networks (seminars, webpages)

Lobbying Ethiopian CSO law

Companies responded to our assessment and re-evaluated their human rights work.

• 41 Finnish companies and four corporate associations responded to our efforts to promote their human rights work

Policy makers influenced to address human right problems in global supply chains

• The Social Democrats, Greens and Left Alliance were officially in favour and several leading Centre Party members also supported a binding human rights due diligence (HRDD) law

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

• National Fairtrade Networks in 5 LAC countries implemented at least 2 advocacy actions on Climate Change

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

Greater knowledge & understanding of unfair trade

More sustainable supply chain practices

Consumption patterns have become more sustainable

Stronger voice for producers and workers

Faire and more sustainable trading system

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

Increased environmental sustainability & resilience to climate change

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

Ensure producers’ and farm workers’ right to a dignified life
2.2.4. Cross-cutting objectives

The programme has three cross-cutting themes, forming an integral part of all projects: environmental sustainability, inclusion of vulnerable people and gender equality. They emerge from the rights HOLDERS of the programme, and they are a fundamental part of the Fairtrade movement, strongly embedded in Fairtrade standards. The themes were closely paid attention to during the planning of all projects through separate participatory workshops with beneficiaries in the field, and the programme also has indicators for all cross-cutting objectives. Apart from being cross-cutting, in most projects one or several of these themes are included in the key expected results and are explained more in detail in the previous chapters. We will give a short overview of the targets and components of the cross-cutting themes here, with some key interventions and results form 2018.

Environmental sustainability and adaptation to climate change

Environmental sustainability and adaptation to climate change is relevant for all projects across the programme, but most visible in the SPO component. The programme aims to secure the sustainable livelihoods of disadvantaged producers by enhancing their resilience to climate change. Although the focus is more on adaptation activities, many of the activities supporting the development of more sustainable production will also contribute to reduced environmental footprint and climate change mitigation.

The honey project in Guatemala has climate change adaptation as one of its key targets and it’s included in the impact goal of the project, as honey production is extremely vulnerable to the effects of climate change. Some of the rights-Holders’ SPOs are located within the Maya Biosphere Reserve and the project supports them to start beekeeping will help to prevent the expansion of the agricultural zone and forest fires in the area. During the first year of the project, a thorough analysis was conducted on the environmental and climate change issues, and the first activities of the project had a strong focus on sustainable use and management of natural resources. In Honduras, the activities proved successful during the previous programme were continued and extended: bio-factories and demonstration plots that serve as learning centres for members in sustainable farming methods, plant nurseries and laboratories used for environmental conservation, reforestation of water sources, and development of rust-resistant coffee plant varieties. In Ethiopia, during the participatory planning process the rights-Holders pointed out environmental protection and climate change as key challenges to be targeted by the project, and these areas are strongly visible in the project plan both at the outcome and results levels.

The regional project in the Latin America, will target this theme on a more strategic level. As described in the previous chapter, the project focuses on climate change advocacy, building capacities of small producers in five countries in the region to advocate and take a lead in the climate change adaptation and mitigation and policy implementation. In the reporting year, studies were conducted on the effects of the climate change on small producers in the Andean region and Central America.

The projects in the Hired Labour (HL) component of the programme will have a slightly different approach for this cross-cutting theme. Environmental analyses were included in the planning phase and these issues were included in the project plans. For example, the project in Ghana to support rights of banana workers also include training on sustainable agricultural practices, usage of organic waste, use of pesticides and hazardous substances. The flower workers’ rights project in Ethiopia in turn trains management and Occupational Health and Safety Committees on environmental protection and support implementation of wetland management systems and integrated pest management systems.
Gender equality

The programme addresses gender issues in value chains by eliminating barriers to women’s involvement as members, leaders and employees of the small producer organisations (SPOs) and hired labour organisations (HLOs). Our target is to go beyond mainstreaming, reaching transformative gender impact by addressing the underlying root causes of gender inequality. As with other cross-cutting areas, in some projects gender equality is included as a concrete target at the impact, outcome or results level, and in other projects it is cutting across the activities. In 2018, most of the projects went through a thorough, contextualised gender analysis as part of the planning process, while the rest will have it in the beginning of 2019. The analyses identified effective ways for systematically addressing different types of barriers in each context.

