



FAIRTRADE  
FINLAND

5  
NETWORK



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# Dignified Opportunities Nurtured through Trade & Sustainability

Development cooperation programme  
Fairtrade Finland 2022–2029

**PHASE I: 2022–2025**



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# Executive Summary

Fairtrade aspires for a world where farmers and workers can lead their lives with dignity, opportunity, and community within planetary boundaries. Our lifestyle has put an enormous strain on the world's ecosystems, and our production and consumption habits have far outpaced the renewable capacity of nature. Many scientists suggest that we have entered *Anthropocene*, a new geological era since the last Ice Age, where human activity is driving the sixth mass extinction of species. Moreover, the COVID-19 pandemic has shown the interdependent relations between biodiversity loss, unsustainable land use and the spread of zoonotic diseases. An estimated three out of every four new or emerging infectious diseases in people during the past ten years have been zoonotic. Smallholder farmers and agricultural workers are falling deeper into extreme poverty, which exacerbates the risks of malnutrition, child labour, ill health, and other serious violations of human rights.

Fairtrade seeks to enable a global trading system where producers can earn a living income for their produce, and traders and consumers can be sure that the products they handle are produced ethically and sustainably. However, trade alone cannot address the socioeconomic shortfalls in realising human rights. Fairtrade Finland's development programme aims to complement Fairtrade's certification-based trading system by focusing on issues where further support is needed **beyond** certification. Issues such as inequality, discrimination, knowledge transfer and civic empowerment call for non-market-based solutions. Furthermore, the climate crisis necessitates drastic measures to steer away from devastating consequences. All actors in global supply chains have a critical role to play to halt the ecological overshoots.

We have chosen to apply Dr Kate Raworth's **Doughnut Economics Model** as the theoretical framework for the development programme's problem analysis and Theory of Change (ToC). The Doughnut presents the boundaries for sustainable life on earth, based on the social and economic foundation and the ecological ceiling. Between the foundation and the ceiling is the space where socially, economically, and ecologically sustainable life can thrive.

Millions of producer families still live below the **social foundation** and fall short of life's essentials. This affects family wellbeing, including healthcare and nutrition, children's schooling, people's access to information and civic participation, and has intergenerational consequences. The other cornerstone of the foundation, **economic**, is also unstable. Today, production cycles have become so competitive that companies aim to cut costs and improve efficiency in all aspects of production, causing persistent labour and other human rights risks, as well as corruption and environmental risks in the global supply chains.

Agriculture and forestry account for 24 per cent of global greenhouse gas (GHG) emissions<sup>1</sup>, while occupying significant amounts of land. At worst, this causes deforestation, biodiversity loss and pollution, as well as water and land degradation. Smallholder farmers witness first-hand the reality of climate change and environmental degradation intensified by large-scale agro-industries. The lack of knowledge and resources further increases small-scale farmers' vulnerability. Thus, the disparities of power and opportunity in the global economy are reflected in smallholders' environmental and climate exposure: the most critical impacts of the **ecological overshoot** hit the smallholder farmers in the developing world the hardest as their livelihoods fully depend on nature.

**The interconnectedness of the social, economic and ecological challenges reflects the complexity of the socio-ecological system.** As such, it is not efficient to focus on each problem as a stand-alone.

Hence, the programme's ToC includes three sustainability priority areas.

- **SOCIAL** Inclusive and strengthened civil society.
- **ECONOMIC** Farmers' and workers' economic rights are realized.
- **ECOLOGICAL** Farmers and workers live in harmony with the environment and climate.

A long-term approach is required to attain the programme's overall development goal of "**Farmers and agricultural workers' right to sustainable livelihoods is realised**". Hence our programme cycle is planned for 2022–2029 to match with the remaining **Agenda 2030** timeframe, with clear milestones to track progress. Our programme is divided into phase I (2022–25) and phase II (2026–29). This document focuses on the first phase.

## The programme is designed to be:



### Systemic

Fairtrade works with all actors in the value chains. To tackle the problems that keep producers from enjoying their right to a sustainable livelihood, we address bottlenecks along the **entire value chain**. **Advocacy** towards corporate and political decision-makers and **development communications** that raises awareness among Finnish consumers are both embedded and critical in all three priority areas of our programme's ToC.



### Human rights based

The programme's problem analysis and ToC centre on the realisation of rightsholders' human rights. The identified rightsholder's needs are addressed through the lens of human rights. We support the rightsholders to claim their rights and the duty bearers to improve the realisation of these rights by addressing the root causes of their deprivations. This approach guides all the planning and the implementation of the programme.



### Transformative

The programme seeks to transform societies by addressing power disparities and discriminatory legislation, norms and practices that hinder the full enjoyment of human rights by small-scale farmers and disadvantaged workers. Advocacy work is embedded in all the pathways of the programme's ToC. Human rights principles and frameworks guide our processes and actions.



### Rightsholder-centric

Our rightsholders are the farmers and agricultural workers positioned upstream in the global value chains. Producer organisations (POs) represent the interests of their members, and all the planned activities are based on their realities and priorities. Even where the programme activities target other stakeholders in the value chain, the producers' rights remain at the core and give purpose to these initiatives.



### Holistic

Through our programme, we seek holistic improvements in the rightsholders' quality of life in the three domains of sustainability: social, economic and ecological. Most of our projects address **all three aspects of sustainability**. Instead of spreading our projects across numerous locations, we plan to focus on serious human rights and environmental problems in select commodities and countries, addressing these problems from multiple perspectives. For example, we address child labour in select supply chains by interlinking child labour, living income and advocacy interventions.



