



FAIRTRADE  
FINLAND

**FAIRTRADE FINLAND**

**PROGRAMME RESULTS**

**REPORT 2019**



**FAIRTRADE**  
FINLAND

Fairtrade Finland  
Kuortaneenkatu 1, 00520 Helsinki

Phone: +358 (0)45 127 5179  
reilukauppa@reilukauppa.fi  
www.reilukauppa.fi

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## SUMMARY

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 farmers 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 **farmer** 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 161,000 rightsholders of which 53 % are women.

**Year 2019 was the second year of the programme and the first full year of implementation.** After the thorough planning phase, partners' capacity building and stakeholder engagement process in 2018, in the reporting year the programme implementation started at full swing. During 2019, we focussed specifically on learning and further development of the **programme-wide system for monitoring, evaluation and learning (MEL)**, as well as training key staff at partner organisations on MEL and results-based project management. We also organised the first programme level sharing and learning event in Ethiopia with key programme and project staff, and partner organisations' thematic experts and leadership team members. During the week-long workshop learnings and best practices were widely shared and next steps agreed for continuous quality improvement across the programme. Another special focus area of the programme in 2019 was disability inclusion. We analysed gaps and needs in our partner organisations' capacity and at the project level, and integrated **disability inclusion** into our programme. This was done in close collaboration with disability expert organisations.

Although the reporting year was only the second programme year and the first year of full implementation, there were several **promising results**. In the programme's SPO component youth involvement was on the increase, gender equality was improving and – in couple of sectors where child labour situation is critical – child rights were better realized. In the workers' rights part, there were indications of improved plantation workers' health and safety, better freedom of association, industrial relations healing up and wages getting closer to living wage levels. In Finland, the programme made critical contributions to #ykkösketjuun campaign, which encouraged the Finnish Government to adopt the objective of enacting a corporate social responsibility act and supported several companies to develop their human rights due diligence (HRDD) work.

Total personnel of Fairtrade Finland in the reporting year was 10 employees, of which total of **3.30 person-years worked for the programme**. The programme's financial implementation rate was 94.8 % of the budget. Administrative expenses were 5.5 %. The programme's expenses in 2019 were MEUR 1.7 and financed 70.2 % by MFA and the rest by own funds sourced from companies and partnering Fairtrade organisations.

## MAIN RESULTS 2019



§ OBJECTIVE OF  
CSR ACT



- PWD STUDIES
- LESS HIGH RISK OF CHILD LABOUR
- MORE YOUTH ACTIVITIES



- DRR PLANS
- IMPROVED CLIMATE CHANGE KNOWLEDGE

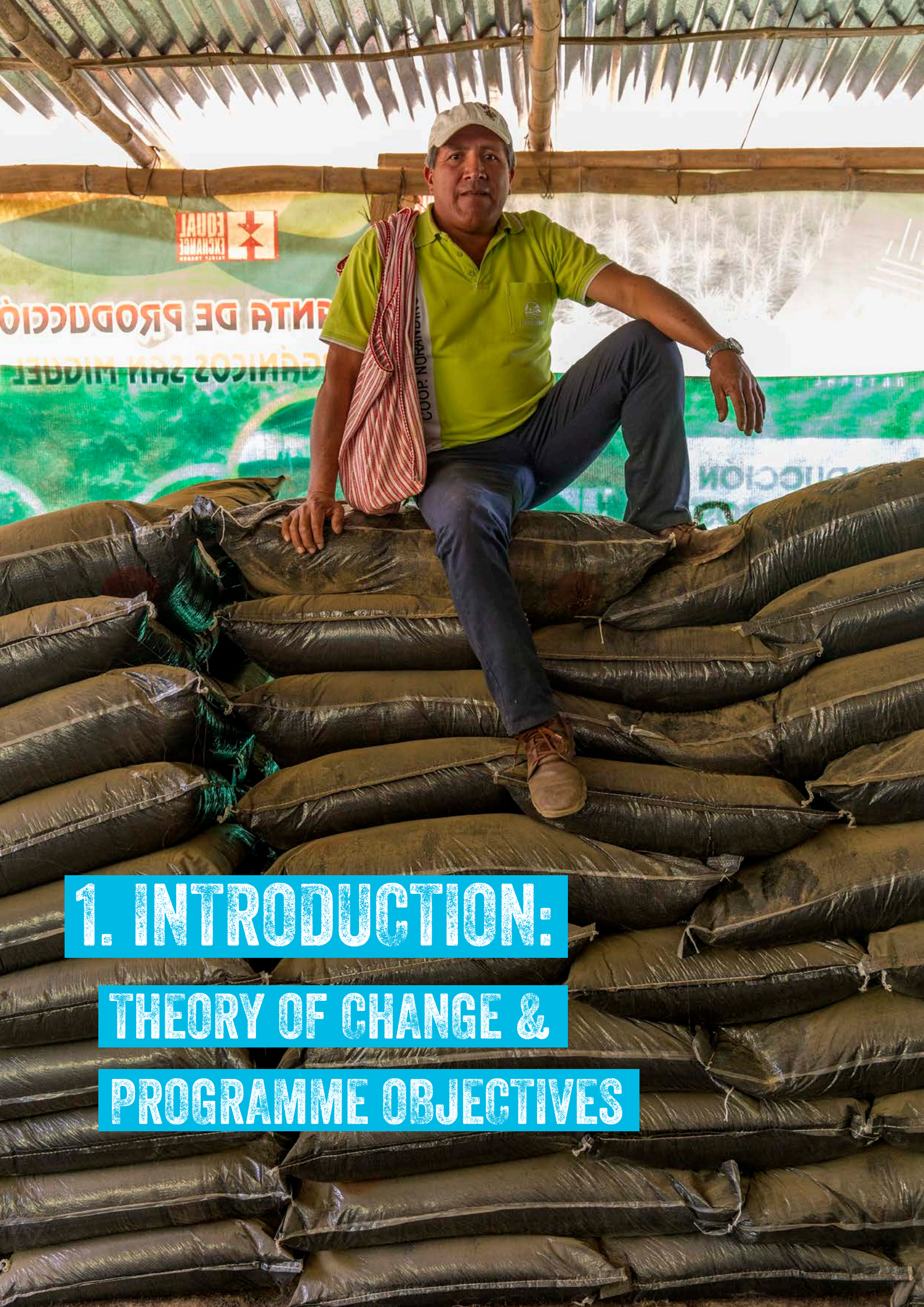


- MORE SEXUAL HARASSMENT POLICIES
- MORE WOMEN IN MANAGERIAL POSITIONS

## ACRONYMS AND ABBREVIATIONS

<b>CBA</b>	collective bargaining agreement
<b>CLAC</b>	Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo (Latin American and Caribbean Network of Small Fair trade Producers)
<b>CODImpact</b>	Collection of Data for Impact
<b>CSO</b>	civil society organisation
<b>DRR</b>	Disaster Risk Reduction
<b>FLOCERT</b>	Fairtrade certification body
<b>FT</b>	Fairtrade
<b>FTA</b>	Fairtrade Africa
<b>GAP</b>	Good Agricultural Practices
<b>GEL</b>	Golden Exotics Limited
<b>HL</b>	hired labour
<b>HLO</b>	hired labour organisation
<b>HRDD</b>	human rights due diligence
<b>HRM</b>	human resource management
<b>IUF</b>	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
<b>LAC</b>	Latin America and the Caribbean
<b>LDCs</b>	least developed countries
<b>MEL</b>	monitoring, evaluation and learning
<b>MFA</b>	Ministry for Foreign Affairs of Finland
<b>MP</b>	member of parliament
<b>NFO</b>	national Fairtrade organisation
<b>NGO</b>	non-governmental organisation
<b>PAWU</b>	Plantation and Agriculture Workers Union of Malawi
<b>PME</b>	planning, monitoring and evaluation
<b>PN</b>	producer network
<b>PO</b>	producer organisation
<b>p.p.</b>	percentage point
<b>PPE</b>	protective personal equipment
<b>SC</b>	steering committee
<b>SCA</b>	Speciality Coffee Association
<b>SDG</b>	Sustainable Development Goals
<b>SO</b>	strategic objective
<b>SPO</b>	small producer organisation
<b>TAML</b>	Tea Association of Malawi
<b>ToC</b>	Theory of Change
<b>ToR</b>	Terms of Reference
<b>UNDP</b>	United Nations Development Programme
<b>UNGP</b>	United Nations Guiding Principles on Business and Human Rights
<b>VREL</b>	Volta River Estates Limited
<b>WSOL</b>	Women School of Leadership
<b>YICBMR</b>	Youth Inclusive Community Based Monitoring and Remediation System





# 1. INTRODUCTION:

THEORY OF CHANGE &

PROGRAMME OBJECTIVES



# 1. INTRODUCTION

**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 Standards form the cornerstone of Fairtrade's approach to sustainable development. They are designed to support the sustainable development of small producer organisations (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 organisations must make. The Fairtrade farmers and workers are organised 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 organisations (NFOs) in the consumer countries.

**Fairtrade Finland** was established in 1998 by Kepa, International Solidarity Foundation, Finn Church Aid, Finnish Association of World Shops, Martha Organisation and The Finnish Association for Nature Conservation. Currently there are 31 member organisations. Besides the development cooperation, covered by this 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 farmers

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. Through working with businesses and civil society on the one hand and farmers 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.



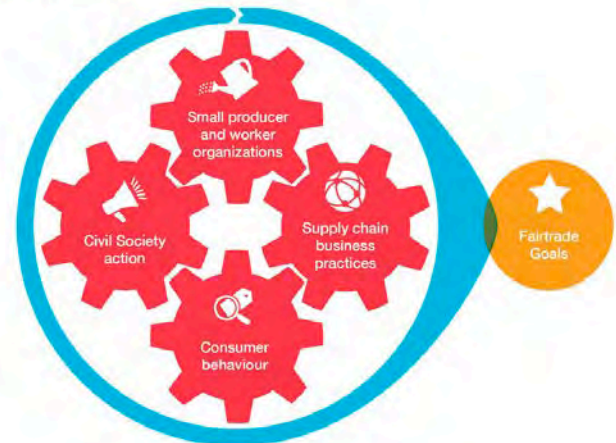
## 1.1. THEORY OF CHANGE: TRANSFORMATIVE CHANGE THROUGH EMPOWERMENT OF FARMERS AND WORKERS

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 organisations
- Supply chain business practices
- Consumer behaviour
- Civil society action

### SPHERES OF CHANGE



**IN LINE WITH OUR THEORY OF CHANGE, THE PROGRAMME AIMS TO EMPOWER PRODUCER AND WORKER ORGANISATIONS AS VEHICLES OF INCLUSIVE DEVELOPMENT.**

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

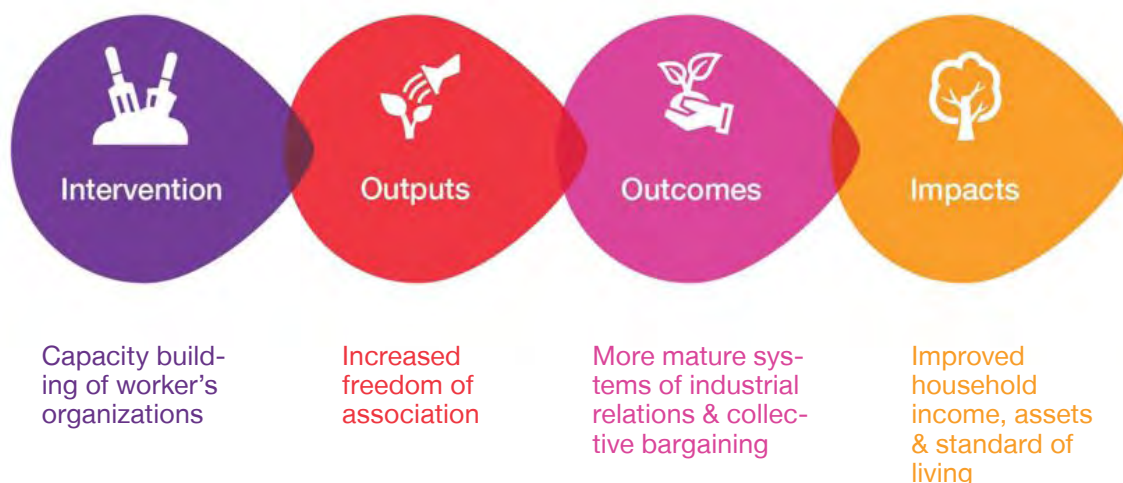
The Fairtrade's ToC consists of separate building blocks for small-producer organisations, hired-labour organisations, and for the trade & advocacy component. All of them have their own results chains, with set targets at different levels. The programme is contributing to all three key areas of the ToC of Fairtrade under the interventions of:

- Providing support for farmers & workers & their organisations,
- Building & sustaining markets jointly with producer & worker organisations, business & citizen-consumers,
- Developing networks & alliances, and
- Advocacy & campaigning.

The programme's results-framework is built on the ToC, and programme's results are directly contributing to the corresponding impacts, outcomes, and outputs of the ToC. All projects under the programme are aligned with and contribute to the programme level outcomes and, ultimately to its impact goal. Also, each programme level output corresponds to results in one or several projects, and the logic of the programme's results chain is such, that the project-level results constitute the programme level outputs. This logic will be demonstrated more in detail in the chapter 2 where we discuss the programme's achieved results by outcome and output level, and through exemplary pathways of change included for each of the programme's three components.



## SIMPLIFIED EXAMPLE OF A RESULTS CHAIN



## 1.2. PROGRAMME OBJECTIVES AND COMPONENTS

The 4-year-programme has a thematic structure, built around three main components. The **overarching development goal of the programme is to ensure farmers' 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 organisations and making a supportive environment for local civil societies to enable rural people to overcome poverty through economically, socially and environmentally sustainable livelihoods.

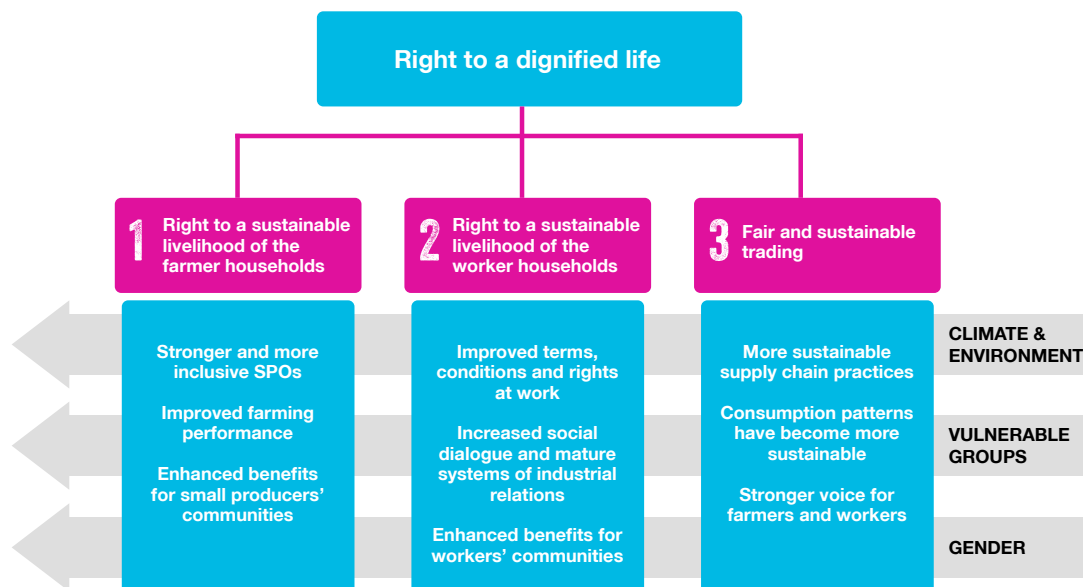
Fairtrade Finland's programme will pursue this goal **through three closely interlinked and mutually supporting strategic objectives (SOs) or components**:

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

Some projects have elements of both farmer 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.