In the programme’s SPO component, both organizational development and promotion of opportunities for individual women producers are supported. In Guatemala the planning workshop and a study conducted on the current status of gender equality amongst the SPOs revealed some key challenges that the women producers face, such as the issue of childcare. They also showed the big differences between the SPOs in terms of capacities, existing policies and practices. The solutions for the challenges identified by the rights-holders included documenting experiences of empowered women, sharing the best practices and challenges of different SPOs, as well as supporting female producers to achieve different roles in the organizations. In Ethiopia, challenges that women in coffee SPOs face include the low membership of women in the cooperative unions and low educational level of women, resulting to very few women in the decision-making positions or even administrative roles of the organizations. The coffee cooperative unions formed a plan to establish a women’s forum to offer capacity building and decided to support the establishment of a solely women’s coffee cooperatives, providing them support for promotion of coffee produced by women.

In the HLO context similar gender analysis were conducted. In the Ethiopian flower project gender equality is a central target, as most of the workers are women and they face many challenges: the income level is far from a living wage, gender-based violence is common and job security poor. In the end of 2018, the project launched the Women School of Leadership (WSOL), a full year training including 10 modules on topics like negotiation skills, managing finances and human rights. Participants will become catalysts for change, increasing women’s agency in leadership and contributing to changing social norms which are key barriers to women’s participation. Also, in other HLO project plans, such as Ghana and Malawi, gender equality has been included through training management and workers on gender rights, sexual harassment and gender mainstreaming. In the South African wine project, training on occupational health and safety will be provided, to sensitize the workers on risks of alcohol use on health, especially for pregnant women. In the Latin American Workers’ Network project, a special study was conducted to revise the regulatory framework in the project countries. The findings help to understand the reality of workers in different contexts and will be used in forming strategies and tools for empowering working women and in the design of the training material for the project.

Despite the early stages of the programme, there were already some indications of improved gender equality. Two flower farms in Ethiopia developed a gender policy. In Ghana there was similar progress with the development of a gender policy to raise awareness within the plantation and to build capacity of potential female leaders who can become champions for transformational change. Amount and share of female workers had slightly increased in the Ghanaian banana plantations: from 8% to 10% at GEL and from 18% to 19% at VREL. In Honduras, most SPOs have policies for gender inclusion, women are especially targeted in all project interventions, and their participation has increased.
Vulnerable people

During the planning process, vulnerabilities were thoroughly assessed, and the finding taken into account in the project plans. The assessments themselves were learning processes, both for the programme staff and for the rights-holders. Through different exercises and discussions, the rights-holders were able to identify the most vulnerable groups among the target communities: in the Dominican Republic the Haitian migrant workers, in Guatemala women and youth, in Ethiopia seasonal workers and people living with disabilities, in Honduras youth and children, for example. We have identified specific indicators to measure the progress in this cross-cutting theme as well. One challenge however is, that there are no registers or information currently available that would separate people with disabilities and in most contexts, it will be difficult to establish one.

In Africa, we started to train our partners on disability inclusion. In collaboration with Abilis Foundation, our programme staff and key people in our partner organization Fairtrade Africa were trained. The trainees commented, that it was an eye-opener for them, and the learnings were used in developing the project plans. Abilis Foundation and local disability NGO, ECDD - Ethiopian Center for Disability and Development, started an assessment of the existing opportunities, gaps and needs in Ethiopian coffee and horticulture sectors. The findings will be integrated in the project plans. Latin American partners will go through a similar training on disability inclusion in 2019. Most of the projects will 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.

In the Latin American Workers’ Network project, a study was conducted to assess the regulatory environment in five countries of the region, on issues of labour rights and disability inclusion. The main conclusion was, that in most countries there is legislation in place for promoting the inclusion of disabled people and other vulnerable groups, such as tax benefits for employers, quota requirements for hiring people with disabilities, or obligations to provide training and technical assistance. However, generally the laws and regulations are not implemented actively and there are challenges such as exclusion of people with disabilities from the formal labour market, resistance by companies to make changes in infrastructure, and lack of clear system of sanctions penalizing discrimination based on disability. The findings will inform the project plan to improve the disability inclusion in Fairtrade certified plantation, and they will also serve as building blocks for training modules for workers and various communication materials.