### Innovative

The programme has several approaches to test and scale its portfolio of projects, such as the Fairtrade Carbon Credits (FCCs) production as a livelihood alternative for farmers, community-based child labour monitoring and remediation systems, testing the reuse and upcycling of production side streams, and direct dialogue about human rights challenges and solutions between rightsholders and industry leaders.



### Results-based

The ToC presents the main planned activities and focus areas for achieving measurable and sustainable results and impact. Results-based Management (RBM) is reflected across all steps of the project cycle. Planning, implementation, monitoring, reporting, evaluation and learning all have integrated practices and tools geared for attaining results and verifying them. For partners, we highlight the importance of achieving and reporting results, not activities. Accountability measures are ensured for donors and beneficiaries alike.



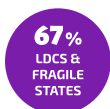
### Experimental

The programme experiments with solutions that seek to address multiple challenges at a time. Innovations can be harnessed to ease planetary pressures and to improve livelihoods. A strong monitoring, evaluation and learning (MEL) system seeks to ensure learning and adaptive management in order to achieve impact from testing assumptions and adopting corrective measures.



## Scalable

The programme includes several projects with a similar logic. As the programme implementation is staggered, the lessons learnt from the first project will be used in the planning of the second wave of projects. Fairtrade standards foster a similar operating logic that facilitates the process. The Fairtrade network enables us to pilot a project idea in one location and the practices and lessons can be applied to other communities. Additionally, the programme's advocacy component seeks to ensure that programme learning is scaled through policy influencing for fairer value chains.



## Leaving no one behind

67 per cent of the programme countries are either among the least developed countries (LDCs) or the fragile states, reflecting our focus on the most disadvantaged countries in the global trade system. Furthermore, the programme includes gender, youth and people with disability as cross-cutting areas promoted in all the projects being implemented.



## Gender equal

Our focus on gender equality is to transform the participation of women and other genders in the global value chains. We support change for women at different levels and across the three sustainability areas with a twin-track approach. We carry out discussions about traditional gender roles in communities, households and POs, including what effects these have on the lives of producer families. Barriers to the equal participation and inclusion of all genders are identified and addressed in project planning. Around 60 % of the programme's first phase beneficiaries are **women**.



## Inclusive

Throughout the programme, we encourage stakeholders to identify and reflect on the existing vulnerabilities and root causes of discrimination, including prejudice, social and normative barriers, to advance the remediation of abuses and to enable better inclusion of young people, persons with disabilities (PWDs) and at-risk migrants in the communities. Both the bottlenecks and the opportunities are analysed through a participatory process.



## Climate focused

During the programme cycle, we'll empower producers to undertake **low-emission development**. The programme aims for carbon negativity (scope 1 and 2). We anticipate the production of over 60,000 tonnes of FCCs during the first phase (by the end of 2025) and an additional 100,000 tonnes by the end of the whole eight-year programme period.



## Multi-stakeholder-based

As part of Fairtrade's operational scope, we collaborate with the private sector, government authorities and civil society actors. We continue our cooperation with **industry leaders**, for example in the coffee and cocoa sectors, major retailers who want to pioneer new approaches to sustainable supply chains, and **government authorities** designing policies on responsible business conduct. We will continue our joint implementation with Finnish civil society organizations (CSOs), as well as other stakeholders like the **City of Tampere**.



## Cost-effective

Fairtrade Finland is part of a global federation of Fairtrade organisations, enabling us to share the expertise, responsibilities and resources available across the different parts of the network. The network enables us to share responsibilities so that the organization with the best knowledge regarding a particular issue can take greater responsibility for it. Our fundraising costs are non-existent and administrative costs well below the set limits, allowing us to allocate most of the budget in the target countries, and to ensure value for money.



## Financial leverage

Our well-established relationships with companies and the Fairtrade network has enabled us to secure substantial match-funding. The possibility to apply for Ministry for Foreign Affairs (MFA) **development cooperation funding has been a significant pull factor** to leverage resources from different partners. The main confirmed private-sector partners are **Aldi, Alko, Ben & Jerry's, COOP / Chocolats Halba, Lidl, Mars, Nespresso and Tony's Chocolonely**. Secured match-funding for the first phase of the programme is around 6.7 million euros.