**IN 2019 THE PROGRAMME CONSISTED OF 11 PROJECTS.**

## PROGRAMME OBJECTIVES



In 2019 the programme consisted of 11 projects. 2019 was be the first full year of implementation, as most of the first year of the programme was used in building structures and planning the projects. Exceptions were the project in Haiti, where the planning process delayed and started only in the end of 2019, and in Honduras, where the project had already started in 2017.

### 1.3. RIGHTS-HOLDERS

Rights-holders of the programme are Fairtrade small producers and agricultural workers, who are also direct beneficiaries, with their families and community-members impacted by the project being the indirect beneficiaries. Below is a list of project rights-holders and producer organisations.

Project country and focus	Rights-holders				
	male	female	total	SPOs	HLOs
Honduras: coffee, child labour	1 784	959	2 743	18	
Guatemala & regional: honey, climate (regional honey network rights-holders)	3 824	1 284	5 108 9 065	7 6	
Haiti: cocoa, coffee, climate	6 364	4 795	11 159	2	
LAC regional: workers' network			5 648		98
LAC regional: climate change advocacy	163	116	279	66	
Ethiopia: coffee, sustainable production	21 192	29 484	50 640	31	
South Africa: wine, decent work	128	124	252		20
Ethiopia: flowers, living wage, gender	6 600	29 725	36 325		6
Ghana: cocoa, child labour	4 738	3 442	8 180	30	
Ghana: bananas, living wage	4 293	1 607	5 900		3
Malawi: tea, decent work	19 661	6 061	25 722		2
<b>TOTAL</b>	<b>68 747</b>	<b>77 597</b>	<b>161 057</b>	<b>160</b>	<b>129</b>



## 1.4. CIVIL SOCIETY STRENGTHENING, OWNERSHIP AND TRANSPARENCY

The programme promotes people-centred development in which **rights-holders become agents of their own development**. The strengthened capacities and participation of both programme partners and the civil society in the programme context is followed through our MEL system including indicators for this area.

In the programme's first component focusing on small producers, the programme puts the producer organisations on the driver's seat. In all SPO projects, the producer organisations are involved in the coordination of field activities, appointing their own technical staff in supporting roles. In Latin America, the key partners of most projects are the National Fairtrade Producer Networks (*Coordinadoras Nacionales*), representing the Fairtrade certified SPOs in the country. Each project has a structure of committees with different roles: The National Networks' leadership participate in project specific strategic committees, giving guidance and making important decisions about the project, whereas the SPOs are participating in the projects' operational committees. Also, in Africa, the **SPOs are involved in each step of the projects**: validating the project designs, approving any engagement with external stakeholders or changes in implementation plans.

In 2019, in terms of progress towards strengthened ownership and leadership of the SPOs, for example in Guatemala 100 % of the participating SPOs, compared to 57 % in 2018, have capacitated their staff on leadership, and their ability to represent and serve their member farmers has improved. In Honduras, 80 % of the coffee SPOs have implemented actions promoting or advancing human rights and child protection. Overall, 44 % of the SPOs included in the projects in Latin America report 'high' or 'very high' the value and quality of the collective actions implemented during 2019. Some projects go beyond farmers' organisations in strengthening local civil society. For example, the Ghana cocoa sector project has a broad approach to tackle child labour, building capacity of not only the cocoa producers' union but also other local actors on child protection and advocacy. As a result, the number of CSOs influencing positively in child rights and child protection in the area rose from 5 to 6. These achievements indicate the **improved capacity of the civil society actors** – be it SPOs, CSOs or other civil society partners of the projects – **to lead the development of their own communities and promote their own rights**.

In the second programme component the **Workers' Committees** at plantation level, and in some cases local **trade unions**, are the representatives of the rights-holders and therefore the key owners of the projects. They are the reference groups for **validating and deciding on project's expected results, activities, and changes**. In 2019, in Ghana's banana plantations already 91 % (up by 13 % from 2018) of workers were actively taking part in activities of trade unions or workers' committees, and 88 % (13 % more than in 2018) of them were satisfied with the functions of these representation structures. In the case of the Latin American Workers' Network project, the democratically elected Network and its national entities are complementing this structure further, as they **represent all workers** in the FT certified plantations on the continent. In 2019 53 % of the workers in the programme's target countries in LAC perceived that their organisations understand their priorities and act in their best interests.

In the third component, the programme supports **farmers and workers to advocate for the issues affecting their lives and to demand responsibility from the duty-bearers**. In Latin America, in 2019 a third of the leaders of the regional Workers' Network **had the competencies and possibilities to influence positively** the policies and decisions that affecting their lives and the working environment, 12 % more than a year ago. The network also made 5 development proposals to CLAC. Also, the Climate Change Advocacy project built local leaders to become owners of the transformational change in their communities and even in the wider society. In 2019, the National Fairtrade Producer Networks in the five target countries started **6 new alliances** with partners and realized **3 public campaigns** promoting the SPOs interests, abilities and concerns about the climate change.

Besides increasing CSO's capacity, the programme has contributed to **creating a favourable operating environment for the civil society**. Results in this category usually take a bit more time to materialize, but there are already couple of good examples. Thanks to intensive advocacy and workshops with Ethiopian officials, local government finally legalized Fairtrade premium committees in the reporting year. Another example is that the programme is supporting social dialogue and building mature systems of industrial relations, and in several cases workers report that they feel that they are freer to take part in trade unions.

**Accountability** is ensured through regular reports and consultations with the project participants, the annual participatory review meetings, and active involvement of key stakeholders. This is supported by communication through digital and non-digital media, often through messages designed by the rights' holders themselves, as well as workshops, meetings and events. All project plans, reports and other documents are public, and the progress and results are frequently shared with rights-holders and relevant stakeholders, and their input collected.

Sustainability and ownership of the results are supported by the fact that the farmers and workers remain part of the Fairtrade system even after the programme has phased out, continuing the started activities and following-up the outcomes. The programme's partners, regional producer networks Fairtrade Africa (FTA) and CLAC, continue their support to farmers and workers. **The capacities of the programme partners and programme staff is supported** by regular training and coaching. In 2019, the first programme wide sharing and learning event was organised in Ethiopia. In FTA, the programme staff and the organisation's management went through Project Management for Development Professionals (PMD Pro) certification by Humentum. The same training was completed by CLAC staff in 2018, and in 2019 the team continued with the second module of the PMD Pro and with intensive MEL related trainings.

## 1.5. OPERATING ENVIRONMENT

General elections were held in **Malawi** on May 2019 to elect the President, National Assembly and local government councillors. The incumbent president, Peter Mutharika, was declared the narrow winner with 38.6 % of the vote but the results were highly controversial and opposition leaders disputed the results in the constitutional court. Nationwide protests were held for months in which hundreds of thousands took to the streets demanding the resignation of Malawi's leading electoral official. The demonstrations turned violent with stores being looted and cars torched. In early March 2019, heavy rains hit Malawi, causing severe flooding in the Southern and, to a lesser extent, Central Region of the country. These disaster events had a significant impact on people's lives, livelihoods and socioeconomic infrastructure in the project areas, pushing a large number of people into poverty and food insecurity. There was also some damage done to the programme's two tea estates with destruction of irrigation infrastructure and siltation of nearby water bodies. Despite the impact Cyclone Idai and political impasse, economy advanced 5 % year-on-year in 2019 from 4 % in the previous year, mainly driven by the all-important agricultural sector.

In **South Africa**, economic insecurity, contributed to xenophobic violence against foreigners and their businesses. This was visible at the wine estates as those are mostly owned by foreigners or by local white minority, while many workers originate from other neighbouring countries. The question of promised land reform remained as a hot topic. These increased operational risks of the project, slowed down investments in the vineries, and highlighted the importance of training on antiracism and tolerance. Nationwide protests took place in September following the killings of multiple women and many instances of gender-based violence. The violence spurred an #AmINext movement where women on social media called out their alleged abusers. Wine estates and workers' compounds are high risk areas for GBV, and this also increased the project's importance. Industrial relations remained tense with the new labour law reform coming into effect restricting the right to strike through technical means. Trade unions continued to make a row but with low membership and fragmented sector their threats did not materialize. The South African economy grew only



by 0,2 % in 2019, the lowest reading since the 2008–2009 global financial crisis. Late rains and heatwave conditions across the country contributed agricultural sector to fall by 7,6 %.

**Ghana** continued to be one of the fastest growing countries in the world with a GDP growth rate of 6.5 % in 2019. Strong economic growth supported relative political stability in the country. The two world's biggest cocoa producers, Côte d'Ivoire and Ghana, have increased their cooperation in order to exert more control on global prices. In 2019 they agreed to set new standards for exported cocoa beans, a move which is expected to result in higher quality cocoa and set a joint floor price for beans. Ghana's cocoa production was a bit under average levels on account of the swollen shoot disease outbreak.

In **Ethiopia**, the government carried out several political reforms, which had an impact on the civil society and on our two projects in the country. This resulted in social unrest throughout the country. In Sidama, one of the key areas of the coffee project, 98 % voted for an autonomous Sidama state in a referendum in November 2019. This restricted movement in the area and complicated some project activities. Also, the social unrests resulted in an influx of internally displacement of peoples (IDPs), and one of the areas highly affected by this was the Gedion, another key area of the coffee project. There were severe riots also around the main horticulture region and flower farms were attacked. The government has been accused to have used excess violence in response to inter-communal violence, which has created unrest especially as this occurred in the year Prime Minister Abiy Ahmed won the Nobel Peace Prize. Due to these events, the production of the coffee unions decreased, which in the long term may lead to a decline in coffee export values, and the projected income levels of the project's targeted coffee unions. On the positive side, one of the Ethiopian government's reforms will transform the entire coffee value-chain in the country, allowing individual farmers, coffee processing owners and coffee traders to export coffee. For flower farms, unrest and attacks made operating much riskier lowering the investments in the sector.

In **Haiti**, violent protests and demonstrations against president Jovenel Moïse continued, as people were accusing the government of corruption and low economic growth. Movement within the country was halted entirely on several occasions, so the planning phase of the project could only be started in the end of the year. In the **Dominican Republic**, the challenges in the regularization of undocumented Haitian migrant population in the banana plantations remained unresolved, and as 2020 will be an election year, political will to make changes in this controversial area is weak. The unstable situation in Haiti also made the situation even more challenging, as the authorities in the country were not fully functional, impeding the process of obtaining official documentation.

In **Nicaragua**, project activities were implemented according to plan, despite the persisting protests and confrontations between civilians and law enforcement, to oppose President Ortega's authoritarian rule and the government's violent response to peaceful demonstrations. After the protests started in 2018, more than 500 people have been killed and 80,000 Nicaraguans fled into exile. While in 2017 Nicaragua still maintained a good growth rate of 4.6 %, in 2018 and 2019 the economy contracted to -4.0 and -3.9 %. 240 000 Nicaraguans fell into poverty and the country is now the second poorest country in Latin America after Haiti.

In **Bolivia**, the political situation of electoral fraud led to social conflicts and violent confrontations with several wounded and dead, which paralyzed the country for 3 weeks during October - November and caused delays in some programme activities scheduled for the end of 2019. National economic growth was also less than projected. **Ecuador** also experienced a political and social crisis, with demonstrations resulting to injuries and deaths during October, which impeded some activities of the project. In **El Salvador**, the presidential elections exacerbated gang violence, increasing social insecurity and international migration through "migrant caravans". In **Colombia**, the discontent of the public in President Duque's government and its policies triggered vast demonstrations and riots in late 2019. The unrest started as a reaction to government's proposals aimed at eliminating the state pension fund, raising the retirement age, and lowering the salary for young people

below the minimum wage. The government responded with criminalizing social protest and adopting measures to restrict freedoms, resulting to illegal arrests and hundreds of injured<sup>1</sup>.

Similar development was seen in **Guatemala**, which also had an electoral year. Although the national economy registered a growth of 3.5 %, the country's economy continued to be affected by low coffee prices. The price for honey also went down and the migration has made the situation of coffee and honey producing communities even more difficult, as finding seasonal workforce has become a big challenge. As for the climate, rains in 2019 were excessive and untimely, some areas experienced frosts, while the Quiché region was affected by an earthquake. Challenges of increased migration towards USA, unpredictable climate phenomena and low coffee prices were experienced also in **Honduras**. Apart from the difficulties in finding workforce for coffee harvest, the situation might increase child labour as especially young workforce migrates abroad and families struggle with their livelihoods.

The situation of the plantation worker households in **Argentina** continued to be difficult as the economic crisis and high inflation and unemployment rates continued in 2019. Economists predict that Argentina's current downturn could get even sharper than the country's historical economic collapse between 1998 and 2002. In **Brazil**, President Jair Bolsonaro took office in January 2019, promising to cleanse the country of corruption, relax gun laws and cut state intervention in the economy. In a country already suffering from economic difficulties and extreme violence, the situation for civil society actors has become more difficult. According to Civicus<sup>2</sup>, there are lots of investigations of human rights defenders and civil society activists, while the president's discourse depicts activists as "communists" threatening the Brazilian social system.

In **Finland**, national elections, EU elections and Finland's EU Presidency had a planned impact on our advocacy and communications work: we participated actively in the #Ykkösketjuun-campaign as well as European wide NGO coalitions to advocate for binding human rights due diligence legislation at the national and European level.

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<sup>1</sup> <https://monitor.civicus.org/country/colombia/>

<sup>2</sup> <https://monitor.civicus.org/country/brazil/>





## 2. PROGRAMME

## IMPACT AND RESULTS



## 2. PROGRAMME IMPACT AND RESULTS

In the following chapters, we will analyse the progress made in 2019 against programme's objectives at impact, outcome, and output levels. The information gathered from MEL data, project reports and case studies, will be reflected against the programme's results framework (Annex 2).

### 2.1. PROGRESS TOWARDS IMPACT LEVEL OBJECTIVES

Despite being hardly at the midway of the programme implementation, there were already some good indications towards the programme's target of sustainable livelihoods for farmers and workers.

In Latin America, a new indicator was measured in 2019, indicating the farmers' and workers' own perception of the sustainability of their livelihoods. There is no comparison with earlier years, it is hard to evaluate the progress made so far, but as the percentage is very low especially with the small producers (6 % of women and 8 % of men), it is clear that the programme is highly relevant with its impact goal and there is a lot of work to do to achieve our goal. While 75 % of the SPOs made net profit, it was 5 percentage point (p.p.) less than a year before and the farmers themselves raised their concerns related to climate change effects and price fluctuations of coffee and honey particularly. On a positive note, 36 p.p. more SPOs in Latin America have now analysed their climate risks and +56 p.p. made adaptation plans; this might also raise their concerns about sustainability as they have become more aware of many production related challenges in their operating environment.