Under the same project, first steps were taken to establish a working group consisting of labour unions, NGOs, banana plantation owners and workers, in order to tackle the challenges related to the Haitian migrant workers in the Dominican Republic. The project supports the roundtable, la Mesa de Incidencia Migratoria, in the effort to protect the migrant workers who currently do not have a permanent permit to stay in the country and have limited access to social security. In Malawi, the rights-holders selected the improvement of work opportunities of people with disabilities as one of the expected outputs of the project. In South Africa, youth, migrant workers, persons with disabilities, and orphans and vulnerable children (OVC) were identified by rights-holders as key target groups. Besides the specific component to improve work opportunities of people with disabilities, the flower sector project included child protection and vulnerable adults as a target group of the pilot in Kenya.

In the projects focusing on SPOs, the management and staff will be trained on human resources management and supported in considering human rights and ensuring good working conditions for seasonal workers. In Guatemala, youth were targeted in the capacity building sessions realized in 2018 on entrepreneurship, production and value addition to honey products. Most of the honey producers also belong to mayan ethnic group and have low level of education, limited ac-
cess to infrastructure and a big challenge with generational change. In some areas, the producers rent land for beehivekeeping and face challenges of instability of income.

The cocoa sector project in Ghana will fully focus on vulnerable children. Also, in Honduras, child-protection is one of the key results areas of the project, as it is estimated that more than 400,000 minors work in the country and 40,000 children are forced to work up to 16 hours a day. The project is raising awareness in coffee growing communities, and in 2018 workshops, parades, community presentations as well as radio and TV advertising spots were realized, as part of the campaign against child labour. The indicators show good progress: 94% of SPOs incorporate actions in favour of human rights and child protection, compared to only 69% in 2016 and 75% in 2017.

2.3. ANALYSIS OF SUSTAINABILITY AND RISKS

During the planning phase of the programme, potential risks were carefully analyzed and presented in the funding application. After the first year of the programme, the risks were analyzed again and the risk management plan updated accordingly (see the Annex 2). It was concluded during the programme’s planning phase, that the increase of the programme’s annual MFA funding by 140 per cent and the programme’s total budget’s by 50 percent potentially included risks. However, these risks - related to administration, thematic issues and self-finance - were analyzed to be low and manageable due to the previously known and trusted partners. Although the programme has a strong focus on workers’ rights, a new theme for the programme, it is in the core of Fairtrade and we already had some experience on the topic based on the pilots of the previous programme. As we were prepared for even substantially bigger programme at the planning phase of the programme, these risks did not materialize, and we managed to acquire a good self-financing base for the programme.

Initially, the regional fragmentation to 8 countries and several regional projects was analyzed to be a low-level risk. This assumption held true, thanks to Fairtrade’s direct and frequent contacts to all producing countries in the South. Regional projects were analyzed to possibly face a challenge of coordination and although this risk did materialize, its impact was minimal. But the expansion from geographically focused programme to a much wider one, brought along several contextual risks, partly due to new more challenging countries. Political risks did materialize especially in Ethiopia and Haiti – as explained in chapter 1.4. Although Ethiopia experienced rapid development after the change of the government in 2018, contextual risk remains quite high. Ethiopians have high expectations for the new government on creation economic opportunities for the youth, restoring the rule of law, and promoting national reconciliation. If these expectations are not met soon, some elements may result to violence. There are disruptions of economic activities in some parts of the country, displacements of people in large numbers, and skirmishes that could affect overall economic performance in the short to the medium term. However, the programme is supporting the producers to be aware and prepared for the changes. In Haiti, the planning phase of the project had to be postponed to 2019, though our partners monitored closely the situation and started mapping potential implementing partners and strategies for the project. It is evident, that a different approach needs to be followed with the Haitian project, considering the fragile context of the country.

Another identified risk - the farmers’ opposition for the changes – did not materialize, as it was tackled with participatory planning and investing in ownership building. But employers’ possible resistance against workers’ empowerment, which was identified as one of the biggest risks (likelihood: medium, impact: high) did materialize in several projects despite the agreed mitigating factors like employers’ participation in the project planning. We also tried to convince the management of the cooperatives and plantations, that the improved conditions of workers would be good for business too, but these sensitive issues require a change in attitudes and takes time and patience.
Some trade unions have been concerned about the role of Fairtrade in workers’ empowerment and they have seen a possible overlap. We were well aware of this risk of trade unions potential suspicion, but it turned out to be more severe than anticipated. Our role in the projects is not to substitute the unions but to open door for them and lower the threshold for dialogue. We will emphasize this enabling role of Fairtrade further in order to overcome this misunderstanding. We will also work more closely with trade unions both domestically, internationally and at project level.