# Terms and Acronyms

## CB–HE

<b>CBA</b>	Collective bargaining agreement.
<b>CC</b>	Climate change.
<b>CDI</b>	Côte d'Ivoire.
<b>CHPP</b>	Coordinadora Hondureña de Pequeños Productores, national network of Fairtrade producers of Honduras.
<b>CLAC</b>	The network for Latin American and Caribbean Fairtrade producers. (Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo).
<b>CM</b>	Continental manager.
<b>CODImpact</b>	Collection of Data for Impact, Fairtrade's monitoring system to collect impact data.
<b>CS</b>	Civil society.
<b>CSO</b>	Civil Society Organizations. Civil society includes all the organisations that we find in the space between the state and the household, which are voluntary in nature and have significant autonomy from the state. For example, small-scale farmer organisations, workers' associations, and trade unions.
<b>DAC</b>	Development Assistance Committee.
<b>DAF</b>	Dynamic Agroforestry combines crops and tree species with different life cycles to ensure continuous income and food production until (cocoa) trees start producing and are more resilient to climate change, pests, and diseases. DAF systems store more carbon than cash crop monoculture systems and can therefore also be combined with carbon insetting schemes.
<b>DD</b>	Due diligence is defined as the obligation of a company "to take all proportionate and commensurate measures and make efforts within their means to prevent adverse impacts on human rights, the environment or good governance from occurring in their value chains, and to address such impacts when they occur. In practice, due diligence consists of a process put in place by [a company] in order to identify, assess, prevent, mitigate, cease, monitor, communicate, account for, address and remedy the potential and/or actual adverse impacts on human rights, including social, trade union and labour rights, on the environment, including the contribution to climate change, and on good governance, in its own operations and its business relationships in the value chain.
<b>DPOs</b>	Organizations for Persons with disabilities.
<b>DRR</b>	Disaster risk reduction.
<b>EAC</b>	East African Community.
<b>ECA</b>	East Africa, as a region. ECAN refers to East and Central African Network, one of FTA's regional networks.
<b>ECDD</b>	Ethiopian Center for Disability and Development.
<b>ECOWAS</b>	Economic Community of West African States.
<b>EHPEA</b>	Ethiopian Horticulture Producer Exporters Association.
<b>Fairtrade Network</b>	A general term for all Fairtrade-affiliated organisations, including Producer Networks (PNs), National Fairtrade Organisations (NFOs), Fairtrade International (FI), FLOCERT and the Fair Trade Advocacy Office (FTAO).
<b>FAO</b>	The Food and Agriculture Organization of the United Nations (UN).
<b>FCC</b>	Fairtrade Carbon Credits.
<b>FFD</b>	Food and Forest Development Finland.
<b>FI</b>	Fairtrade International is Fairtrade's umbrella organisation, headquartered in Bonn, Germany, where the standards and strategic direction are set for the Fairtrade system, among other things. The NGO owns the FAIRTRADE mark, with a Board of Directors and General Assembly comprising all three Producer Networks (PNs), National Fairtrade Organisations (NFOs) and independent representatives.
<b>FLOCERT</b>	Fairtrade Certification Body.
<b>FTA</b>	Fairtrade Africa, the Producer Network for Africa, representing more than 1 million producers across 33 countries. Formed by four regional networks, three of which are partners in the programme: FTA-SAN for Southern Africa, ECAN for East & Central Africa and WAN for West Africa.
<b>GAP</b>	Good agricultural practices.
<b>GBV</b>	Gender-based violence.
<b>GHG</b>	Greenhouse gas.
<b>GMO</b>	Genetically modified organism.
<b>GPS</b>	Global Positioning System.
<b>HDI</b>	Human development index.
<b>HER</b>	Human and Environmental Rights. HER mapping: Identifying and publishing our view of the most serious human rights breaches related to our operations and supply chains, and their root causes. HER mapping is one step in the project planning.

## HL-PP

<b>HLO</b>	Hired Labour Organisation: A company that relies on hired workers, such as a farm, plantation, factory, manufacturing facility. HLOs are subject to the Hired Labour Standard. This report often uses the term plantation when referring to HLOs.
<b>HRDD</b>	Human Rights Due Diligence: A process of managing the impacts an organisation has on human rights. This entails the identification, prevention, mitigation, tracking and communication of how the organisation addresses the actual and potential adverse human rights impacts in its operations, its supply chain and other business relationships. The term HRDD encompasses environmental rights. In other words, the "E" is in the definition, even though not explicitly spelled out in writing. In addition, the term Human and Environmental Rights Due Diligence (HERDD) can be used to emphasize the "E". Companies are expected also to do Environmental Due Diligence (EDD), which entails assessing, mitigating, tracking, and reporting impacts. However, in that process the focus is on nature – irrespective of whether the negative impacts have implications on human beings. Human Rights and Environmental Due Diligence (HREDD) refers to human rights due diligence and environmental due diligence as two important but separate processes, again inclusive of the negative environmental impacts that have no implications to human beings.
<b>HRIA</b>	Human rights impact assessment, also known as Human rights environmental impact assessment (HREIA).
<b>HRLP</b>	High resource and low performance.
<b>HRM</b>	Human resource management.
<b>ICI</b>	International Cocoa Initiative.
<b>IHDI</b>	Inequality adjusted human development index.
<b>ILO</b>	International Labour Organization.
<b>IPCC</b>	Intergovernmental Panel on Climate Change.
<b>ITUC</b>	International Trade Union Confederation.
<b>LAC</b>	Latin America and the Caribbean.
<b>LDC</b>	Least Developed Country.
<b>LI</b>	Living income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. It covers the costs of basic but dignified housing, clothing, food, healthcare, education, transport and insurance for a farmer and her or his family. The exact level depends on local prices and conditions, but also on the typical number of breadwinners and other household members.
<b>LMIC</b>	Lower Middle-Income Country.
<b>LRLP</b>	Low resource and low performance.
<b>LW</b>	Living wage is a wage that covers the basic needs of a worker and her or his family, including food, clothing, shelter, healthcare, education, transport to work and additional funds for unforeseen circumstances. It is money that workers control and can spend according to their needs and wishes, to improve their standard of living, not being dependent on charity.
<b>MEL</b>	Monitoring, evaluation and learning.
<b>MFA</b>	Ministry for Foreign Affairs of Finland.
<b>Minimum wage</b>	is the legal minimum required by local law and represents a necessary floor level for wages. However, even in the countries that have set a minimum wage, it does not always provide enough income for workers to live decent lives.
<b>MPI</b>	Multi-dimensional poverty index.
<b>NFO</b>	National Fairtrade Organisation. A full member of Fairtrade International responsible for marketing, licensing and raising awareness in some market area. Most NFOs are located in Europe.
<b>NGO</b>	A Non-Governmental Organisation is a non-profit organisation that operates independently of any government, typically to address a social or political issue. The Fairtrade Network comprises several dozen NGOs that come together under Fairtrade International, another NGO.
<b>ODA</b>	Official development aid.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>OHS</b>	Occupational health and safety.
<b>PHDI</b>	Planetary Adjusted Human Development Index.
<b>PM</b>	Programme manager.
<b>PME</b>	Planning, monitoring and evaluation.
<b>PN</b>	Producer Network. A regional network of producers and/or regional associations who work together for their common interest. The three Producer Networks are Fairtrade Africa, CLAC and NAPP.
<b>PO</b>	Producer organisation, refers to both SPOs and HLOs.
<b>PPE</b>	Personal protective equipment.