Overall, 95 % of the HLOs included in the programme increased wages faster than inflation. For example, in Ghana banana workers' wages improved and the gap to a living wage narrowed. Through the capacity building for the local trade union, the workers of VREL successfully negotiated their CBA obtaining an average increment in wage by 15.5 %. The lowest paid workers received the highest increment and thus jumped closer to the living wage. Despite encouraging development, living wage is glimmering still too far away. The project in Malawi witnessed 16.6 % increase in wages paid to workers as a result of CBA negotiations of local trade union PAWU and tea producers' association TAML. The gap to living wage was narrowing there as well, but still too wide.

There was good progress towards farmers' and workers' increased capacity to advocate and influence on the issues affecting their lives in Latin America also, where 12 new policies at national level were influenced by producer organisations and several new strategic alliances made. For example, in Ecuador the National Fairtrade Network influenced in the national government policies related to the protection of water sources and reforestation. In Guatemala, the producers were able to influence a ministerial agreement for the categorization of beekeeping, avoiding a raise in the taxation of honey. In Finland, the programme made critical contributions to #ykkösketjuun campaign, which encouraged the Finnish Government to adopt the objective of enacting a corporate social responsibility act and supported several companies to develop their human HRDD work.

Finally, although there were many activities implemented across the programme on gender equality and youth involvement, and nice examples of empowerment at the project level, the progress on these issues in general has been slow and there was no change in the related indicators. Apart from the proportion of women in SPOs and HLO's membership, it is evident that women's perception on the sustainability of their livelihoods and on ability to raise their concerns is clearly lower than men's. However, we remain positive that this will change as the programme progresses, as both farmers and workers are committed to working towards an enhanced equality. Most farmers (65 %) and workers (88 %) perceive gender equality important and the proportion of SPOs which implemented specific activities to bring young people into the membership rose by more than 4 % in Latin America.

### Key impact level results in 2019

Indicator	Status 2018	Status 2019
Impact objective: Improved household income, assets & standard of living among small producer households		
% of farmers and workers who perceive their livelihoods are sustainable	-	Latin America: SPOs 6 % (6 % of women/ 8 % of men). HLOs 32 % (31 % of women / 32 % of men).
a) The % of SPO member and worker HHs who live in poverty b) the % who perceive their economic situation has improved	<b>HLO</b> a) Latin America: 18 % b) Africa: 28% <b>SPO</b> a) Latin America: 22 % b) Africa: 43 %	<b>HLO</b> - b) Africa: 82% <b>SPO</b> -
% of SPOs which made net profit	Programme: 80 % Honduras: 83 % (2017)	Programme: 75 % Honduras: 94 %
% of HLOs increasing wages faster than inflation	All programme countries average: 100 %	All programme countries average: 95 %
Impact objective: Increased environmental sustainability & resilience to climate change		
% of SPOs which have analysed the risks of climate change and have developed and implemented an adaptation plan/strategy	Latin America (excl. Honduras): 53 % have analysed the risks and 0 % have an adaptation plan Honduras: 57 % (2017)	Latin America (excl. Honduras): 89 % have analysed the risks and 56 % have an adaptation plan Honduras: 65 %
Impact objective: Enhanced gender equality and intergenerational sustainability in rural communities		
% of youth and women in SPOs membership and governance / % of youth and women workers in HLOs and in HLO management	<b>SPO</b> Honduras: 29 % women, 22 % youth (2017) Latin America others: 22 % youth Africa: 1% women <b>HLO</b> Latin America: 8 % women, 4 % youth Africa: 14 %	<b>SPO</b> Latin America: - Honduras: women 27 %, youth 20 % Africa: 13 % women <b>HLO:</b> Latin America: - Africa: 6 % women
Attitudes towards gender equality among farmers and workers, by gender (positive attitudes on equality)	Latin America: - Africa HLO: 84 %	Latin America: SPOs 65 % (women 63 % / men 65 %), HLOs 88 % (women 87 %, men 88 %) Africa:-
Impact objective: Increased dignity, confidence, voice, control & choice for small producers		
% of POs who have engaged in influencing government policy at any level	Latin America: # of public policies influenced 0	Latin America: # of public policies influenced 12
% of SPO members and workers who perceive that different opinions can be raised and are respected in their communities	-	Latin America: SPOs 38 % (women 32 % / 40 % men), HLOs 86 % (88 % men / 81 % women)
Impact objective: Fairer & more sustainable trading system		
% of consumers committed to purchase Fairtrade products	21 %	23 %



## 2.2. ANALYSIS OF THE PROGRAMME RESULTS PER COMPONENT

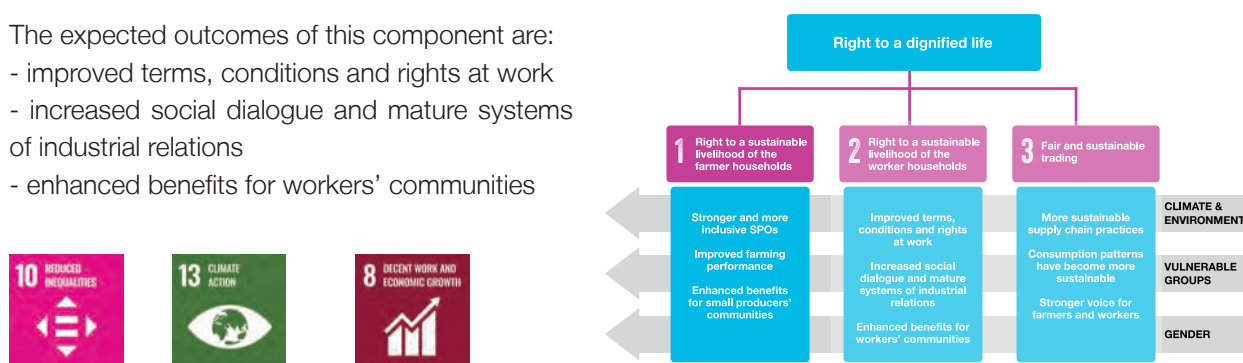
Under each component, we will first look at the outcome level progress and then analyse the output level progress and how these contribute to the outcome level achievements. Finally, we will analyse risks, challenges & lessons learnt. Each of the programme's three components have their own result chains with many possible development paths. After each chapter, an example pathway of change is included to illustrate the relations between different target levels (impact, outcome, output), and to depict how the change is expected to happen, following the logic of the programme's results-chain and ToC.

### 2.2.1 REALIZING THE RIGHT TO A SUSTAINABLE LIVELIHOOD OF FARMER HOUSEHOLDS

Below is a list of the five projects under this component and their linkages to the programme level outcomes (see the image below). Many of the SPO projects are also contributing to the programme's second and third components, and the related results are included in the respective chapters. On the other hand, the regional Climate Change Advocacy project in Latin America has some results reported here, while it mostly contributes to the third programme component.

The expected outcomes of this component are:

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



Projects that mainly contribute to this component:		
Country & focus	Project purpose	Contribution to outcomes
Guatemala; honey, climate	Improved capacities of honey SPOs to adapt to climate change, and better advocacy skills of the Latin American honey network	1, 2
Haiti; coffee, cocoa, climate	Improved organisational capacities and ability to adapt to climate change	1, 2
Honduras; coffee, climate, child labour, gender, youth*	Strengthened organisational capacity, and economic, ecological, and social sustainability of coffee SPOs	1, 2, 3
Ethiopia; coffee, climate, organisational capacity	Improved economic, environmental, and social sustainability of coffee production	1, 2, 3
Ghana; cocoa, child rights	Strengthened child protection systems in the cocoa producing communities	3

\* The project started in 2017 and ended in 2019.

However, it will continue with an additional 3-year project phase in 2020.

### 2.2.1.1. Progress against expected outcomes, programme component 1

#### Outcome 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.

Key outcome level results in 2019:

Indicator	Status 2018	Status 2019	Comments
% of SPOs which implemented specific activities to bring young people into the membership	Latin America (excl. Honduras): 12,5 %	Latin America (excl. Honduras): 16,7 %	
	Africa 0 % Honduras: 32 %	Africa 100 % Honduras: 35 %	
% of SPO's who perceive they are more able to negotiate price and other contractual conditions with buyers	Latin America (excl. Honduras): 86 %	Latin America (excl. Honduras): 100 %	Honduras: "access to specialized coffee markets"
	Honduras: 50 %	Honduras: 100 %	

In 2019, progress towards this outcome area was made especially in Honduras, mainly because the project already started in 2017, and hence the slow processes of social inclusion were already taking steps forward. In Honduras, there was a slight increase in the activity of young members in SPOs, but although the change was not big in terms on figures (+ 3 p.p.), the achievement in terms of depth of **the youth's involvement and empowerment** was significant. The external evaluation conducted in the end of the reporting year concluded, that most **SPOs engage actively youth & young women** at many different levels: as farmers, technicians, soil analysts, manufacturers of bio-fertilizer and in value-addition activities. Both the youth themselves and adult members of the SPOs commented, that youth are now considered as relevant members of the community, their skills and opinions are respected, and they are accessing decision-making positions in SPOs.

The other projects in LAC area, although in their early stages, also made progress against this target, in particular the honey project in Guatemala, where 100 % participating SPOs now promote youth membership, compared to 71 % in the beginning of the programme. In the Climate Change Advocacy project, great success was achieved in **capacitating youth, and especially young women, in leadership skills** and improving the youth involvement in various activities of the SPOs and even at the level of National Fairtrade Networks. As a result, 28 % of the participants of the leadership & advocacy schools organised in the project, mostly **youth, assumed decision making positions** in their organisations, an increase of 14 p.p. from 2018.

In the Ethiopian coffee project, first steps were taken towards disability inclusiveness in the SPOs, as plans for **establishing inclusion policies** were made. The engagement and interest by SPOs to develop this area together has been strong and need for an intervention is evident, as highlighted by the assessment conducted by Abilis and ECDD (see more in the chapter *Cross-cutting themes – vulnerable people*). Women & youth participation in coffee value chains was promoted through an exchange visit to Uganda by a group of youth, participation in an international coffee fair, and through **establishing youth groups** in coffee unions. These activities also inspired the unions to start **coffee branding and packaging** for domestic markets and to plan promotion of coffee for south-to-south markets.

In Ethiopia, several trainings on **financial management, marketing and business planning** held for the coffee SPOs are expected to also contribute towards this outcome area. In Guatemala, the managers and technicians of the SPOs were capacitated in negotiation skills, market analysis, organic certification and value addition. One of the unexpected positive outcomes noted was the increased collaboration and trust between the participating organisations which, for the first time, has created **alliances and mutual support to solve common marketing problems**.

These results pave the way for the achievement of the programme's impact goal *Enhanced gender equality and intergenerational sustainability in rural communities*. Also, progress was made in the ability of the SPOs to negotiate the conditions with their buyers, a strong indicator of the strengthened organisational capacities of the SPOs. This will contribute to the SPOs' empowerment and the impact goals of *Increased dignity, confidence, voice, control & choice for small producers and Improved income, assets & standard of living of small producer households*.

## Outcome 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.

Key outcome level results in 2019:

Indicator	Status 2018	Status 2019	Comments
Average yield per SPO (in quintals)	*Programme overall	Programme overall: + 0,25 - + 3,19 MT compared to 2018	*Different scales per product type
% of SPOs that increased sales by more than 10 %	Honduras: 25 %	Honduras: 44 % = + 19 p.p.	
% of SPOs which used Good Agricultural Practices (GAP)	Guatemala: 74 %	Guatemala: 100 % = + 26 p.p. Ethiopia 29 %	

Despite of challenging climate in various project countries, all SPO projects were able to make progress towards this outcome target. **In Honduras 44 % of the coffee SPOs increased the productivity** of their cultivations in 2019, which is 25 p.p. more than in 2018, while the average yields increased by 59 %. Also, 39 % of the SPOs were able to improve their coffee quality. This resulted in progress towards the impact level target of increasing the proportion of SPOs that make net profit: 94 % of the Honduran SPOs, a change of 11 p.p. from last year, achieved this goal.

In Guatemala and Ethiopia, various activities to improve sustainable production and quality of honey and coffee were implemented and we remain positive that in the coming years progress can be reported from these projects as well. Especially the exchange visits organised in both countries were fruitful. In Ethiopia, the participants to GREAN<sup>3</sup> project in Uganda reported an **increased knowledge of Good Agricultural and Processing Practices**, and climate change adaptation and mitigation methodologies. They also got new ideas to improve youth's & women's participation in coffee production. SPO's technicians also went through a **pre-Q-training on coffee quality**, which is a pre-requisite for the subsequent q-grading trainings for establishing certified coffee cuppers in the coffee unions. This will enable them to improve coffee equality, to create suitable products for the market expectations, and to start direct export.

In Guatemala, 1057 (295 women & 209 youth) farmers, promoters and technicians from 7 SPOs participated in exchange visits strengthening their knowledge and skills in beekeeping and climate change. In addition, geo-positioning maps of apiaries were made, considering flora, fauna and agricultural activity in the area affecting honey production. In coordination with the Climate Change Advocacy project, a study was carried out on the climate scenarios of the area, and **tailored plans for adaptation and mitigation** were developed the SPOs participating the project.

<sup>3</sup> Growing Resilient Agricultural Enterprises - GREAN project (2017-2019) was implemented by FTA and funded by Nordic Development Fund, with a target of improving sustainable livelihoods for 10 000 small-scale coffee farmers in Uganda, especially youth and women, through climate change adaptation and mitigation measures.





Finnish company Hunajainen SAM visited the project in Guatemala. They engaged with honey SPOs and gave a presentation on buyer expectations and EU regulations. "We support the project so that local beekeepers can ensure the well-being and good honey yield & quality as the climate changes. Although we have been Fairtrade's partner for two decades, this visit really opened our eyes on what the reality of the beekeepers in Guatemala is and how Fairtrade works in practice at the producer end", said Heidi Mikkonen, Development Director at Hunajainen SAM.

### Outcome 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.

Key outcome level results in 2019:

Indicator	Status 2018	Status 2019	Comments
SPOs delivering services to their members (number of targeted trainings, topics and participants)	44 trainings, 27 topics, 2398 (588 women) participants	754 trainings (+710), 53 topics (+26), 6096 (1538 women) participants (+3671 / +950 women)	
% of SPO members who perceive that their organisations understand their priorities and act in their best interests		Latin America: 44 %	

The SPOs are in a key position in their communities to promote social cohesion and raise awareness on important issues, extending their services not only to the SPO members, but also to the communities at large. Often times, the **trainings and awareness raising sessions** include themes that contribute to the fulfilment of the rights of marginalised groups, or the protection of environment. In 2019, the number of trainings provided by the organisations, people participating in them and the different topics covered rose significantly compared to last year: 710 more trainings were held, on 26 more topics and for 3671 more people participated. Especially youth and women were encouraged to participate.

In Latin America, a new indicator was introduced in the reporting year, measuring the different aspects of the **members' satisfaction in the SPOs' capacity to implement collective actions** that promote their interests. The result in 2019 was good, 44 % farmers stating that they value these actions as high or very high, but it also shows that we are still in the early stages and work remains to be done towards ensuring the SPOs truly work for the benefit of the farmers and their communities at large.