Of contextual risks, disasters and climate change could potentially threaten the sustainability of the projects’ results. This risk did materialize partly in the reporting year but did not put the sustainability of the programme interventions at risk. Some extreme weather events happened, like severe draught in South Africa and the eruption of a volcano in Guatemala. Climatic and environmental disasters remain as a high risk and could endanger the production of some of the programme’s products entirely, thus affecting livelihood opportunities of the programme’s rights-holders, both small producers and farm workers. This is naturally out of our hands, but the projects include components for adaptation, preparedness and disaster risk reduction as well as experimenting alternative livelihood options.

Youth migration and juvenile delinquency are increasing risks, especially in Central America and some South American countries and these challenges have been considered in the project planning. For instance, in Honduras and Guatemala the youth in the SPOs have been trained on value-addition opportunities and are actively involved in project activities. The Workers’ Network project will target this challenge by organizing activities and trainings to activate the local youth, together with local trade unions.

Ethnic issues proved to be a bigger risk than anticipated, and nationalism and racial tension have been on the rise more than was predicted. In the reporting year this was mostly visible in Ethiopia, the Dominican Republic and South Africa and it affected especially the hired labour setups of the programme. Big plantations are mostly owned by foreigners or ethnic (white) minorities, and there were several conflicts in 2018 – as explained earlier. Although the likelihood of takeover of plantations remains quite low, it is increasing both in Ethiopia and South Africa. The impact of such occupation would be severe, at least in the short run. The huge inequality at the African plantation sector is party behind the situation, which applies also to the banana production in the Dominican Republic, where majority of workers are Haitians and many of them undocumented. This unbalanced power relationship was identified as a risk affecting industrial relations and sustainability of the results, but during the reporting year some unidentified issues rose, like extremely high worker turnover at some plantations reaching almost 300 percent in some cases. This risks the sustainability of the project’s results as new people must be trained every year. We will invest more in HR capacity building of the banana companies. In the case of Dominican Republic, the undocumented Haitian workers face a risk of deportation which would risk the project’s results. For this, the project has prepared an action plan together with local stakeholders for risk reduction (for more information, see the case example in the Annex 3).

System-wide risks remain to be low but for example the growing trend of companies’ own sustainability labels might affect the sustainability of the projects as the producers’ income declines with weaker trade terms, creating uncertainty for the whole livelihood. This was visible in Ghana where withdrawal of the parent company of Milka, Toblerone, Cadbury and Marabou from Fairtrade certification in favour of their own label has seriously affected the income of the producers as the price paid by the company dropped radically.

As a summary, the sustainability of the programme has a very solid foundation. The programme’s sustainability is embedded in Fairtrade standards, 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.
03. Monitoring, Evaluation and Learning
3. Monitoring, Evaluation and Learning

During the first year of the programme, we started to build a robust monitoring system for the programme, together with the Fairtrade International’s and producer networks’ MEL experts and the programme partners. In the implementing producer networks programme staff and key supporting staff went through a project management training, including components for monitoring and learning. Close partnership and collaboration with Fairtrade International’s MEL unit, and MEL staff across the Fairtrade system in NFOs and PNs, was established as the FT Finland’s programme coordinator joined the international MEL working group. The group meets regularly and shares best practices, tools, lessons learned in the area of MEL from different programmes and interventions. It also participates closely in the development of Fairtrade’s data governance system and the review of the Theory of Change (ToC).

In 2018, several meetings and workshops were held to map the existing MEL structures, methods, tools and processes within the Fairtrade system that could be utilized in the programme. We assessed the system-wide ToC indicators and analysed their compatibility with our programme objectives as well as their availability in terms of collection cycle and coverage. The producer network’s data collection tools were also mapped. Based on this, different components of the programme MEL framework, as well as roles and responsibilities for data collection, analysis and delivery were agreed on.

The Fairtrade ToC indicators form the basis of the programme level monitoring system. Part of them are collected by FLOCERT during the certification audit process on-site by auditors. Fairtrade Finland’s programme is also contributing towards the positive progress in these areas and therefore some of these indicators are included in our programme MEL framework. Part of the POs also go through a separate questionnaire during the audit, using the CODImpact (Collection of Data for Impact) digital tool, that assesses the impact of Fairtrade’s work beyond compliance by providing qualitative data. The indicators collected by CODImpact that match FT Finland programme objectives and interventions were included in the MEL framework. Third component of the system-wide monitoring are the different studies conducted across Fairtrade system. One of the key studies is the annual Impact Monitoring Report, that measures the changes and progress in the producer communities.