## PW-Y

<b>PWDs</b>	Persons with disabilities.
<b>RBM</b>	Results-based management. RBM involves shifting the management approach away from focusing on inputs, activities and processes to focusing more on the desired results. OECD/DAC defines RBM as "A management strategy focusing on performance and achievement of outputs, outcomes and impacts".
<b>RM</b>	Regional manager.
<b>SA</b>	Southern Africa, as a region. SAN refers to the Southern African network, one of FTA's four regional networks.
<b>SADC</b>	South African Development Community.
<b>SALM</b>	Sustainable Agriculture Land Management.
<b>SASK</b>	Suomen Ammattiliittojen Solidaarisuuskeskus (Trade Union Solidarity Centre).
<b>SC</b>	Steering Committee.
<b>SDG</b>	Sustainable Development Goal.
<b>SMEs</b>	Small and medium sized enterprises.
<b>SPO</b>	Small-scale Producer Organisation: Groups like cooperatives or farmers' associations whose members are primarily small-scale producers. Small-scale Producer: A producer that is not structurally dependent on permanent hired labour and that manages production mainly with a family workforce, where most of the working time is spent on agricultural/artisanal activities on their own farms or homes, and where the revenue from such activities forms the major part of their total income.
<b>ToC</b>	Theory of Change.
<b>Trader</b>	Companies that buy and sell Fairtrade products and/or handle the Fairtrade price and premium. Traders are subject to the Fairtrade Trader Standard.
<b>TU</b>	Trade union.
<b>UMIC</b>	Upper Middle-Income Countries.
<b>UNCRC</b>	United Nations Convention on the Rights of the Child.
<b>UNDP</b>	United Nations Development Programme.
<b>UNGP</b>	United Nations Guiding Principles on Business and Human Rights, established in 2011, is a framework consisting of expectations for businesses and states to "Protect, Respect and Remedy" human rights.
<b>UNHRC</b>	United Nations Human Rights Council.
<b>WA</b>	West African as a region, WAN refers to the West African Network of Fairtrade producers.
<b>WASH</b>	Water, sanitation and hygiene.
<b>WHO</b>	World Health Organization.
<b>WoSA</b>	Wines of South Africa.
<b>YICBMR</b>	Youth Inclusive Community Based Monitoring and Remediation System, a monitoring and remediation system focused on involving children and youth in its implementation.





# **1 Introduction – The Fairtrade Approach**

# 1.1 Fairtrade – a global system for trading in fair terms

*"Human rights begin in small places", said Eleanor Roosevelt. "At home, at school, at the factory and farm." As the first Chairperson of the United Nations Commission on Human Rights (UNCHR), Roosevelt was involved in drafting the Universal Declaration of Human Rights. She emphasised how local concepts such as equal opportunity and dignity are tied to these small places. "Unless these rights have meaning there, they have little meaning anywhere," she said.*

These are the areas where Fairtrade has focused its activities since the 1980s, when the Mexican coffee farmers and a Dutch non-governmental organization (NGO) launched Fairtrade for farmers to gain negotiating power in the international marketplace. Since then, Fairtrade has grown into a global network. It brings together millions of smallholder farmers, agricultural workers, traders, manufacturers, retailers and consumers in an effort to improve living and working conditions for those in the upstream of our global supply chains.

**Yet, the struggle to claim these rights continues.**

Trade can be an essential driver for sustainable development and a tool to reduce poverty, but only if it is used for those purposes, prioritising greater equity and transparency than is currently the norm. To grasp the opportunity provided by the growing demand for sustainably produced products, and to support vulnerable communities, the value chains need to be made socially, economically, and ecologically sustainable. The United Nations Guiding Principles on Business and Human Rights (UNGPs) published in 2011 articulated companies' responsibilities in taking care of their supply chains in a sustainable manner.

Fairtrade has a significant role to play in this field. The Fairtrade system is a multi-stakeholder, non-profit movement focusing on the empowerment of smallholder farmers and workers in developing countries through fair and sustainable trade. Fairtrade Finland works to connect producers with companies and consumers that seek sustainability, to promote fairer trading conditions and to advance sustainable development.

Fairtrade has close and long-running relationships with CSOs that are important actors and change agents in their communities and societies. Active farmers' and workers' associations bring communities together – the production of coffee, cocoa or other key export crops often shapes the life of the whole community – while offering basic services, negotiating with business partners about the community's stake in the global supply chains, and playing a key role in holding public decision-makers accountable. Standards and certifications are vital tools to enable empowerment and development. Yet, being voluntary, they are not sufficient to tackle the persistent challenges the world is facing. Public regulation and targeted development initiatives are both needed to support farmers and workers in tackling deeply embedded and complex issues like climate change, lack of living incomes, exploitative work, child and forced labour, gender inequality and the exclusion of migrants and persons with disabilities (PWDs). Working with business and civil society on the one hand, and farmers and workers on the other, Fairtrade Finland's programme links entire value chains in a unique way that can enable the empowerment of smallholder farmers and workers to achieve transformative change in their lives.