In Africa, this outcome was especially promoted in the cocoa growing communities in Ghana, where we focused on strengthening child protection systems and enabling children, youth and young adults to prevent and respond to child protection issues, particularly child labour. Besides the project's main child-right activities at cooperatives and schools, the project also raised the child-rights issue by participating in the international day against child labour in Goaso and organising awareness raising in the community with radio programmes. 2019 was the project's first full implementation year, but there were already signs of improvement as more **children reported that they feel safe in school** than at the baseline. Also, the proportion of children reporting **improved capacities to manage issues of rights violations** at school and community level increased by 14 %. Encouraged by these results and responding to the critical child rights situation in the region and especially in cocoa growing communities, we will start a wider project in 2020 to tackle the issue.

In Honduras, as a follow-up to the child labour campaign carried out in 2018, we continued with **awareness-raising through workshops on child protection** in communities. In addition, videos and radio spots were used to convey messages to the coffee producing families. It should also be noted that **ethnic minorities are**

**supported** in both Honduran and Guatemalan projects throughout all result areas; in Honduras 34 % and in Guatemala 12 % of the project participants belong to different *mayan* origin ethnic groups.



Jeferson Diaz Ventura is a 13-year-old boy from a community in Guatemala, whose father is a seasonal worker in a coffee farm. Jeferson has been supported by assistive equipment, social and health workers' assistance, and school-transport services by the ACODIHUE coffee and honey cooperative. "Our vision is to support our entire community to thrive, not only the cooperative member households. We want to raise awareness on the issue of the rights of disabled people so that they would have equal opportunities", says ACODIHUE's commercial manager Felix Camposeco.

### 2.2.1.2. *Progress against expected outputs, programme component 1*

The programme's first component has four programme-level outputs, which contribute to the three outcomes outlined above.

SO1 Output 1	SO1 Output 2	SO1 Output 3	SO1 Output 4
Stronger, well-managed, democratic, participatory and transparent SPOs	Capacity among small producers to improve productivity and quality, protect environment, & adapt to climate change	Enhanced access to fair trading conditions	Awareness of & commitment to human rights (labour, gender, child).

Output level targets, programme component 1

#### **Output 1: Stronger, well-managed, democratic, participatory, and transparent SPOs**

This output seeks to strengthen the overall capacity of the SPOs to manage their businesses in a participatory and transparent manner, promoting human rights and ensuring inclusiveness in their operations. Nearly all SPO projects under the programme include result-areas contributing to this output, aiming at improving the capacities of the SPOs overall.

In 2019, in the Ethiopian coffee project 57 farmers (25 women), out of which 30 were youth, were trained on **youth involvement in coffee farming and in value addition**. As a result of this inter-generational workshop, three new youth groups were formed representing six SPOs, and each developed an action plan identifying where youth could participate in coffee production. Also, elders who participated in the workshop committed to allocate portions of land for youth to farm as the first step for youth engagement.

In Honduras, 336 youth (117 women) were capacitated on different coffee farming skills. This means that almost 100 youth (50 women) more got trained last year, compared to 2018. Furthermore, 100 % (32 % women) of them actively participate in SPOs activities and contribute to their families' farms. From the start of the project in 2017, altogether 810 youth, of which 262 are women, have been capacitated.

Also, in Guatemala, **youth were incentivized to take up beekeeping** and to participate in different capacity building activities. As a result, all SPOs under the project now implement activities specifically targeting or motivating youth, a 29 p.p. increase from 2018. Progress towards gender equality was also made in Guatemala, where the project implemented a system in which female beekeepers receive equipment and training to increase their productivity and income, and then pass the skills, knowledge and experience to another group of women in their organisations, with the purpose of **incentivizing the women's participation** in the honey value chain. Also, the regional workers' project conducted a participatory study in Ecuador, Brazil and Dominican Republic to learn the current situation, opportunities and challenges faced by female workers in the workplace in Fairtrade plantations. This study provided information to identify strategies to target female workers in the project's activities.

In several projects SPOs progressed in their **managerial capacities**. In Ethiopia, 12 SPOs elaborated strategic and business plans, including organisational SWOT analysis, market analysis, operational and **human resource management strategies**, and used these for guiding business decisions. In Honduras, all SPOs actively implement strategic plans, 2 more than in 2018, and all of them produce proper financial reports, 4 more than in 2018. The participatory management of the SPOs was also improved: in 88 % of the SPOs the **workers representatives made proposals for improvements** in the organisations' general assemblies during the past year, an increase of 19 p.p. from 2018.

These results contribute to the achievement of the Outcome 1 under this programme component Stronger and more inclusive SPOs. As more youth and women actively participate in different activities and functions of the SPOs, the more there is dialogue and understanding between generations. The youth often say that their capacities are not appreciated; on the other hand, the experienced farmers are concerned about the lack of youth's commitment in farming. Through establishing youth groups in the SPOs, providing peer support and promoting success stories of young SPO members, youth are motivated to stay in their communities. Also, the new more "exciting" opportunities linked to value addition or organic farming are key incentives, and the youth have already provided valuable new ideas innovations and capacities to the SPOs. Giving responsibility and even own land to farm or beehives to manage, the youth's ownership and commitment in participating in the development of their own communities' increase; and less young people decide to migrate abroad.



*"Our parents think that because of their long experience they have all the knowledge and skills in coffee growing. But the young people have a lot of new ideas and enthusiasm. Our youth group produces and sells organic fertilizers and pesticides cheaply to farmers and to guide them in improving the nutrients of the soil. At first, we were not believed, but when the farmers saw the change with their own eyes, more and more people became interested and now we are already getting a nice income from the fertilizer business. Above all, the attitudes of parents have changed, and more young people are choosing to stay in the community."* Juan Pineda 22-years, COCASJOL, Honduras.

The SPOs managerial and business skills contribute not only to the outcome 1, but also in outcome 2 and 3: once the SPOs become self-sustained and professionally managed businesses, also farming performance is improved and more income is generated for farmers. Wellbeing in the communities at large is enhanced, in terms of Fairtrade premium projects and other community development activities that the SPOs promote. Apart from this, the output contributed also to the cross-cutting objectives of Gender equality and Vulnerable groups, which will be analysed more in detail in a separate chapter.

### **Output 2: Capacity among small producers to improve productivity and quality, protect environment, & adapt to climate change**

This output area aims to improve the overall sustainability of the small-producers' production. Using a comprehensive approach, economical sustainability of the SPOs is achieved through improving the productivity and product quality to meet the market's expectations. This in turn requires a focus on the environmental sustainability: soil nutrient levels, irrigation and waste-water systems, biodiversity, and other environmental aspects must be considered, following good agricultural practices. All of this must be adapted to the context of climate change.

In Honduras, 44 % of the coffee SPOs **increased their production**, 25 p.p. more than in 2018, compared to previous harvest. The overall amount of coffee produced almost doubled compared to 2018. In Ethiopia, the project started off by supporting 12 SPOs and 2,572 farmers with agricultural inputs, which will be used in renovating old coffee fields and planting climate resistant coffee varieties.



In Guatemala, the proportion of the SPOs that produce honey according to the **quality standards required by international markets** grew from 71 % to 86 %. This is important, as the main honey markets for the producers are abroad and competition is tough. In Ethiopia, 9 technicians (3 women) from all three participating coffee unions were capacitated on coffee quality through a pre-Q-grading training. This will enable the unions to start testing their own coffee quality so that they can detect any problems in quality and meet the customers' expectations. In Honduras, 94 % of the coffee SPOs, 25 p.p. more than last year, participated in or organised quality control trainings. As a result, 39 % of the SPOs improved their coffee quality according to SCA (Specialty Coffee Association) standards, an increase of 33 p.p. from 2018.

In Ethiopia, **PH analysis and soil fertility testing** of 28 coffee SPOs was carried out, and the recommendations will be used in designing the trainings for Good Agricultural Practices (GAP) in 2020. Similar analysis and soil testing services are already in place in almost all SPOs in the Honduran project and nearly all are also **organic** certified. In Guatemala too, progress was made in supporting honey SPOs in achieving organic certifications.

These achievements contribute to the outcome 2 Improved farming performance and the cross-cutting objective of Environment and climate change. Most of the projects' activities and the expected results related to production are linked with climate change adaptation, supporting organic farming, protecting environment, or diversifying income of the farmer households.

### Output 3: Enhanced access to fair trading conditions

In this output area the programme seeks to strengthen the SPO capacities for value addition, marketing, negotiation and access to national and international markets. While the small-producers often lack the power to decide on the conditions of trade, the programme supports the SPOs in establishing business relations with those buyers that are looking for sustainably and responsibly produced products, and to market their products with better prices and conditions.

In the Guatemalan honey project, 100 % of the participating SPOs now have learned skills required to **negotiate and access new markets** and some of them got new clients in 2019. The proportion of SPOs who have diversified their product offer through **value-addition** and specialised honey products grew from 57 % in 2018 to 100 % in 2019. Also, 86 % of the SPOs, compared to 57 % in 2018, organised training or support for their technicians and managers in marketing & market access.

In Honduras, the proportion of SPOs that were able to **increase the sales** of their coffee grew by 19 p.p. to 44 % and 83 % of them have now **access to specialty coffee markets**, an 8 p.p. increase from 2018. Also, in Ethiopia the project supported youth participation in SCA's International Coffee Fair to acquire contacts and knowledge on international quality standards. A market feasibility study was conducted to identify gaps, opportunities and feasible approaches for market development and linkages for increased coffee sales on Fairtrade terms. Some of the key recommendations were for example to prioritise capacity building trainings for staff in sales and marketing, and the development of a market strategy.

This output area contributes to the outcome one *Stronger and more inclusive SPOs*, as it strengthens the SPOs capacity to compete in the international markets, becoming stronger in their negotiation and representation skills. However, it is also contributing to the programmes third component *Fair and sustainable trading*, and particularly its third outcome *Stronger voice for farmers and workers*, as it empowers the SPOs and improves their capacities to decide on and take the lead of their own businesses.

### Output 4: Awareness of & commitment to human rights

This output aims at ensuring, that vulnerable groups – children, youth, women, people with disabilities – are considered and included in all SPOs' operations. Improving the SPOs understanding of and adherence to

human rights is embedded in all projects under the programme. In some projects however, the human rights aspect is more explicit and visible in the results-logic and in the output level targets.

The Ghanaian cocoa project is first and foremost contributing to this output, as it is aiming at securing a safe environment for children in the cocoa-growing communities. In 2019, the project started off by training 13,5 % of the teachers in the area through a Safe School Program. 15 reading and child-advocacy-clubs were established and now 67 % of the **children know where to report violations or abuse cases**, 8,5 p.p. more than in 2018. Also, 57,5 % of children, an improvement of 7 p.p. from 2018, say their capacities to manage issues of rights violations at school and community level have improved. 14 community or school-based advocacy teams were formed and 23 **community committees for the protection of children** were established. To further strengthen and ensuring the communities commitments to owning the process of protecting the child and assuring their rights, the project supported 17 communities to prepare community action plans on child protection and enhancing the rights of children. This will serve as a guide to prevent, handle and deal with child protection issues. As a result, number of remedial activities linked to social protection programs rose from 7 to 10. To ensure the promotion and protection of rights of children in the municipality through child-led advocacy, the cocoa project established 14 school-based child parliament groups. The project engaged 42 child parliament leaders from 14 schools to build their capacity in parliamentary proceedings, child rights and responsibilities, policies and charters on the rights the child, leadership roles, team building and public speaking. As part of efforts to improve advocacy on the issue of child labour at the local level, the cocoa project held radio programs on a local FM station, Success FM.

*“To map out both safe and unsafe places for children, we did community mapping and diamond ranking exercise. We were listening to members of the community, enabling children, youth and adults to depict and identify where children and youth feel safe and unsafe within their communities and identify root causes for why a place is unsafe and what is to be done to mitigate and make that place safer. The information from this exercise was used develop a child protection policy for the cocoa cooperatives”*

Anthony Kwakugah, project coordinator, FTA Ghana.

Also, in Honduras a lot of emphasis has been put on awareness raising and campaigning against child labour in coffee growing communities. Last year, already 89 % of the SPOs incorporate **activities to stop child labour**.

These results contribute to the achievement of the outcomes 1 and 3. They improve the inclusiveness of the SPOs' operations, and also their ability to generate benefits for the farmer communities. As this output area links with the cross-cutting themes of vulnerable groups and gender, some of the results are discussed more in detail under those chapters.

### **2.2.1.3. Challenges, risks and lessons learnt, programme component 1**

Although most of the projects under this component made good progress, there were also challenges. The project in Haiti was delayed due to political instability in the country and the planning phase was started only in the end of 2019. The situation in the country remains unstable. To tackle this, we made adjustments in the project's scope and decided to focus on one specific geographical area Plaisance in the Northern part of the country, which has experienced less unrest, working with two SPOs only. Also, the project manager will reside in the area, to avoid any unnecessary travel.

Also, in Ethiopia, delays occurred, which affected the project implementation and achievement of the expected results. Adjustments had to be made in the project plan & timeframe, due to the rights-holders' changed priorities, after the government announced its reform allowing coffee producers to be involved in

value addition and export. In the first half of the year the project coordinator changed, and we also decided to recruit a new country manager to support our two projects in Ethiopia. These adjustments enabled us to pick-up the speed during the rest of the year, although in November some planned activities were cancelled due to the political unrest which was particularly strong around the project area.

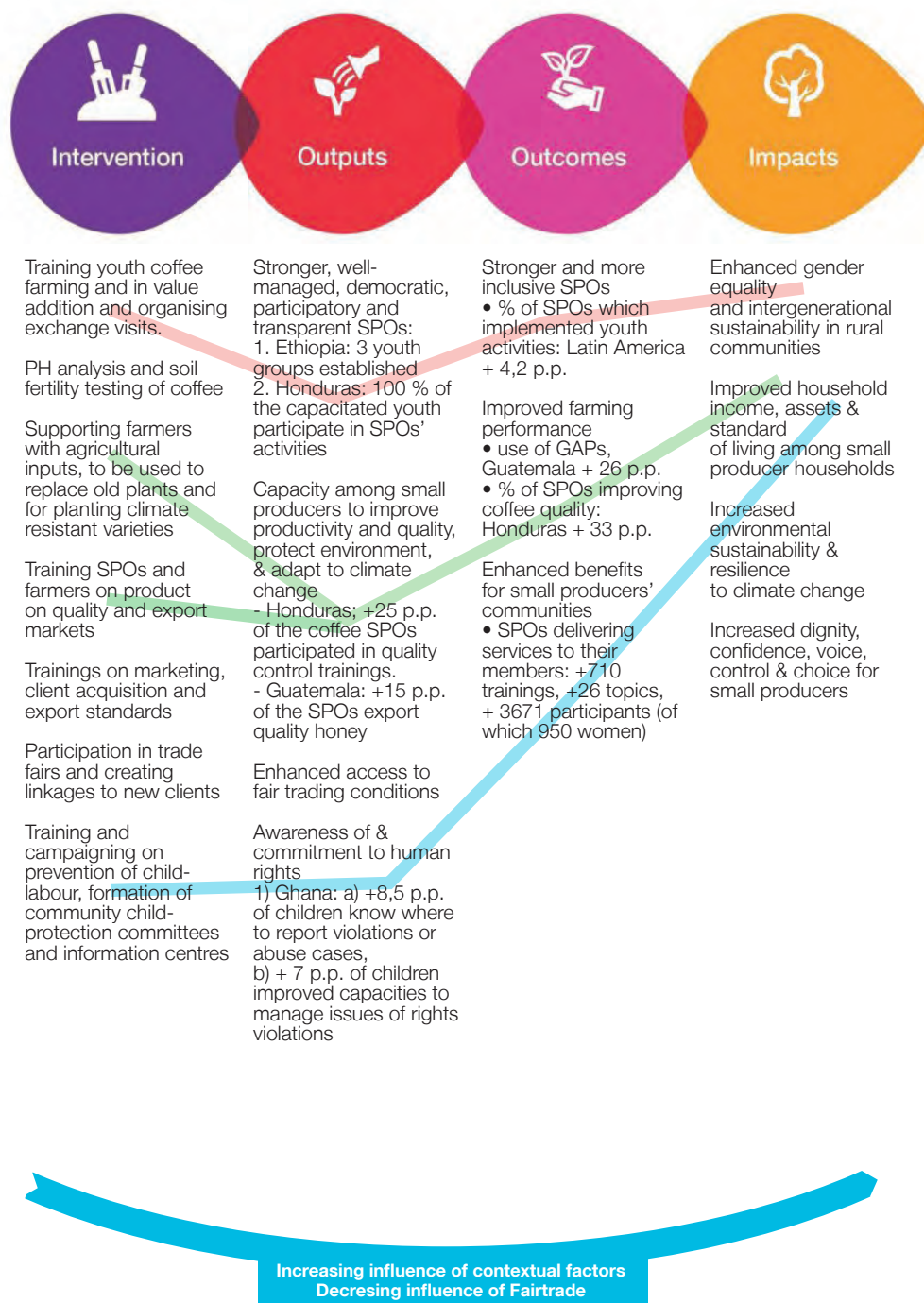
In Honduras, we concluded the final year of a 3-year project phase with great results. The external evaluation conducted in the end of 2019 was extremely positive and we intend to use many of the lessons learnt and best practices gathered from the project for the programme's other projects, especially in the areas of organic farming, youth inclusion and child labour prevention. The project has been supported by the German retailer ALDI SOUTH group, who visited Honduras in November. The company was so impressed about the results, that they decided to extend their support for the project for another three years. (See the summary of the evaluation report Annex 7).