However, during the MEL development process, we learned that there are some factors limiting the usage of these structures. First, it became clear that the timeframe and coverage of the data collected through the audits did not completely match with our programme. As we could confirm the list of beneficiary POs only after the project plans were finalised, it was towards the end of the year when we could start comparing it with the timetable for audits. Each PO gets audited every 2-4 years, so we realized that the sample size for a presentable baseline of the programme would be small. Also, the impact monitoring data (house-hold survey) is collected using a very limited sample, not matching our targets. Thirdly, we learned not all the ToC indicators are currently measured at all, and some of them are only collected from ongoing country or product specific interventions.

Therefore, although we piloted the structure and realized a programme level baseline to test in in practice (presented in chapter 2.1. Programme baseline), we also started to plan a complementary structure for the programme level MEL. It was decided that some ToC indicators, relevant to the programme but not captured by the data gathered by FLOCERT or CODImpact, will be collected by the producer networks’ MEL units concurrently with project level annual monitoring. This will enable us getting more targeted data about the programme’s interventions and a holistic picture of the programme’s progress. The aggregable programme level data is further supported by project-specific indicators, which allow us to get information on project specific progress in challenges related to specific contexts. Additional case studies will be made on issues, where
more in-depth, qualitative information is needed. Furthermore, the progress against the expected results under the strategic objective “Fair and sustainable trading”, are measured separately, as they are expected to be mostly achieved through our advocacy work.

The final MEL framework will consist of a comprehensive set of indicators to measure the impact both at programme and project levels. It will include the data acquired during the auditing of producers but complemented with additional indicators for capturing the household level and the specificities of different project contexts. In the image below the different components of the programme MEL is described, including the responsible unit (FI or PN), data sources and outputs, as well as the usage of the MEL data gathered (by FT Fin). The preliminary MEL framework with indicators is attached to the report (Annex 1). We will continue testing and developing this system in 2019, as well as building further the capacity of the project staff and key personnel of our partners.

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**Fairtrade Finland Development cooperation Programme 2018-2021 MEL**

At the project level, after the project plans were finalized in the last quarter of the year, project level MEL plans were designed, the project baselines were planned and ToRs for consultants prepared; the actual baseline studies will be conducted in 2019. The programme level MEL framework and indicators will be integrated in project MEL plans once it is completed.

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, tools and templates for project planning, implementation, reporting, monitoring and evaluation. The toolkit and the templates were reviewed and updated during the first year of the programme, based on experience and feedback from the field.
04. PROGRAMME COMMUNICATIONS
4. PROGRAMME COMMUNICATIONS

Through active communication of the importance, results and impacts of our development programme, we aim to raise Finnish citizen-consumers awareness about global sustainability challenges and foster sustainable choices among them. As such, programme communication supports the advocacy and development education work as described above (chapter 2.2.3).

As 2018 was the first year of the programme, our communications was more focused on the principles and targets of Fairtrade’s work and how Fairtrade Finland’s development cooperation programme is supporting them, rather than telling about results achieved. Instead of communicating only about the challenges that the developing countries’ communities are facing, we emphasized the concrete benefits of the sustainable trade and consumption for everyone, the “win-win-win”: by supporting the development countries’ small producers and ensuring the equal rights and opportunities for agricultural workers, the positive changes for people and the environment will benefit everyone, also consumers and companies in the North.

We highlighted the direct link between Finnish people’s everyday life and the rights-holders we work with. For example, comments and updates directly from the programme’s rights-holders were shared through social media posts and blogs in our website, and our programme staff in Finland and target countries actively collected communications material during their field visits. Our partners CLAC and Fairtrade Africa also produced stories, news and videos and communicated about our programme through their own communications channels and the local media.

We managed to reach the targeted audiences as planned and increased the number of the people reached. The communication channels used included mainstream news media, lifestyle and customer magazines, and social media. In all social media channels, the number of active followers rose significantly: we reached 2000 new followers in Facebook, 3000 on Twitter and more than 600 in Instagram compared to the previous year, amounting to nearly 60 000 followers altogether. It is noteworthy, that Fairtrade’s audiences include people who otherwise pay little attention to development cooperation or global issues. Apart from our own communication efforts, our materials are widely utilized and distributed by Finnish companies, our member organizations, as well as Fairtrade towns, universities, schools, parishes and volunteers. Also, Fairtrade Finland’s website was renewed in 2018. The new site includes a more thorough section about the development cooperation programme, which will be updated with new material on results and highlights, as the programme progresses.