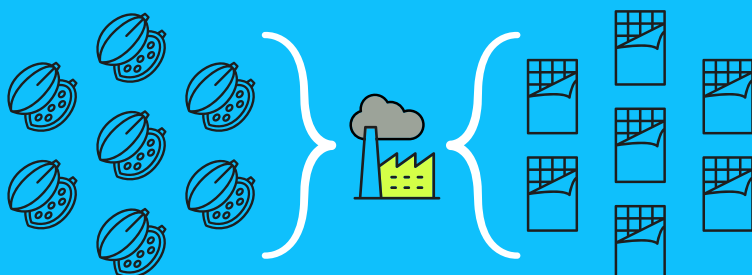
**Fairtrade has always had Human Rights at its core, defending the rights of disadvantaged smallholders and of agricultural workers in global supply chains.**

Fairtrade Global Strategy 2021–2025



**We see development as a process of social empowerment and redistribution of power – not as a technical exercise.**

Mary Kinyua, Board Chair of Fairtrade Africa



## The problem

Value isn't being shared evenly in global supply chains. The cocoa chain, for example, starts with millions of farmers who produce cocoa and ends with the billions of consumers who enjoy chocolate. But what about the bit in the middle? This section is dominated by a handful of chocolate giants that profit from keeping the price of cocoa as low as possible. As a result, farmers are forced to live in poverty. And that leads to illegal child labour and modern slavery and deforestation risks.



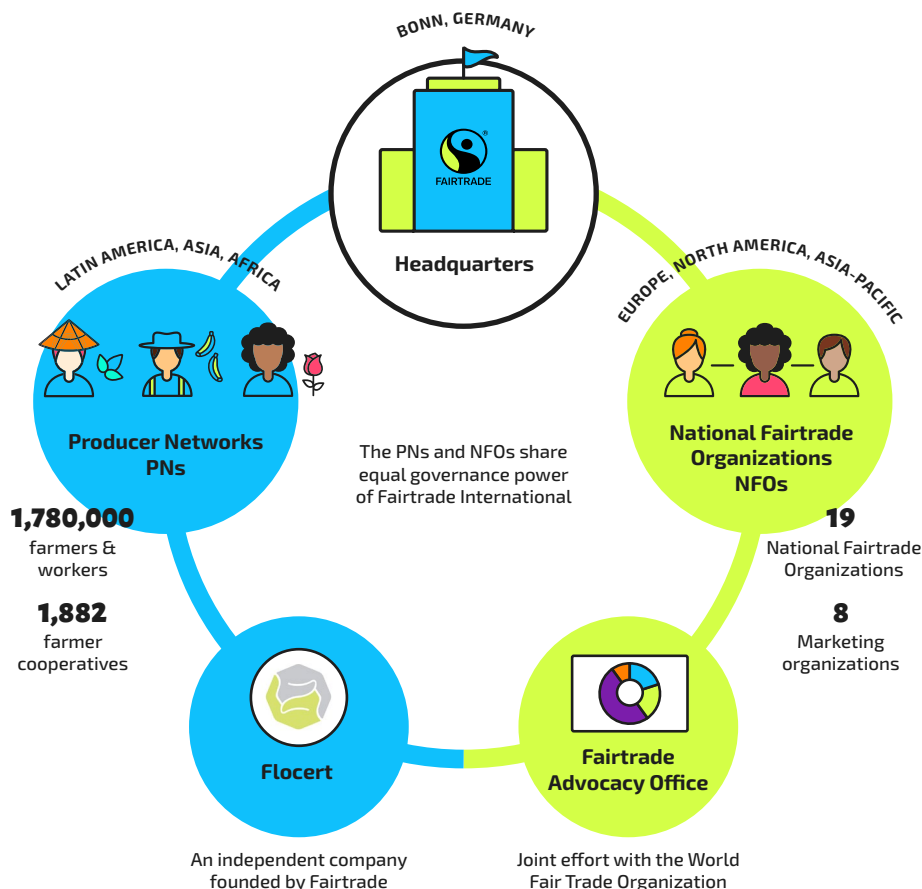
## Fairtrade

**Fairtrade's vision** is a world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.

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

**Fairtrade Standards** form the cornerstone of Fairtrade's approach to sustainable development. They are designed to support smallholder farmers and farm workers in the world's poorest countries in their struggle towards a decent standard of living, and to increase respect for human rights and the environment in farming. One set of standards applies to smallholders working together in cooperatives (SPO Standard), another to plantation workers (HLO Standard), and a third to companies that trade and process the produce (Trader Standard). In 2020 there were more than 1,800 Fairtrade certified producer organisations with over 1.78 million farmers and workers worldwide.

**Flocert** ensures the compliance of Fairtrade Standards.



## SPO STANDARDS

### Social

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

### Economic

- Minimum price
- Development premium
- Pre-financing
- Long term contractual relations

### Environment

- Reduce use of pesticides
- Protect soil & water
- Waste management & recycling
- No GMOs
- Reduce CO<sub>2</sub> emissions
- Biodiversity
- Encourage organic production

## HLO STANDARDS

### Social

- Fairtrade Premium for workers
- The company has to:
  - train worker representatives
  - empower women
  - ensure access to primary education for the workers' children

### Labour conditions

- Freedom of association, collective bargaining
- Freedom from discrimination
- Ban child & forced labour
- Real wage increment
- Sick leave, social security
- Occupational health & safety

### Environment

- Environmental management
- Integrated Pest Management
- Protect soil & water
- Waste management & recycling
- Reduce CO<sub>2</sub> emissions
- Biodiversity



## 1.2 A decade of transformation ahead

Fairtrade's work is inherently based on the attainment of **Agenda 2030's** Sustainable Development Goals (SDGs). The SDG progress report from 2020 indicates modest gains in children's school attendance, access to safe drinking water, and the number of women in leadership roles. Yet more people are suffering from food insecurity, and the natural environment keeps deteriorating at an alarming rate. With less than ten years to go, it is evident that the international community must ramp up the efforts to achieve a more equal world, eliminating poverty and hunger and slowing down climate change to an acceptable level by 2030.