*"We heard how the producers exchange knowledge on good agricultural practices with other cooperatives through joint events. [...] we learnt how the fungal disease "la roya" (coffee rust), caused by temperature changes and increased rainfall, has significantly decreased harvests. Through guidance on techniques such as checking leaves, pruning to remove diseased plants, and improvement of soil, farmers were able to limit the damage caused. When we visited the Arolma Women's Cooperative, we were encouraged to hear that they do not see gender as a barrier to their success. It is by no means easy, but they felt the situation is improving and were grateful for the support of fellow cooperative members and the training and information exchanges set up through the project."* ALDI SOUTH representatives.

One of the best practices and innovations came from the Guatemalan honey project, where we used the synergies with the regional Climate Change Advocacy project to complement the project activities. The honey project's target is to improve the producers' capacity to adapt to climate change, while the Climate Change Advocacy Project intends to promote the SPOs' knowledge and capabilities to influence on the related policies in five countries, including Guatemala. Climate scenarios and maps for the honey producers in Guatemala were produced, with detailed information on climate patterns in the SPOs' production areas, with suggested coping strategies. These will work both as a basis for the design and implementation of adaptation and mitigation strategies, but also to inform the SPO members and the producer communities about the climate change and its effects on small-holder farming and honey production.



## RESULT FRAMEWORK OF THE COMPONENT AND EXAMPLE PATHWAYS OF CHANGE FOR FARMERS IN 2019



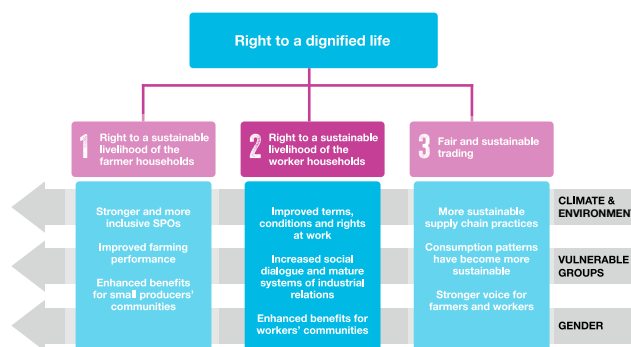
## 2.2.2. REALIZING THE RIGHT TO A SUSTAINABLE LIVELIHOOD OF WORKER HOUSEHOLDS



The second strategic objective of the programme includes the rights of both hired labour (HL) workers in plantations as well as the workers of small producer organisations. Below is a list of the 5 workers' rights projects under this component and their linkages to the programme level outcomes. The projects that fall under the programme's first component (farmers' rights) and include workers' rights aspects are not listed here, but the results that fall under this outcome area are included in the following discussion.

The expected outcomes of this component are:

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



Projects that mainly contribute to this component:		
Country & focus	Project purpose	Contribution to outcomes
Ethiopia; flowers, gender	Improved terms, conditions and rights for workers in the flower farms	1, 2, 3
Ghana; bananas, living wage	Improved wages, labour rights and gender equality in banana plantations	1, 2
Malawi; tea, living wage	Improved terms, conditions and rights at work in tea plantations	1, 2
South Africa; wine grapes, worker welfare	Improved terms, conditions and rights at work	1, 2, 3
LAC regional; bananas, fruit, flowers, grapes, workers' representation	Strengthened capacity of the Latin American Workers' Network to represent and advocate for workers	1,2

### 2.2.2.1. Progress against expected outcomes, programme component 2

#### Outcome 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.

Key outcome level results in 2019:

Indicator	Status 2018	Status 2019	Comments
% of HLOs above the average on conditions of employment	56 %	45 %	Years not comparable as the auditing criteria varied amongst sampled POs
% of HLOs who had above average and superior health and safety practices	50 %	57 %	
% of workers who report satisfaction with working conditions at their workplace	39 %	61 %	

Most of the projects under the workers' rights' component have results related to this outcome area and in 2019 several projects made progress towards it. General working conditions and working environment were enhanced. For example, in Ethiopia trade unions managed to negotiate many improvements for terms and conditions. AQ Roses now provides better quality PPEs for workers and Ziway Roses increased transport provision for workers. The increased focus put on improving the health and safety at workplace was visible in the 7 p.p. increase in the HLOs under the programme having above the average health and safety practices in place.

Although the programme level MEL data indicated a negative development in the conditions of employment, this can be explained being due to auditing criteria, that varies according to the type of PO and nature of audit<sup>4</sup>. As we have similar indicators at the output level that measure employment conditions, we can confidently say that progress was made also in this area (see the chapter 2.2.2.2. for output-level analysis). We will also consider how to adjust this indicator in the future so that it reflects better the outcome.

Good progress was also made towards living wages, which – while being one of the aspects of the programme's impact goal – is also reflected in this outcome area. HLOs in all seven programme countries included in the 2019 monitoring, managed to increase wages faster than inflation, with the exception of the Dominican Republic, where only 50 % of the audited HLOs met the target. There are challenges in ensuring that undocumented migrant workers from Haiti get equal pay and benefits in banana plantations in the Dominican Republic, which might be behind this result. Our programme is therefore particularly focusing on ensuring the equal rights of Haitian workers in the Workers' Network project, where we work together with a multi-stakeholder platform focusing on human rights and migration issues of the banana sector in the country.

## Outcome 2: Increased social dialogue and mature systems of industrial relations

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

Key outcome level results in 2019:

Indicator	Status 2018	Status 2019	Comments
% of HLOs with above average and superior freedom of association practices	Programme: 61 % Malawi: workers free to join labour union 74 % & employers engaging in collective bargaining with labour unions 78 %	Programme: 63 %	
% of HLOs where terms are determined by a CBA, with adequate involvement of workers in the negotiations	57 %	25 %	Sample countries varied between 2018 & 2019
% of workers' grievances resolved, as reported by worker representatives	39 %	56 %	

This is one of the outcome areas that is expected to show progress with time. Industrial relations are slow to develop and changes to any direction might occur from year to year, so even small annual progress is significant. Therefore, we were content on the 2 p.p. change (from 61 % to 63 %) in the proportion of the HLOs with above average and superior freedom of association practices.

<sup>4</sup> Fairtrade certified producer organisations (POs) get audited approximately every 3-years. There are different types of audits, e.g. renewal and unannounced audits, and the length and complexity of the audit will depend on the size and organisational set-up of the PO and the number of products certified. This is why the questions measuring the compliance against conditions of employment also vary.

In some countries the position of the trade unions is also volatile, and this is reflected in their ability to be involved in the CBAs. This is particularly so in some of the Latin American countries, where the trade unions are not operating fully on plantations. However, there was some impressive development contributing to this outcome in 2019 witnessed in Ghana, where banana sector made progress towards more mature industrial relations. The share of workers who are confident in conflict and grievances resolution structures in their organisations grew from 78 % to 83 %. Also, 13 p.p. more workers in the sector felt they can exercise their rights and participate freely in union activities (75 % -> 88 %). Only one labour related agitation or unrest was reported in 2019, compared to three in 2018.

Similar development was witnessed in Ethiopian flower sector where amount of work stoppage or conflicts at workplaces dropped from six to zero. This meant we already achieved the target value, but it will still be challenging to keep that level next year and more interventions of our programme are needed.

*" I learned that most grievances can be resolved through dialogue between the complainant and me - the supervisor. I have now taken the time to listen to workers' concerns and I am able resolve them amicably without having to refer them to the union or even brushing them aside, like I used to do before. Through this, I have built the trust of my workers again, as they are able to approach me and complain of anything, they feel I am not working against them..."* Rabson Muyombe, Senior Capitao, Kawalazi Tea Estate. Malawi.

### Outcome 3: Enhanced benefits for workers' communities

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

Key outcome level results in 2019:

Indicator	Status 2018	Status 2019	Comments
% of HLOs delivering trainings (# of trainings, topics, participants)	358 trainings, 197 topics, 28 543 (10 632 women) participants	+ 31 trainings, +28 topics, +4170 (3472 women) participants	
% of POs with a policy to protect vulnerable adults (prevention of forced labour)	HLOs: 56 %  SPOs: 50 %	HLO: 65 %  SPO: 25 % (67 % without Honduras)	SPO not comparable to previous year, as a new country with many SPOs (Honduras) was included in 2019
% of HLO members who perceive that their organisations understand their priorities and act in their best interests		Latin America: 53 %	

As with the SPOs, the HLOs, including various types of committees formed by workers or local trade unions, work as platforms for greater awareness, providing workers and their communities important knowledge and skills on different themes. As an example, awareness raising and capacity building sessions on disability inclusion, HIV/ AIDS and gender equality were organised in 2019 in the Ethiopian flower farms. Overall, the amount of trainings, topics covered, and people who participated grew significantly in 2019. Especially more women participated, an important step towards reaching our goal of gender equality and women's empowerment. The impact of the new knowledge gained through the trainings, and the experience itself of actively participating in these activities, will go well beyond the context of the workplace. The trained people will transmit their knowledge to their community members, and women are able to take new roles in their families and communities as well. This will also contribute to the slow process of eradication the stigma and changing the community attitudes towards PWDs. Another major step forward to benefit workers' communities in Ethiopia was Ethiopian government's decision to allow workers' premium committees to be registered. The project did important advocacy work for this, explained under the third component. This was



a major millstone for communities as government's refusal of registration of these committees has prevented the communities to benefit fully from the Fairtrade premium funds.

In Dominican Republic through the Workers' Network project, a study was conducted and advocacy done through the Migratory Working Group to advocate for the migrant workers' rights (mostly Haitians).

Also, good progress was made in the hired labour settings on ensuring that vulnerable adults, such as migrant workers, are protected. The percentage of POs with a policy to protect vulnerable adults and prevent forced labour grew in the plantations under the programme from 56 % to 65 %. However, in the SPO context this remains to be a challenge. Although the results in 2018 and 2019 are not entirely comparable due to the different setting and a new country was included in 2019<sup>5</sup>, this is an area that needs more attention. Typically, small producer organisations don't have the knowledge, means nor skills needed for proper HRM, and seasonal workers in SPOs are often times in a very vulnerable status. We are, however, working on this issue under the programme's first component and the progress made towards achieving the outcome 1 Stronger and more inclusive SPOs are promising. We believe the good results gained from the various trainings of the SPO management in Ethiopia and Honduras, for example, will generate improvements in the coming years. The programme's contribution to increased income of SPOs will also enable improvements in conditions and salaries of the SPOs' workers.

As with the SPO component, in Latin America, a new indicator was introduced in the reporting year, measuring the different aspects of the **workers' satisfaction in the HLOs' capacity to implement collective actions** to promote their members' interests. The result in 2019 was good, 53 % of workers stating that they value these actions as high or very high, but it also shows that we are still in the early stages and work remains to be done.

Some results related to and contributing to this outcome are discussed in the next chapter progress against expected outputs or in the cross-cutting objective of vulnerable groups



*"I am from a Somali community in the North-West border of Ethiopia. My parents fled to Ziway, after the conflict between Somali and Oromo people escalated two years ago. We found a shelter in temporary houses built by Sher flower company to support the community of displaced people around here. I also got a place in the company's school and am enjoying my studies. My dream is to become a doctor."* Khalid Abdulkadir, 16-year-old student in a school supported by the Fairtrade premium funds, Ziway, Ethiopia (third from the right).

### 2.2.2.2. Progress against expected outputs, programme component 2

This component has four programme-level outputs, which contribute to the three outcomes outlined above:

SO2 Output 1	SO2 Output 2	SO2 Output 3	SO2 Output 4
Improved labour conditions	Increased freedom of association	Enhanced knowledge and capacity	Stronger, well-managed and democratic organisations

<sup>5</sup> The number of SPOs sampled in 2018 and 2019 changed significantly and a new country context was added, as we included Honduras in the data set, due to the continuation of the project that was supposed to end in 2019. The Honduran coffee sector is problematic when it comes to ensuring seasonal workers' rights, and we have therefore included that as a special focus in the new project as well.

### Output 1: Improved labour conditions

Labour conditions improved especially in Ghanaian banana sector where **work related injuries** reduced by 7.4 %. Also, in the Ethiopian flower sector labour conditions seemed to be improving as all 6 flowers farms started to roll out the phasing out actions for **hazardous chemicals**.

In the Latin American regional Workers' Network project, progress was made towards **improved dialogue and relations** between workers, plantation managers and employers through various stakeholder dialogue sessions. Now, 85 % of the representatives of the employers in the five target countries of the project have an understanding of Fairtrade as a model for sustainable development and they know about CLAC's Workers' Network and their role. Many managers also commented that they respect the workers and consult them whenever there is need to resolve disputes or decide on the use of the Fairtrade premium.



*"We have gained so much confidence and leadership skills through the trainings provided by the project. Before we didn't even dream of talking directly to managers or having the courage to hold a presentation in front of people, nor did we have the knowledge on our rights or how to make a difference. Now we meet and make proposals for our employers and implement projects, that are for the benefit for all of us."*  
Dominican Republic's Worker's Network leadership team.

Also, in the SPO projects, progress was made in workers' participation, as 88 % of the SPOs, 19 p.p. more than in 2018, in the Honduran coffee project reported that employees make actively proposals in the organisations' general assemblies.