Our programme’s contribution to the Sustainable Development Goals was communicated through a series of articles focusing on the SDGs central to the programme: gender equality, climate action, reduced inequalities and decent work. Part of the articles will be published in 2019. These articles not only tell about the SDGs and Fairtrade’s contribution towards them, but also illustrate the link between the everyday choices of consumers and decisions of policymakers in the North, and the realities of small-producers and workers in the South.
05. ADMINISTRATION, FINANCE AND SUPPORT FUNCTIONS
5. **ADMINISTRATION, FINANCE AND SUPPORT FUNCTIONS**

The effectiveness of the programme is based on results-oriented approach, local ownership, harmonization, strong partnerships, transparency and efficiency. The success in ensuring these aspects in the reporting year has partly been described in the previous chapters, with the analysis of the progress towards expected results. Achieving them is however also strongly embedded in well-functioning administration and support functions.

In terms of strong partnerships, during 2018 we put substantial input in ensuring that we have well-functioning relationships with our partners, based on trust and mutual respect and with clear roles and responsibilities defined. Agreements with the two implementing partners, Fairtrade producer networks in Africa and Latin America, were signed defining roles and responsibilities.

Through meetings, workshops and capacity building, we tried to make sure that administrative processes are clear and understood by the entire programme team and key personnel in the implementing organizations. Administration staff responsible for the programme were hired in CLAC and FTA, and we went through the programme reporting and auditing instructions as well as the rules for Finnish government funding with the key staff. Although not yet obligatory, we started applying the new auditing and reporting instructions of the MFA and will collect lessons learned in using them from our partners. The instructions were also translated to Spanish to avoid any language barrier. We also shared the translated versions with other Finnish NGOs within the programmatic support scheme of the MFA, who have projects in Spanish-speaking countries.

In both continents, certified project management trainings were organized. Apart from the people hired directly by the programme, we also invited people in Fairtrade Africa and CLAC to the trainings. This ensures the smooth integration of our programme in the other workflows and structures of the organisations. We assessed the gaps in staff capacity and made capacity building plans. Indicators to measure the progress of staff development and learning will be defined in 2019 and these will be followed annually. Processes for mutual support and sharing of learnings between the programme staff were established in the implementing organisations. In the end of the reporting year, review workshops were organized at both continents, to review best-practices, challenges and lessons learned and to ensure learning and collaboration across the projects.

As described in the programme plan, Fairtrade Finland is administrating and implementing the programme with minimal resources invested in programme work in Finland and using to the fullest the expertise of Fairtrade International, including technical inputs from specialists e.g. on child protection, monitoring and product specific areas. In our original plan, we had identified key experts in Fairtrade international who would be giving input for the programme. During the first year of the programme we realized that there is a lot of expertise in the implementing organisations CLAC and FTA, as the both organisations have been growing in recent years and responsibilities have been shifted form the Fairtrade international’s office to the producer networks. For example, new MEL staff has been recruited in both CLAC and FTA. CLAC also have experts on climate change and social compliance (e.g. gender equality, child protection, vulnerable groups). We are still actively communicating with and consulting the experts in the FI, but also ensuring that the producer networks’ expertise is utilized to the fullest.
There were no changes in the programme’s administrative functions or personnel in Finland and these were implemented as described in the annual plan for 2018. Programme team is led by the programme manager, who has the overall responsibility of the programme. Oversight of the implementation of the projects is divided between the programme manager and programme coordinator, as is the representation in Fairtrade International’s working groups in resource mobilization, MEL and other relevant areas and the collaboration with thematic experts and partners in the field. The highest decision-making body of Fairtrade Finland is the bi-annual General Meeting consisting of representatives of the member organizations. They elect the Board, who have the overall responsibility for the activities of Fairtrade Finland. The Executive Director recruits all staff, approves all new projects and partner organizations as well as the Terms of Reference and budgets for short-term consultants and service provision contracts. Finance manager is responsible for money transfers to the field and accounting. Fairtrade Finland’s advocacy manager is responsible for the programme’s advocacy activities in Finland under the third objective of the programme. Press officer is responsible for the programme communications.