On top of this, the unprecedented disruption caused by the **COVID-19** pandemic threatens the advances made in the past years: healthcare systems are on the verge of collapsing in many countries and an estimated 119 million people have been pushed back into extreme poverty in 2020. The epidemic has hit the most vulnerable people hardest, most of whom are without any kind of social protection. Producers are falling deeper into extreme poverty, exacerbating the risks of malnutrition, child labour, ill-health, and other serious violations of human rights.

### Fairtrade's COVID response

In response to the pandemic, Fairtrade International launched a Producer Relief Fund and a Producer Resilience Fund, to offer immediate support for farmers, workers and their communities while establishing a foundation for longer-term economic recovery efforts. The two funding mechanisms provided over EUR 15 million support to over 900 producer organisations in 57 countries – expecting to impact the lives of 540,000 individuals with COVID-19 prevention measures and economic recovery opportunities.



At the same time, the pandemic has changed **consumer habits** towards a more sustainable pattern. In our research in Finland (TNS Kantar 2020), we discovered that Finns are more interested in purchasing sustainable products compared to the pre-pandemic period:

- 75 per cent of Finns feel that information about the origin and responsibility of food and textiles is important (in 2019: 62 %). The proportion of people who consider this information irrelevant to them has clearly decreased (from 28 % to 18 %).
- 69 per cent of Finns believe that companies should carry responsibilities on workers of the Global South (in 2019: 62 %).
- A clear majority of Finns (69 %) would be willing to pay at least 5 per cent more for a product that has been produced with a living wage (in 2019: 58 %).

Against the new realities set off by the pandemic, Fairtrade is set to launch its new Global Strategy 2021–25 during the first half of 2021. After an extensive consultation process with stakeholders to analyse the operational environment, Fairtrade identified **key external pressure points that it must act upon to effectively tackle the barriers towards the achievement of the SDGs**:

1. **Climate** – Any development initiatives must include a strong **climate action** focus.
2. **Technology** – **digital technology** has the potential to increase supply chain transparency.
3. **Sustainability** – We aim to **partner** with stakeholders that commit to developing practices that **reduce inequalities** and **respect human and environmental rights**.
4. **Consumer behaviour** – We will promote greater commitments to **sustainable consumption** by raising consumers' awareness about human rights and environmental issues in the global value chains.
5. **Agility and innovations** – We will adopt **innovative approaches** that support farmers' and workers' resilience and capacity to better take charge of their lives.
6. **Fair rules** – Governments around the world are preparing novel types of policies on business and human rights. Fairtrade will bring to these policy processes the perspective of producers, who fear exclusion from global supply chains, but aspire for increased collaboration and transparency.



# 1.3 Shortfalls and overshoots in the global supply chains

The key challenges in global supply chains revolve around the trinity of economic, social and ecological domains – Fairtrade Standards have the same 3D structure. The governance of these three domains is at the heart of the complexity in the global trade system.

Trade alone cannot address the **socioeconomic shortfalls** in the realisation of human rights. Issues such as inequality, discrimination, knowledge transfer and civic empowerment call for non-market-based solutions. The ecological ceiling defines the boundaries within which our planetary existence is feasible, which needs to steer all activities within global value chains.

**The climate crisis has proved that we need drastic measures to become more sustainable and steer away from devastating consequences. While many of the necessary actions require strong political will, all actors in global supply chains have a critical role to play to halt the ecological overshoots.**

Through our development programme, we aim to complement Fairtrade's certification-based trading system by focusing on issues where further interventions are needed **beyond** certification. We have chosen Dr Kate Raworth's **Doughnut Economics Model** as the theoretical lens for our Problem Analysis and our ToC. In this model, the doughnut shape exemplifies concentric rings as thresholds of sustainability. In the latest Human Development Report (2020), the United Nations Development Programme (UNDP) applied a similar logic of social and planetary imbalances, crediting Dr Raworth's work. UNDP introduced a new experimental indicator, **Planetary pressures-adjusted Human Development Index<sup>2</sup>** (PHDI) that upgrades the Human Development Index (HDI) to include planetary pressures in the Anthropocene. The PHDI is the level of human development adjusted by carbon dioxide emissions per person (production-based) and material footprint per capita to account for the excessive human pressure on the planet.