These achievements contribute to this programme component's second outcome Improved terms, conditions and rights at work. Some of the achieved outputs have already concretely improved the physical conditions and safety at workplaces, while the improved relations between workers and employers and workers' strengthened capacity to influence positively in their own working environment will lead to more improvements in the future. Also, workers have the capacity to assess and monitor whether the employers sustain the made improvements. Workers whose leadership skills and knowledge are improved through trainings and they are able to advocate for themselves and their peers, allowing them to improve their leadership. In some cases, for example in the Dominican Republic, the plantations with strong local Workers' Network representation are even becoming best practice cases that others look up to.

### Output 2: Increased freedom of association

Although the tight productivity targets affected the workers' participation in the union and gender committee meetings in Ghana, the freedom of association was on increase as more workers were taking **actively part in trade union activities** (78 % -> 91 %) and an increasing share (75 % -> 88 %) of workers perceived that they have unimpeded access to attend workers' committee meetings. Similar positive development was happening also in Malawi where tea workers' trade union (PAWU) membership experienced 24 % increase.

This output contributes directly in the progress towards the second outcome of this programme component Increased social dialogue and mature systems of industrial relations, as trade unions are in most countries the main agents promoting the workers' rights and participating in collective bargaining.

### Output 3: Enhanced knowledge and capacity

In Ghana, **understanding on workers' rights** among workers' committee members and workers representatives jumped from 18 % to 71 %, reaching almost the target level of 80 %. The proportion of banana workers' who understand the concept of living wage increased from 41 % to 73 %. The project has trained workers on quality control management which has contributed a reduction of an average banana

rejection rate from an average of 9.9 % to an average of 5.5 % banana rejection rate. This improved post-harvest quality of banana improves workers' negotiation situation.

In Ethiopia, after the training on labour rights and conflicts management, all 6 flower farms operationalised a grievance and reporting procedure to enable conflict resolution.

In the Latin American regional Workers' Network project workers have improved their capacities to **negotiate and have dialogue** with their employers. Also, the number of the Networks' leaders that have knowledge, capacity and information on labour norms, OHS, leadership and Fairtrade standards grew from 9 to 110. 30 % of them, an increase of 12 p.p. from 2018, report having the **competencies and ability to influence** in the policies that directly affect workers and their working environment.

These results are already enabling the programme's progress towards the component's second outcome Increased social dialogue and mature systems of industrial relations. Although this outcome is embedded in politics and changes in laws, regulations and norms take time, there is already some indication that as the of workers' and employers' awareness on labour rights and regulations improves, and the workers have better capabilities to influence these processes, changes will happen. Those will be transformational long term impacts that will benefit entire industries. More directly the improved capacities will contribute significantly to the first outcome Improved terms, conditions and rights at work.

#### **Output 4: Stronger, well-managed and democratic workers' organisations**

Workers' committees, representation bodies and unions became stronger in many of the programme's target countries. More workers were taking **actively part in trade union's activities** in Ghana (78 % -> 91 %). In Malawi PAWU's membership increased by 24 %. Following the long-awaited decision to enable workers' premium committee in Ethiopia, the project trained them to in order to get them registered. All six committees were trained on management and labour laws, and they all developed by-laws for registration as Ethiopian CSOs. By the end of the year, half of them managed to get official legal registration under the newly amended CSO law (Civil Society Organisation Proclamation No. 1113/2019).

In Latin America, the Workers' Network, Fairtrade workers' representation body, was significantly strengthened. The workers in the five target countries have now a better understanding of its function, they see it genuinely representing the workers' benefit, and **the Network is accountable for the workers** through active communication and dialogue. 51 % of the workers see that the Network's leaders understand their priorities and act for their best interest, while 49 % **acknowledge the Network and its leaders as their representatives**. The Network made five new proposals for CLAC during 2019.

This output area contributes to all outcomes - *Improved terms, conditions and rights at work, Increased social dialogue and mature systems of industrial relations and Increased benefits for workers communities* - under the second programme component. As the workers' committees, trade unions and other representation bodies of the workers gain capacities and knowledge, and become more influential and acknowledged by workers, employers and other stakeholders, workers gain positions in decision making processes affecting their lives, their workplaces and communities; in other terms workers become empowered and able to decide on their own and their families lives.

#### **2.2.2.3. Challenges, risks and lessons learnt, programme component 2**

The Malawian tea sector project's planning challenges continued in the reporting year. Tea producers' association TAML was not fully cooperative and they were raising demands that the project should cover whole Malawian tea sector in order for them to endorse but multiplying target estates from the project's two



partners was not financially possible. Planning, negotiations and additional stakeholder and needs' analyses took the major part of the first half of the year and the project was finally launched in June 2019. The focus of the project was changed from the purely trade union to wider approach of sustainable business practices. These challenges further highlight the importance of early involvement of all stakeholders to ensure smooth cooperation. Furthermore, a policy change at ABSA Bank of South Africa, FTA's account holder, delayed disbursement of project funds to the field. A new cross boarder foreign exchange licence (ECA) for Fairtrade Southern Africa was required to solve the situation.

The other project under this component which was still facing serious challenges was the project supporting South African wine sector workers' rights. The project was originally planned to be implemented in cooperation with the international trade union IUF and its local member unions and our member organisations SASK and PAM. The project's implementation was started with that setup in 2018 but in early 2019 we were in dead-end with the really fragmented and complex trade union movement and forced to take couple steps back. IUF withdrew from the project as did the quarrelling local unions. The project was decided to be split as two but both with the same vision of decent work but are aiming for that from different angle. The projects are implemented in close cooperation. The project's coordinator departed in late 2019 and that also set even further delays.

The other workers' rights projects in Africa were facing only minor challenges. In Ghana, some changes were done during the reporting year. We learned that in order to meaningfully prepare female workers for leadership roles, literacy training has to be provided. As the workers at the pineapple plantations were facing similar workers' rights challenges, the project's scope was widened at least temporally to include the workers of the two pineapple plantations. This will be later reviewed based on the experience and available funds whether these pineapple workers can be supported for the whole remaining project period.

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 scope of work, responsibilities and ways of working, as well as the project's limitations. The role of trade unions in the project needed to be agreed with project stakeholders. The network and its representatives had limited 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, the planning phase was extended.

The baseline study in the banana sector in Ghana found that sexual harassment rate is extremely low in the companies. Fairtrade standards' and our pilot project might explain some part of that, but also the victims' unwillingness of to report the cases affects the rate. The few women in the two companies appear not to be fully empowered to report sexual harassment issues. This aspect has to be taken into account even more strongly in future. The baseline report also revealed that even local trade union leaders do not understand their own CBAs let alone general banana workers.

## RESULT FRAMEWORK OF THE COMPONENT AND EXAMPLE PATHWAYS OF CHANGE FOR WORKERS IN 2019



Increasing influence of contextual factors  
Decreasing influence of Fairtrade

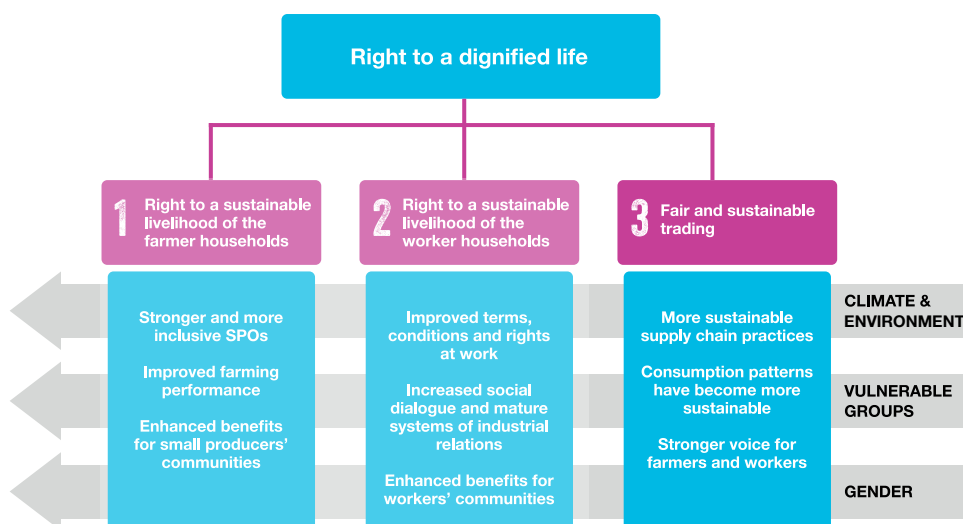
### 2.2.3. ADVANCING FAIR AND SUSTAINABLE TRADING

To meet the programme's impact objective, a dignified life for farmers and workers, it is essential to engage the whole supply chains. The programme's third component focuses on advocacy and awareness raising towards companies, policy makers and consumers. We seek to work side-by-side with farmers and workers to raise awareness and voice their needs both in Finland and in the South.

While the main activity under this programme's third component is advocacy in Finland, we have one project implemented in Latin America (listed below) that particularly falls under this programme area. Many other projects also have components for increasing farmers' and workers' ability to voice their concerns, and some of these results are also discussed here.

The expected outcomes of this component are:

- more sustainable supply chain practices
- consumption patterns become more sustainable
- stronger voice for farmers and workers



Projects that mainly contribute to this component:		
Country & focus	Project purpose	Contribution to outcome(s)
Latin America, regional; climate change	Strengthened capacities of the SPOs to advocate for social actions and public policies for climate change adaptation	3

#### 2.2.3.1. Progress against expected outcomes, programme component 3

##### More sustainable supply chain practices

The thematic focus area of this outcome was Business and human rights. Key outcome level results in 2019:

- The Government of Finland committed to the objective of enacting a corporate social responsibility act.
- Discussion and research on corporate responsibility monitoring was fuelled.
- Contributions to companies' Human Rights Impact Assessments.



Our programme seems to have contributed to several meaningful changes in government policy and business practices, even though it is always challenging to pinpoint the influence of one organisation's advocacy work.

First, we contributed to Finnish government's decision to that "A report will be prepared with the objective of enacting a corporate social responsibility act based on a duty of care imposed on companies regarding their operations in Finland and abroad" (current Government Programme, page 115). This decision was preceded by #Ykkösketjuun campaign, coordinated by Finnwatch, where 140 companies, NGOs and trade unions called for the CSR act based on a duty of care.

Second, we fuelled the discussion on how progress in corporate responsibility (based on a duty of care) can be monitored. Currently, monitoring is not possible as there is no widely agreed methodology for measuring this, let alone data or analysis based on such agreed method. The widest referenced methodology is Corporate Human Rights Benchmark – but it is too detailed and lacks legitimacy and official status. Fairtrade Finland's programme contributed to related discussion at the Finnish MFA throughout the year and organised, together with the Finnish Evangelical Lutheran Mission, co-creation on this challenge among Finnish and EU officials, researchers, companies, investors, NGOs and politicians in a two-day workshop in Helsinki. The workshop has led to/strengthened multiple partnerships among participants. Some participants are currently undertaking a study on "Corporate human rights impacts and their management" for the Finnish government.

Third, the programme was instrumental in encouraging and contributing to the first company-wide Human Rights Impact Assessment (HRIA) by Valio. This HRIA process is extensively reported in Valio's Sustainability Report 2019 and is likely to have sector-wide influence, because Valio – the winner of "Finland's most sustainable brand" listing since 2014, is a role model for many companies. Before 2019, Valio had no human rights policies or practices, but their sustainability experts had attended every one of our human rights trainings and breakfast meetings in 2017-2018. In 2019, they asked Fairtrade Finland to plan their first HRIA process with them and subsequently to contribute to each of the five HRIA workshops. Mindful of our role as a publicly funded NGO, however, the facilitation of the process was entrusted to two consultants, in line with our recommendation. Besides the in-depth influence on some individual companies, there's evidence of our activities having both extensive influence on a wide number of companies.

Our programme's other company-facing advocacy work also gained good feedback from the targeted companies. For instance FIBS, who collaborates with many consultancies and NGOs, has indicated that they find the value and quality of our contributions high and we are currently negotiating a new partnership for 2021-2022. However, it is more difficult to pinpoint the influence of our other activities. See below for discussion about the related results.

### Consumption patterns have become more sustainable

Indicator	Status 2018	Status 2019	Comments
% of consumers committed to purchase Fairtrade products	21 %	23 %	
% of consumers that purchase Fairtrade products time to time	77 %	76 %	"Consumers who buy Fairtrade products from time to time." (TS Kantar 2018 and 2019)
net recommendation index	41 %	48 %	Among people who buy Fairtrade time to time, the likelihood of recommending Fairtrade (at least 8 on a scale 1-10) was record high in Fairtrade Finland's history.
# of sustainable procurements prompted	0	3	
# of contacted companies that develop more sustainable supply chain practises	0	2	

Both consumers and public procurers purchasing behaviour has become more sustainable. The net recommendation index, share of people who highly likely would recommend Fairtrade, increased from 41 % to 48 %. The share of consumers who are committed to purchase Fairtrade products has increased from 21 % to 23 %. Our long-term work to encourage social sustainability in public procurement evidently influenced three procurements. Our dialogue was particularly lively with the procurers of Pori, Helsinki and Kauniainen, who each utilized our support to include social sustainability criteria to their calls for offer.

### Stronger voice for farmers 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. Projects across the programme include aspects of awareness-raising on human, labour and child rights, as well as climate change and gender equality.

Indicator	Status 2018	Status 2019	Comments
# of public policies that the Producer Networks have influenced in	0	12	Data from CLAC only
% of the POs that report the value of collective actions taken to support the sector as high or very high	-	44,4 % SPOs 52 % HLOs	Data from CLAC only
# of strategic partnerships established between Producer Network and/or its structures to promote the interest of farmers and workers	0	3	Data from CLAC only

Even though the programme has only one year of implementation behind, there is already strong evidence of the farmers and workers organisations becoming more influential, gaining capacities to voice their concerns and to advocate for the issues affecting them. Approximately half of the producer and worker organisations under the programme in Latin America are able to implement collective actions, that are relevant for their members, and several strategic alliances have been formed by different entities representing the farmers and workers. Also, a significant number of public policies or laws were influenced in different countries in 2019, paving the way for positive changes in the small-producers' and plantations workers' communities, workplaces and societies.

The *Intercambio* ("Exchange") project in Latin America, aims to increase the capacities of the National Fairtrade Producer Networks in five countries - Bolivia, Ecuador, Nicaragua, El Salvador and Guatemala - to influence decision-making processes, advocate and develop plans for climate change adaptation, and raise awareness about the effects of global warming on small scale agriculture. Leadership schools targeting especially youth and young women were held in Bolivia and Guatemala with great success. Participants from 40 SPOs benefitted from climate change and advocacy building (19 in Guatemala and 20 in Bolivia). Another project significantly contributing to this outcome area was the regional Workers' Network project in Latin America, where the workers' representatives were also capacitated in various areas ranging from leadership and communications skills, to workers' rights and advocacy results reported under the programme's third component on Workers' Rights).

*"We have to give women the opportunity to participate, not only men should occupy positions. Women have their own initiatives and at the same time both men and women have common goals. We have committed to go back to our organisations and replicate the knowledge we have gained different areas, in various cooperatives."* Grover Quiroz Marino and Jaqueline Flores, participants of the Bolivian Leadership and Advocacy School.

Also, in Africa, success was seen in workers' ability to decide and influence on their benefits and working environment. The registration of flower farms' premium committees has been a major challenge in Ethiopia and thus the project arranged several advocacy lobby meetings. As a result, the panel discussions with government officials the government revised the civic society proclamation that gives an opportunity and recognition to premium committees so that the POs can benefit from the accrued premium funds.