Total personnel of Fairtrade Finland in the reporting year was 10 employees, of which total of 3.30 person-years works for the programme. 1.79 of these person-years are for programme planning and monitoring, 1.19 for advocacy and programme communications and 0.41. for administration. The programme’s total personnel costs in Finland in 2018 were 184,949.94 euros.

As per the programme plan, a Steering Committee (SC) was established 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 Global Resource Mobilization, and representatives appointed by responsible PNs. The programme manager acts as a secretary of the SC. Due to changes in the organization structure and staff in Fairtrade Africa, there was a
delay in the appointment of their representative to the SC as it was agreed that a representation from both producer network is needed. Therefore, the start of the committee’s work in practice was postponed to 2019. The SC will meet annually, with virtual ad hoc meetings if needed for urgent reaction, and its responsibilities are the overall steering of the programme implementation, including systematic monitoring of risks and mitigation measures.

The programme draws substantial additional co-financing – 414 508 euros equivalent of 37.5% - from companies and other Fairtrade organizations as well as license fees from Fairtrade sales.

We continued the good partnerships with our financing partners, such as the Finnish companies Gustav Paulig and Hunajainen Sam, and our international partners Fairtrade Germany and Sweden. The partners were involved in the planning and kept informed of the developments and progress in the projects, through active communication and sharing reports and plans. The Fairtrade Finland’s programme manager also participates in the Global Resource Mobilization working group, where opportunities, challenges and lessons learned are shared. The group is meeting regularly and continuously works to scale-up best practices in programmatic work and to mobilize funding.

Budget was updated in cooperation with the implementing partner organizations, after the final project plans started to take form. We submitted an updated budget to the MFA (täydennysilmoitus) during the last quarter of the year, reflecting the most significant changes, mostly budget shifts from one project to another, based on the
Challenges, risks, and lessons learnt

We find that in relation to the results, budget spending has been mostly efficient. In Latin America, the actual spending was very close to the budgeted. In Africa we had some challenges in budget spending, mainly due to the fact that the implementing partner Fairtrade Africa was new to us, and more time than expected was needed in staff capacity building, establishing administrative processes and ensuring clear roles and responsibilities.

FTA’s operating procedures turned out to be quite different from CLAC and we did not prepare for this risk well enough. Several key personnel at FTA also resigned in the reporting year and FTA started its organizational restructuring which delayed refilling of the positions, resulting in gaps and loss of organizational memory and slowed down the programme implementation. We were aware of these kind of risks in the partner organizations, but they are mostly out of our hands and therefore difficult to prepare for. But as it was the first year working with FTA, we see that the problems can be solved in the future, when the partner organization has a better understanding of the programme and the funding scheme.

In some projects the planning process took more time than expected. For example, in the Ethiopian coffee project we realized that due to the big scope of the project and the large number of stakeholders, planning had to be done in several phases to ensure that after the implementation is started, a full support from all stakeholders and beneficiaries is in place. Workers’ rights projects faced more resistance from the business community than we assumed, delaying planning processes in Ghana, Malawi and South Africa. In South Africa the trade union movement turned out to be extremely fragmented and quarrelsome, resulting in a slow planning process. As explained earlier, there were serious unrests in Ethiopia and Haiti which caused delays. In both continents, recruitment of programme staff was delayed, which affected the overall schedule of the planning process, though we managed to speed things up in most other projects. As planning and development activities took more time than expected, it also caused slight budget overspent on the PME component. Delays in the project kick-offs and implementation restricted the opportunities of the programme communications, causing a part of this budget line not being used. As the implementation rate was lower than budgeted, we were also able to save in administrative expenses.
## MFA PROGRAMME 2018

### A: PROJECT ACTIVITIES

<table>
<thead>
<tr>
<th>Region/Project</th>
<th>Budget</th>
<th>Incurred</th>
<th>of budget</th>
<th>of total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honduras: coffee</td>
<td>135 000</td>
<td>132 421,83</td>
<td>98,1 %</td>
<td>12,0 %</td>
</tr>
<tr>
<td>Guatemala: honey</td>
<td>95 539</td>
<td>83 796,28</td>
<td>87,7 %</td>
<td>7,6 %</td>
</tr>
<tr>
<td>Haiti: cocoa, coffee &amp; mangoes</td>
<td>39 417</td>
<td>24 159,55</td>
<td>61,3 %</td>
<td>2,2 %</td>
</tr>
<tr>
<td>LAC regional, workers network/Dominican Republic</td>
<td>125 536</td>
<td>109 122,35</td>
<td>86,9 %</td>
<td>9,9 %</td>
</tr>
<tr>
<td>LAC regional, climate change advocacy</td>
<td>149 773</td>
<td>125 463,39</td>
<td>83,8 %</td>
<td>11,4 %</td>
</tr>
</tbody>
</table>