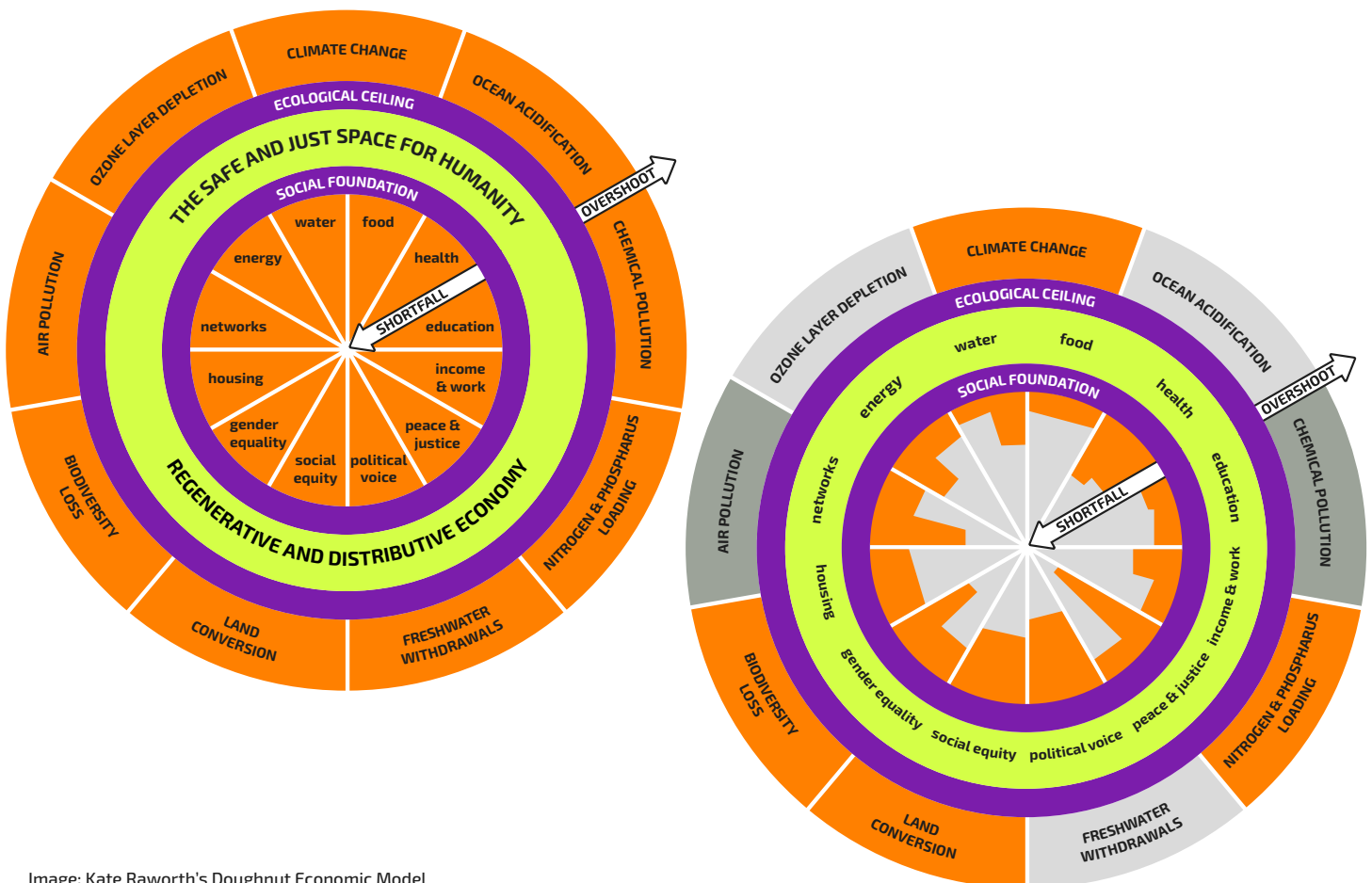


Image: Kate Raworth's Doughnut Economic Model



## 1.3.1 Social shortfalls

Millions of producer families are still deprived of a life of dignity and opportunity, lacking health, water, energy and a voice in their society. Deprivation has intergenerational consequences and it fuels **negative coping mechanisms** – child labour, gender-based violence and discrimination against vulnerable persons like youth and persons with disabilities – with adverse effects on family wellbeing, children's schooling and people's overall **access to civic participation**.

The rightsholders with whom Fairtrade Finland has long worked with are farmers and workers organised in farmer and worker associations, their families and communities. Farmer and worker associations are usually very influential CSOs often on par with religious organisations, since the production of coffee, cocoa or other key export crop shapes the life of the whole community. These CSOs bring communities together and offer crucial services that the state may not provide, such as drilling wells, building schools and improving roads.

### Undemocratic and exclusive civil society

An active civil society is an efficient change agent, enabling the rightsholders' collective voice and holding leaders accountable. However, different groups of people seldom get their voices equally heard or supported by CSOs. Exclusive and undemocratic norms and practices influence civil societies, as much as they influence the public and private sector. Within farmer cooperatives and worker associations, women, youth, and PWDs are often underrepresented in decision-making and in the membership count, despite their participation in the work of the farms and processing plants.

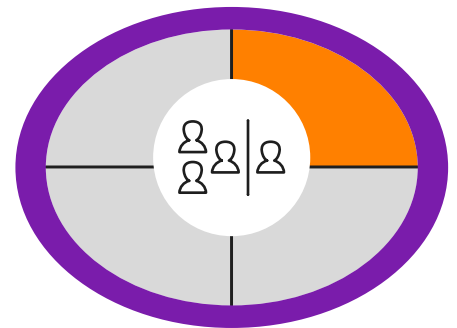
**Women** make up a fifth of the membership of Fairtrade-certified POs. For instance, a Fairtrade baseline study in Côte d'Ivoire's cocoa-growing communities found that in most cocoa cooperatives, women's membership was only between 1–2 per cent even though many women participated in cocoa farming. Based on Fairtrade Finland's study on **disability** inclusion in Ethiopia, PWDs face discrimination due to negative perceptions and lack of knowledge by community members. The Ethiopian small producer organizations (SPOs) often have no guidelines on disability, the infrastructure is poor, and there are no assistive devices or sign language interpreters to maintain disability-inclusive workplaces. **Young people** see the struggles of farming and opt for a different future, often migrating to cities or other countries. This presents a diverse set of challenges as farmers age and production stagnates in farming communities.

These inequalities restrict individuals' behaviour and prospects in reaching their full potential at home, work and in civic life. The challenge is to support women, youth and PWDs in raising their voices, to have a say in how the business and community matters are run and what is expected of the duty bearers.

In theory, international buyers and business partners could be supporting farming communities in tackling discrimination. Freedom from discrimination is a human right and crucial to preventing gender-based violence and forced labour. In line with the UNGP, **companies have a responsibility to contribute to the mitigation of human rights violations in their supply chains**. However, in our stakeholder consultations very few examples of discrimination-focused dialogue or collaboration between farmer or worker organisations and supply chain actors were found. Instead, POs find that the buyers focus on prices, quality and top-down sustainability criteria.

Furthermore, the operating environment for civil society faces increasing restrictions globally at an alarming rate. Many stakeholders that we have engaged with have highlighted signs of a **shrinking space for civil society**. Restrictive legislation has increased in several countries, and incidents of harassment and violence have become commonplace against civil society activists.