### 2.2.3.2. Progress against expected outputs, programme component 3

This component has four programme-level outputs, which contribute to the three outcomes outlined above:

SO3 Output 1	SO3 Output 2	SO3 Output 3	SO3 Output 4
Businesses incentivized to trade fairly	Policy makers influenced to address unfair trade & create an enabling environment for 'good' business to thrive	Greater knowledge of unfair trade and its root causes and how to address it	Increased collaboration among farmers, workers & citizen-consumers to make trade fair

#### Output 1: Businesses incentivized to trade fairly

Our programme incentivized fairer business and trading practices among Finnish grocery and textile sector companies, of which 42 companies were directly influenced through our activities in 2019<sup>6</sup>. Our company-facing advocacy work focused on the theme of Business and human rights and Human Rights Due Diligence (HRDD), seizing the momentum created by the #Ykkösketjuun campaign, where 140 companies, NGOs and trade unions called for a related law.

A wide number of companies was influenced through a webinar and panel discussion on HRDD reporting (both with FIBS), a dialogue event between textile companies and public procurers, and a parliamentary election panel on CSR. "We don't get these kinds of invitations often, so I came to hear how politicians and NGOs speak here. CSR really seems to gain space now in societal and political discussion", commented Kesko's representative after attending our parliamentary election panel.

Deeper influence on selected companies was gained through tailored support to Valio's and Marimekko's HRDD work and a two-day co-creation event on the measurement of HRDD work, which we organised with the Finnish Evangelical Lutheran Mission FELM at Fingo's Beyond Growth Conference<sup>7</sup>. Without doubt, we see that Valio's and Marimekko's HRDD work has been influenced by our contributions.

**WITHOUT DOUBT, WE SEE THAT VALIO'S AND MARIMEKKO'S HRDD WORK HAS BEEN INFLUENCED BY OUR CONTRIBUTIONS.**

#### Output 2: Policy makers influenced to address unfair trade & create an enabling environment for 'good' business to thrive

Fairtrade Finland had a noticeable role in fuelling political discussion about a CSR law prior to parliamentary elections and government negotiations. Our election panel discussion brought together frontline representatives from the six largest parties and fostered shared understanding that a CSR law is necessary. We coordinated the dialogue between the #Ykkösketjuun campaign coalition and the Centre and Coalition parties, whose awareness and understanding of the suggested CSR law was crucial for the success of the campaign. We had many intense discussions with political decision makers at the parliament, ministries and election booths, where shared understandings were found. Without the support of several key representatives from the Centre

<sup>6</sup> 27 companies through dialogue on reporting and measuring HRDD work, 2 companies through dialogue on their own HRDD work, 5 textile companies through a dialogue event with public procurers, and 16 companies through attendance in our election panel. Discounting the overlaps, 42 companies in total.

<sup>7</sup> [www.fingo.fi/tapahtumat/beyond-growth](http://www.fingo.fi/tapahtumat/beyond-growth)



party, the government decision would not have been realized. These activities also strengthened dialogue between Fairtrade Finland and several companies, who participated in the campaign and accompanied us to meetings with politicians.

We participated in discussions about a European wide CSR law. In particular, we facilitated dialogue between European NGOs and the Finnish MFA in preparation of a public event MFA organised during Finland's EU Presidency on the topic of Responsible Business Conduct. We also shared news about the Finnish CSR law campaign with European NGOs and other stakeholders throughout the year, including two panel discussions at the UN Forum on Business and Human Rights in Geneva.



*At Fairtrade's parliamentary election panel, every panelist agreed that the Finnish government should issue a CSR law to strengthen human rights. Panelists were Tuula Haatainen (Sdp), Juhana Vartiainen (Coalition), Matti Vanhanen (Centre), Mari Holopainen (Greens), Matti Putkonen (True Finns) and Paavo Arhinmäki (Left Alliance).*

We continued our long-term work to encourage and support social sustainability in public procurement, engaging in direct dialogue with procurement units. Seven public procurement units engaged in enduring dialogue with our programme. A new type of output was that we facilitated direct dialogue between public procurers of Helsinki, Espoo, Vantaa and Kauniainen and companies offering textile products and services for these cities. This dialogue proved that there is both demand for and strong capacity for supply of sustainable textiles, but market fails, because public textile procurements are typically small (not pooled among several procurers) and no procurer alone is able to pay for the required changes in the supply chain and business practices. We continue to encourage this dialogue.

### **Output 3: Greater knowledge of unfair trade and its root causes and how to address it**

Our campaigns and social media work reached globally over two million people, offering understanding about sustainability problems and solutions in global supply chains.

The Fairtrade coffee break in May attracted a record audience when 80,197 coffee enthusiastic took part in the coffee break campaign. The coffee break received a lot of attention on social media. Later in the year Save the Chocolate (Chocogeddon) campaign celebrating Fairtrade Finland's 20th anniversary brought melting chocolate animals: a mountain owl, an elephant, a frog and a monkey to the city street views and social media. The campaign managed to get attention to the unsustainable environmental and social impacts of cocoa production. The campaign was selected for the final of two Finnish advertising competitions and awarded silver in the international FAB Awards in the out-of-home and digital advertising categories. The campaign reached 413,000 Finnish target groups on social media. Chocogeddon also attracted media and influencers around the world, reaching 1,9 million people globally by the end of the October 2019.

In addition, a "barber video" targeted for university and polytechnic students demonstrated how much wealthy westerners would work for 84 Euro cents which is a Ghanaian cocoa producer's daily salary. The barber video reached almost 120,000 target groups in social media and received good feedback on Facebook.

Towards the end of the year, Fairtrade Finland campaigned together with Finlayson, a Finnish textile company engaged in social debate. The company brought up a small batch of mocked "irresponsible" sheets. With a campaign Finlayson wanted to shake up both the business world and consumers for the fact that price competition has gone too far: producing textiles as cheaply as possible often includes the exploitation of child labour and other human rights violations.

The articles on the website covered human rights, climate change and poverty reduction. The website was visited by 43,700 visitors who viewed a total of 141,100 pages.

Fairtrade Finland's social media channels (Twitter, Facebook, LinkedIn, Instagram) gained total of 60,700 followers.

#### **Output 4: Increased collaboration among farmers, workers & citizen-consumers to make trade fair**

In the Climate change advocacy project, almost 750 producers were reached with climate change related messages by the National Fairtrade Producer Networks in 2019, which contributed towards improving the Networks' capacities to raise awareness about climate change. Leadership and advocacy schools were held in Bolivia, in collaboration with a local university, and in Guatemala. The training included modules ranging from advocacy, stakeholder engagement and communication skills, to knowledge on climate change and its effects, and planning adaptation strategies. As a result, 28 % of the schools' participants, most of them youth, assumed leadership roles in the organisations, an increase from 14 % in 2018. The improved knowledge on the schools' themes was evidenced by the fact, that the participants managed to double their scores in the end-term exam compared to the starting point and their leadership and advocacy capacities improved by 56 %. These results contribute to achieving the project's target of increased leadership and advocacy skills of small producers, especially youth, to lead the actions for climate change advocacy.

The National Fairtrade Networks were supported to start 6 new alliances and to collaborate with key partners, to improve their capacities to implement advocacy actions with civil society. Three campaigns were realized by the Networks to increase the recognition of small producers as protagonists of the adaptation and mitigation of climate change. Also, Latin American Producer Network CLAC created 23 audio-visual materials to support their advocacy work. Altogether three advocacy working agendas were created in 2019: Regional climate change advocacy agenda, Advocacy roundtable for migration issues in Dominican Republic, and an Action plan against proposed new taxes for beekeeping in Guatemala.

In the regional Workers' Network project implemented in Colombia, Ecuador, Chile, Argentina and Brazil, 110 Network's representatives were trained on leadership and advocacy skills. As a result, 30 % of the Network's leaders, an increase of 12 p.p. from 2018, mention having better capacities and possibilities to influence the policies that have a direct effect on the workers wellbeing. The Network made five new proposals for CLAC's leadership on how to improve workers' position and conditions, and thanks to the advocacy efforts of the Network's national entities, 85 % of the plantation leadership and managers across the five countries improved their knowledge about the Workers' Network and its role, as well as the Fairtrade system.

All these results contribute to this programme component's third outcome *Producer organisations' capacities in policy analysis, advocacy and communication* and ultimately in the empowerment of farmers and workers. This in turn, will in the future make it possible for the farmers and workers themselves influence in the other outcome areas too, the supply chains becoming fairer and consumption patterns more sustainable. After the first year of the programme implementation, we are optimistic that this development path has now started, contributing to the programme's impact goal of dignified life for farmers and workers.

#### **2.2.3.3. Challenges, risks and lessons learnt, programme component 3**

Our advocacy resources in Finland were stretched due to the proximity of the Finnish and EU parliamentary elections and Finland's EU Presidency. Our plan was to allocate least resources for EU parliamentary elections but join a European wide NGO campaign, facilitated by the Fair Trade Advocacy Office (FTAO), and share our own Finland-specific messages and that campaign's EU messages with Finnish political parties in parallel. This tactic was not successful, because FTAO's great efforts in coalition building with other Brussels-based

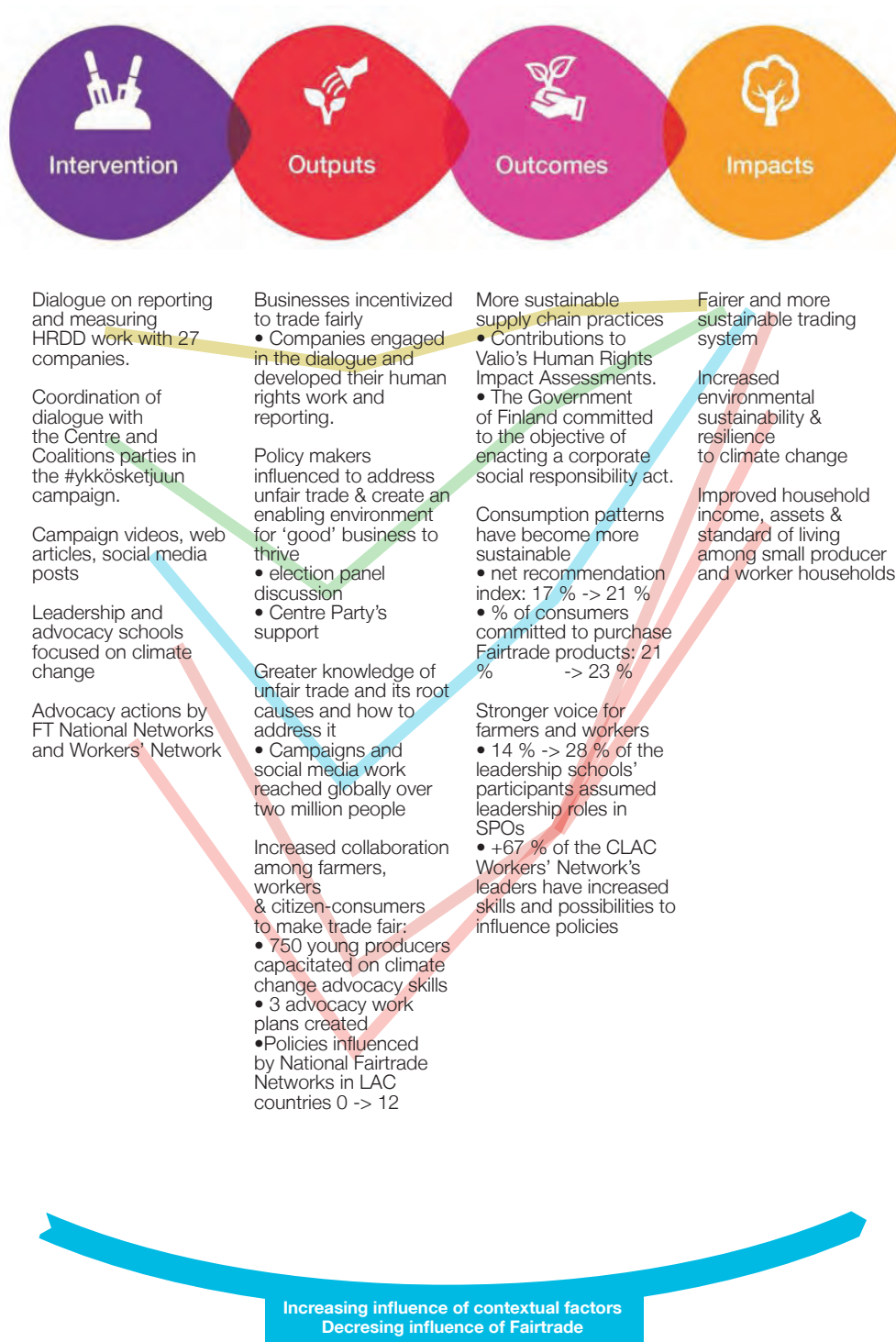
NGO networks delayed the production of their campaign materials. In result, we did very little advocacy work related to EU parliamentary elections.

Even though Fairtrade is bigger and stronger than ever due to a change in political atmosphere we are also facing more criticism from the wider public. This was noted in our annual brand awareness research (TS Kantar 2019) where a marginal but growing group of people indicates no support for Fairtrade. It goes along with the wider attitude change in Finland where opinions are more and more polarised.

The Climate Change Advocacy project faced some challenges in Guatemala, where the leadership school was supposed to be organised in collaboration with the Landívar University. After lengthy discussions it was realized that the timeframes of both organisations and curriculum contents didn't coincide. This resulted in some delay and reduced the content of the Guatemalan leadership school in 2019, organised without the university, but the intent is to uptake the trainings again later, possibly with Landívar. Also, in Bolivia the last part of the school had to be moved to January 2020 due to political unrest which stopped all activities in the country for November 2019. As a lesson learnt, it was realized that creating long-term partnerships with other stakeholders take time and might not be possible within a timeframe of a short project. However, as we adapted to the changed situation quickly, the Guatemalan leadership school could be realized, with a new innovative concept where the National Fairtrade network has more responsibility.

In the Workers' Network project, the capacities of the workers' representatives and their strong commitment and motivation surpassed expectations. One of the key lessons was, that this was due to the strong ownership given to the National Workers' Networks and their representatives in some of the project's target countries, apart from the regional level structure. The national entities are closer to the workers and changes are visible in their everyday lives, ensuring the legitimacy and support for the Network's leaders from the workers and employers alike. In the long-term, this will positively contribute to their ability to advocate and influence workers' rights both at national and regional levels.

## RESULT FRAMEWORK OF THE COMPONENT AND EXAMPLE PATHWAYS OF CHANGE FOR FAIR AND SUSTAINABLE TRADING IN 2019





#### 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. 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 from 2019.

##### 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 farmers by enhancing their resilience to climate change. All these small-farmer projects include adaptation throughout the project plan, like production of rust-resistant coffee plant varieties at nurseries and demonstration plots to educate on more sustainable farming. 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, like training on sustainable use and management of natural resources and reforestation of water sources. Emphasis varies a bit as some sectors and areas are riskier from the climate change point of view. For example, the honey project in Guatemala has climate change adaptation as one of its key targets, as honey production is extremely vulnerable to the effects of climate change and thus most of the activities are somehow linked to the adaptation. Some of the project's 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. In the Ethiopian coffee project, the goal is to make the coffee production more economically, socially and environmentally sustainable – thus the sustainability aspect is strongly visible in all project activities. In Ghana, even though the cocoa project concentrates on child labour eradication, in 2019 the project engaged 6 communities in a disaster risk reduction exercise which will lead to the preparation of community disaster preparedness plan for the communities.