**Total for Latin America and the Caribbean**: 545 265 euros

<table>
<thead>
<tr>
<th>Region/Project</th>
<th>Budget</th>
<th>Incurred</th>
<th>of budget</th>
<th>of total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia: coffee</td>
<td>213 699</td>
<td>58 336,15</td>
<td>27,3 %</td>
<td>5,3 %</td>
</tr>
<tr>
<td>Regional, workers’ rights pilot</td>
<td>112 349</td>
<td>83 975,28</td>
<td>74,7 %</td>
<td>7,6 %</td>
</tr>
<tr>
<td>South Africa: wine &amp; decent work</td>
<td>49 699</td>
<td>38 377,79</td>
<td>77,2 %</td>
<td>3,5 %</td>
</tr>
<tr>
<td>Ethiopia: flowers, living wage &amp; gender</td>
<td>154 699</td>
<td>55 765,00</td>
<td>36,0 %</td>
<td>5,0 %</td>
</tr>
<tr>
<td>Ghana: cocoa, child labour</td>
<td>54 699</td>
<td>36 106,44</td>
<td>66,0 %</td>
<td>3,3 %</td>
</tr>
<tr>
<td>Ghana: bananas, living wage, gender</td>
<td>54 699</td>
<td>37 769,09</td>
<td>69,0 %</td>
<td>3,4 %</td>
</tr>
<tr>
<td>Malawi: tea, decent work</td>
<td>59 699</td>
<td>32 209,68</td>
<td>54,0 %</td>
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</tr>
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</table>

**Total for Africa**: 699 541 euros

**PROJECT ACTIVITIES, total**: 1 244 806 euros

### B: PLANNING, MONITORING, EVALUATION & DEVELOPMENT

<table>
<thead>
<tr>
<th>Activity</th>
<th>Budget</th>
<th>Incurred</th>
<th>of budget</th>
<th>of total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning, Monitoring, evaluation and development</td>
<td>100 365</td>
<td>123 847,84</td>
<td>123,4 %</td>
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</table>

**Total for B**: 100 365 euros

### C: COMMUNICATION AND ADVOCACY

<table>
<thead>
<tr>
<th>Activity</th>
<th>Budget</th>
<th>Incurred</th>
<th>of budget</th>
<th>of total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development education &amp; advocacy in Finland</td>
<td>82 079</td>
<td>83 094,81</td>
<td>101,2 %</td>
<td>7,5 %</td>
</tr>
<tr>
<td>Programme Communications</td>
<td>22 400</td>
<td>16 434,01</td>
<td>73,4 %</td>
<td>1,5 %</td>
</tr>
</tbody>
</table>

**Total for C**: 104 479 euros

### D: ADMINISTRATION (flat rate)

<table>
<thead>
<tr>
<th>Budget</th>
<th>Incurred</th>
<th>of budget</th>
<th>of total costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>110 000</td>
<td>64 121,16</td>
<td>58,3 %</td>
<td>5,8 %</td>
</tr>
</tbody>
</table>

**Total for D**: 110 000 euros

**TOTAL**: 1 559 650 euros

### FINANCE

<table>
<thead>
<tr>
<th>Budget</th>
<th>Incurred</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFA</td>
<td>900 000</td>
<td>690 492</td>
</tr>
<tr>
<td></td>
<td></td>
<td>58,1 %</td>
</tr>
<tr>
<td></td>
<td>transferred from previous year</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-finance</td>
<td>659 650</td>
<td>414 508</td>
</tr>
<tr>
<td></td>
<td>Self-financing from abroad</td>
<td>545 650</td>
</tr>
<tr>
<td></td>
<td>Self-financing from Finland</td>
<td>114 000</td>
</tr>
</tbody>
</table>

**TOTAL**: 1 559 650 euros

**To be transferred for 2020**: 209 508 euros