**SOME OF THE PROJECT'S 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.**

The projects in the *Hired Labour* component of the programme have a slightly different approach for this cross-cutting theme as the projects mainly cover workers' rights issues and not that much other aspects of the production. Nevertheless, environmental analyses were included in the planning phase and these issues are included in the project plans. For example, the project in Ghana to support rights of banana workers also trained on sustainable agricultural practices, usage of organic waste, use of pesticides and hazardous substances. The flower workers' rights project in Ethiopia in turn trained management and Occupational Health and Safety Committees on environmental protection and support implementation of wetland management systems and integrated pest management systems.

The regional project in the Latin America under the programme's third component, targets 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 project also carried out a study on climate scenarios in honey production in Guatemala, which allowed us to design adaptation plans and disseminate them to beekeepers in the whole region.



## Gender equality

The programme addresses gender issues in the value chains by eliminating barriers to women's involvement as members, leaders and employees of the SPOs and HLOs. Our target is to go beyond mainstreaming, reaching transformative gender impact by addressing the underlying root causes of gender inequality.

In the programme's SPO component, key gender challenges are related to traditional attitudes and household responsibilities, like childcare and cooking, limiting women's participation opportunities and low education, narrowing down their administrative and leadership tasks in the cooperatives. The projects thus supported both organisational development and promotion of opportunities for individual women producers. The projects were 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 organisations. The cocoa project in Ghana contributed to preventing the gender leadership gap by training girls from 13 schools on leadership and self-esteem. In Honduras, most SPOs have created policies for gender inclusion and women are involved in SPOs' activities. Although female membership has not grown yet, success has been made in empowering the existing women members and getting more women to join decision-making positions on boards of directors. Although women occupying these positions are still few, women are more committed to assuming these positions. However, progress has been slow and families still show reluctance to let women leave home to participate in these activities.



**STUDIES WERE CONDUCTED ON THE EFFECTS OF THE CLIMATE CHANGE ON SMALL PRODUCERS IN THE ANDEAN REGION AND CENTRAL AMERICA**

In the HLO context the conducted gender analysis revealed some similar challenges like traditional attitudes and women's low educational level preventing promotion for managerial positions but also other challenges which did not come out in SPO context, like gender-based violence. The HLO projects trained management and workers on gender rights, sexual harassment, and gender mainstreaming at the workplaces. The participants of the Ethiopian flower sector project's Women School of Leadership (WSOL) will become agents for change, increasing women's agency in leadership and contributing to changing social norms which are key barriers to women's participation. In the regional Workers' Network project, a study was conducted on the situation of women plantation workers in Dominican Republic, Brazil and Ecuador. The plantations covered were bananas, flowers and fruits for juice. Based on the findings, workshops to raise awareness of gender will be conducted for management and owners.

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 banana plantations and to build capacity of potential female leaders who can become champions for transformational change. Percentage of workers that have improved understanding on gender equality and mainstreaming increased from 43 % to 62 %. Amount and share of female workers increased in the Ghanaian banana plantations (from 8 % to 10 % at GEL and from 18 % to 19.5 % at VREL) as well as % of women in leadership roles (from 14.4 % to 14.72 %).

In 2019 we also started to measure the farmers and workers attitudes towards gender equality in the Latin American projects. Although there is no comparative data from 2018, the results are quite positive: when asked about attitudes through questions about the division of work, decision making processes within households and women's positions in workplaces & society at large, 65 % of the farmers and 89 % of the workers reported attitudes toward equality. In the coming years we will continue the work towards transformational change in this area.



### Vulnerable people

During the planning process, vulnerabilities were thoroughly assessed and the findings 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.

Most of the projects include awareness-raising on the rights of **people with disabilities** for both SPO and HLO settings and encourage premium committees to set initiatives for people with special needs. Abilis Foundation and ECDD finalized the assessment of the existing opportunities, gaps and needs in Ethiopian coffee and horticulture sectors. According to the study, lack of knowledge on disability and harmful attitude in the society limited perceptions on disability both at the flower and coffee setups. The absence of internal manuals or guidelines on disability in the flower farms and poor infrastructure for PWDs were some of the key challenges. The flowers project incorporated the awareness creation on disability and inclusion at workplaces into the project plan. After the first disability training, flower farms committed to start involving PWD in workplaces and let them to take part in key organisation platforms and decision making. They have also committed to have disability and inclusion policies at workplaces in 2020. In the coffee project, the findings were similar that there is low of awareness on disability, lack of supporting structures and assistive devices in coffee SPOs as well as low level of collaboration between different actors to support the PWD's access to employment in coffee sector. Based on the disability assessment findings and recommendations, awareness creation sessions were incorporated in workshops and training agendas for the coffee unions. Discussions were initiated with the coffee unions for establishing inclusion policies.

*"My disability has been a challenge for me, both in my community and at my workplace. Life is not easy for people with disabilities, at least in Ethiopia. The community thinks disabled people are beggars. Most people are surprised when they see me at my workplace. They sympathize and I don't want to be sympathized; I want to be considered equal as my other fellow workers. I was really surprised when I was called for training on disability. There has been not been such a training on disability before! This is a very encouraging step by Fairtrade! I really hope this will make people think differently."*

Konjit Miratu, 29, a flower farm worker at Sher Ethiopia

The cocoa project started the cooperation with Ghana Federation for Disabled Organisation and the wine project with Disabled People South Africa. They will support the projects in conducting disability inclusion studies. The baseline study of the banana workers' project in Ghana noted that the virtual absence of disabled people in the workforce could be a matter of discrimination in the recruitment process.

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, including 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 serve as building blocks for training modules for workers and various communication materials in the project.

In many countries nationalism and xenophobia have been on the rise. In the reporting year the situation worsened especially in South Africa, Ethiopia and Dominican Republic. This affected especially the hired

labour projects at the big plantations as there are many ethnicities and minorities who felt threatened both at the workplace and in the surrounding communities. The projects trained workers and management on how to handle the situations. The Latin American Workers' Network project took first steps 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. The project conducted a study on good labour practices for the migrants, which included suggestions for advocacy work with the government.

Some projects focus on child protection and on **vulnerable children**. Especially the cocoa sector project in Ghana which focus solely on this but also some other projects like the coffee sector project in Honduras had child-protection as one of the key results areas.

**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.**

The baseline study in Ghana cocoa sector revealed that 9.5 % of respondents consider children learning how to work as more important than going to school. About 38 % hold the opinion that not making children work today will make them lazy adults who cannot take care for a family. There was high correlation with illiteracy: 68 % of respondents who share in the view that not making children work today will make them lazy adults are illiterates. 17.8 % believe that children will become stronger when they perform risky and hazardous work. Almost the same proportion (17.1 %) also believes that once they themselves worked hard when they were children, their children should work as well. To make their children obey their orders, more than half (51.2 %) will talk to their children to convince them to change their attitudes but 32.5 % will resort to beating the child and some don't give them food then.

The programme's third component was reducing inequality by raising awareness of the corporate due diligence principle. When companies understand that they need to be aware of the risks in their production chain and respect human rights, it is especially the rights of the most vulnerable groups which get more respected. The component has also been working to activate consumers to demand expect them to be diligent in preventing human rights violations and providing adequate means when violations have taken place.



*The community here assumes disability is curse [from God]. People with disabilities are discriminated and most of them do not have access to education and work. This training is helpful in raising the awareness of management to work on inclusion. It will assist them in identifying the works they are doing on inclusion. I believe they will take initiative after this training on inclusivity.*

Edeo Demu, Supervisor, Herburg Roses, Ethiopia.

## 2.3. ANALYSIS OF SUSTAINABILITY AND RISKS

During the planning phase of the programme, potential risks were analysed. Although the programme's funding increased considerably from the previous phase, the risks related to this expansion were kept in control and self-finance base is solid for a bigger programme. The regional fragmentation to 8 countries did not cause serious challenges in the reporting year either, thanks to Fairtrade's direct and frequent contacts to all producing countries. Regional projects were analysed to possibly face a challenge of coordination and that was true also in the reporting year, but the impacts were minimal. The second programme's expansion from geographically focused programme to a much wider one, brought along **several contextual risks, partly due to new more challenging countries**. Like in the previous year, political risks did materialize for instance in Ethiopia and Haiti – as explained in chapter 1.5.



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 and it came clear in the programme's first year but continued to challenge the implementation in the reporting year as well. We have been trying to fix these misunderstandings at the higher and international levels emphasizing the enabling role of Fairtrade.

**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. In the reporting year, some extreme weather events happened, like flooding in Malawi and drought in Ethiopia. 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 were 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 targets this challenge by organising activities and trainings to activate the local youth, together with local trade unions.

**Ethnic issues proved to be a bigger risk than anticipated** already in the first year and continued to affect project implementation in the reporting year as well. This risk covers especially the workers' rights component of the programme as big plantations are mostly owned by foreigners or ethnic (white) minorities, and risk of vandalism and even takeover of plantations is on increase. The huge inequality and unbalanced power relationship at the African plantation sector is partly 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. 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.

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.

**SUSTAINABILITY OF THE PROGRAMME HAS A VERY SOLID FOUNDATION**

### 3. MONITORING, EVALUATION AND LEARNING

The Fairtrade ToC and its indicators form the basis of the programme's monitoring system. Part of the ToC indicators, called "Score", are collected by FLOCERT during the certification audit process on-site by auditors. 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 Score and CODImpact indicators that match FT Finland programme objectives and interventions are included in the Programme MEL framework. The monitoring data is further complemented by the various studies conducted across Fairtrade system, for example the annual Impact Monitoring Report.

During 2019 we continued developing and refining the programme's monitoring, evaluation and learning system together with the Fairtrade International's and producer networks' MEL experts and the programme partners. Based on the experiences and lessons learnt from the first year of the programme implementation, we included a complementary structure to measure the programme's progress at impact and outcome levels in those areas that are not adequately captured through the data gathered through FLOCERT or CODImpact. Additional set of programme level indicators was designed and started to be collected.

The progress against the programme's output level objectives is measured through the project-specific monitoring data. Most projects went through a baseline study in 2019. Furthermore, the progress against most of 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. So, the final MEL framework consists of a comprehensive set of indicators to measure the impact at different target levels. It includes the data acquired during the auditing of producers but complemented with additional indicators for capturing the house-hold level and the specificities of different project contexts as well as on advocacy. (See the Annex 2: Programme Results Framework.)

To support learning across the programme partners, we organised a week-long sharing and learning workshop in Ethiopia in October 2019. Lessons learnt and best practices were shared, ranging from programme governance and coordination structures to thematic areas of gender, climate change and workers' rights, for example. Also, we continued training the programme staff and key supporting staff at PNs on identified gaps on project management skills, RBM and MEL.

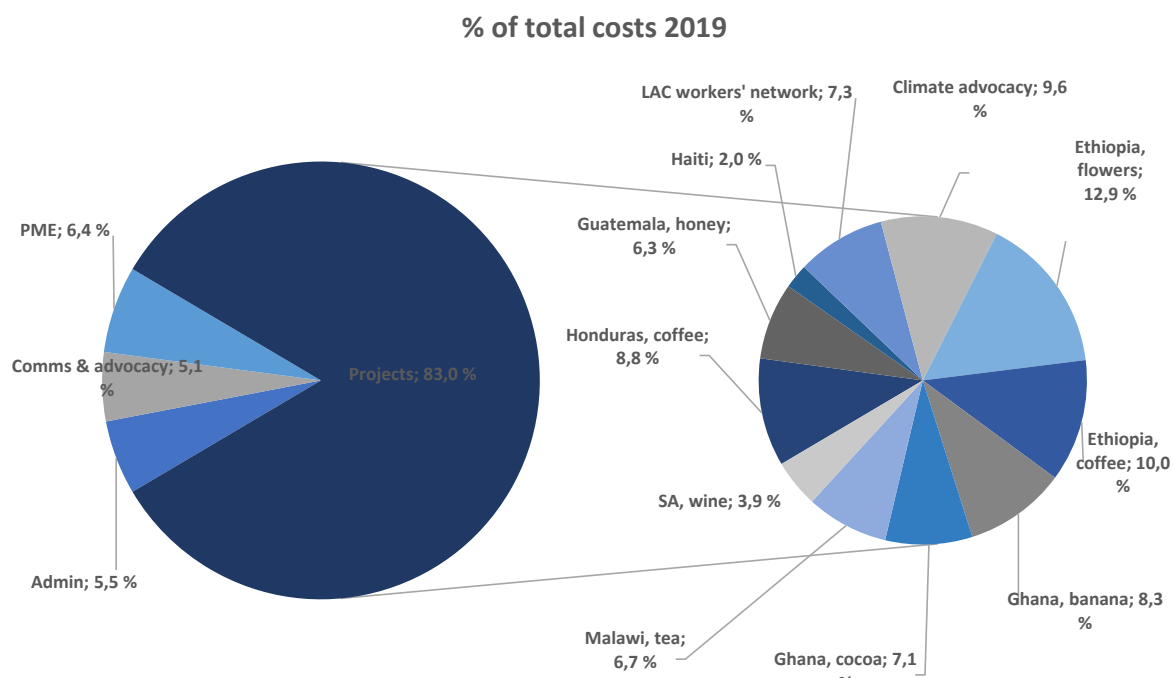
Close partnership and collaboration with MEL experts across the Fairtrade system continued through active participation in the international MEL Community of Practice. Together with FI's Global Impact Unit, Fairtrade Finland also initiated a new Programme MEL Task Force to address specifically programme and project MEL issues.

*"For CLAC it has been a good experience to learn to design and manage MEL at the program level, which is different from what we have previously been doing only at the project level. This is an experience that will serve us for other future programs also. "*

Susy Pinos, Programs and Projects Manager at CLAC.

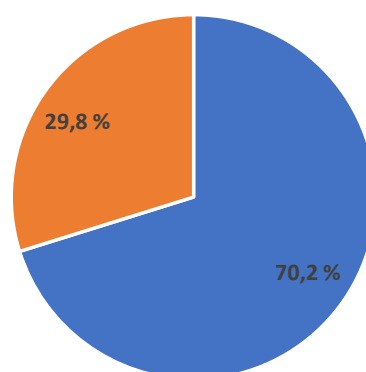
## 4. ADMINISTRATION AND FINANCE

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. Total personnel of Fairtrade Finland in the reporting year was 10 employees, of which total of **3.30 person-years works for the programme**. Two of these person-years are for programme planning and monitoring, 0.88 for advocacy and programme communications and 0.42 for administration. The programme's financial implementation rate was 94.8 % of the budget. The main variation occurred in Haiti, for the reasons explained earlier. Of the total incurred expenses, 83 % were used in the field – increasing by 9 percentage points. Administrative expenses were kept low as planned and well below the maximum 7 % flat rate, at 5.5 %.



The programme draws substantial additional co-financing – 520 196 euros equivalent of 29.8 % – from companies and other Fairtrade organisations as well as license fees from Fairtrade sales. This match-funding increased by over 100.000 euros from the previous year. We continued the good partnerships with our financing partners, such as the Finnish companies Gustav Paulig and Hunajainen Sam, and our international partners like Aldi UK and Aldi Germany. We also did close cooperation with co-financing Fairtrade organisations of Germany and Sweden.

### Finance 2019



■ Grant from MFA ■ Self-finance, Fairtrade Finland