In an inclusive society, people not only have the right to participate, but they actually take part in discussions, decisions and action, making use of their rights.



### Article 25 of the Universal Declaration on Human Rights

Everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family.

## Risks to community wellbeing

The risk of natural disasters and health hazards is high in most of the areas where the targeted POs operate. Not only may these hazards cause a real threat to the lives of the producer families, but poor farmers may risk losing their livelihoods. This is a social shortfall that was frequently mentioned in the stakeholder consultations during the preparation of this programme. This concern has been intensified by the **COVID-19** pandemic. Although many of the POs participating in our previous programme have developed preparedness and risk reduction plans, it was evident that they had not foreseen the consequences of a global pandemic. Similarly, national governments have lacked proper action plans to respond to the situation, further exposing our rightsholders' vulnerability. In addition to the health impact, many people expressed concerns about how the pandemic has and continues to influence their livelihoods.

The risk of **natural disasters**, like hurricanes, extreme weather patterns and earthquakes emerged in our analysis. Many producers expressed concern that natural disasters are becoming more common and endangering farmers' health and wellbeing. They felt that while local governments cannot prevent disasters, they should protect people from the negative consequences more efficiently. Some producers felt that they have little capacity to respond to crises due to the everyday challenges and concerns in their lives. Additional issues in rural communities are the lack of **clean water** and **air pollution** caused by traditional cooking practices. The latter issue was mainly mentioned by our African partners.

Many agricultural workers and smallholder farmers, especially women, have **limited access to information** due to illiteracy or exclusion from conventional information channels. Decisions on family wellbeing are often influenced by **traditional knowledge and customs** that may be unsound and discriminatory, or in the worst cases, harmful.

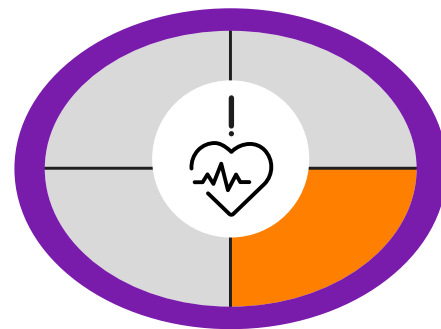
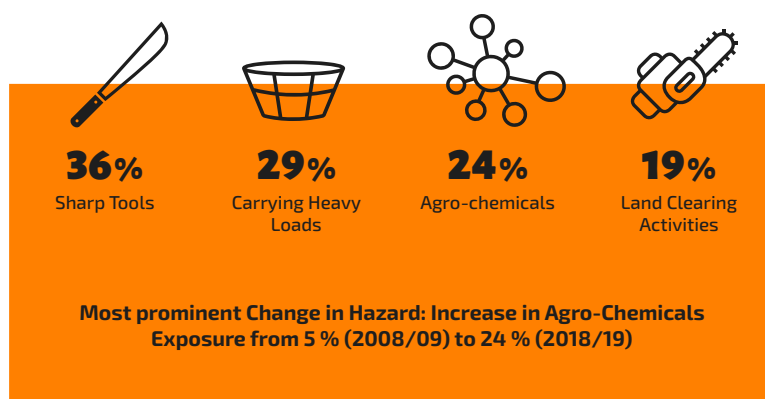
One of the harmful practices rampant in farming is child labour. It is a phenomenon with multiple underlying causes of which **poverty and economic vulnerability** of families is the principal factor. It is important to analyse other aspects like labour markets, food security, and local traditional concepts of childhood to understand the triggers of child labour and how to counteract it in the farming communities. For example, in some cultures and linguistic contexts, the notion of adolescence does not exist, so children of a certain age are considered adults. Despite the universal approval of the International Labour Organization (ILO) Convention 138 on minimum age and Convention 182 banning the worst forms of child labour, the **normative framework alone is not enough** to address the phenomenon. Governments must step up their efforts to implement the national laws and policies and to carry out inspections. Moreover, business-led solutions have been ineffective as decades worth of corporate codes of conduct, zero tolerance policies, and prohibitions of child labour have not changed the situation very much.

Where social services are scarce or inefficient, people often rely on community-based support mechanisms such as community committees, self-help groups, and community savings and loan associations. These informal structures are often vital parts of the social protection system.

### Children's Current Exposure to the Most Common Hazards Related to Cocoa production:

2018/19  
SNAPSHOT

2008/09–  
2018/19  
HISTORIC  
TRENDS



### Traditional cooking practices present a health hazard

Harmful cooking practices and fuels produce high levels of household air pollution with health-damaging pollutants, like dust particles that penetrate respiratory organs. Fine particles in indoor smoke can be 100 times higher than acceptable levels. The exposure is particularly high among women and young children, who are mostly in charge of cooking and other domestic duties. This has a massive impact on health: annually, **3.8 million people die prematurely from illness attributable to the household air pollution** caused by the adverse use of solid fuels and kerosene for cooking.

### Child labour in West African cocoa growing communities

In 2018/19, there were approximately 1.56 million children working in child labour in cocoa production in Côte d'Ivoire. Additionally, 1.48 million children were estimated to be in hazardous child labour. (NORC Final Report 2020)

**1.560.000**



### Lawful Work vs. Child Labour – where to draw the line?

Not all work done by children is defined as child labour. Informed by ILO conventions on child labour, children are allowed to support their own family's farm as long as the work:

- is age-appropriate and not exploitative, abusive or hazardous,
- does not interfere with schooling,
- is supervised by a family member.

Sadhu et al., 2020. NORC Final Report: Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Côte d'Ivoire and Ghana. University of Chicago.



## 1.3.2 Economic shortfalls

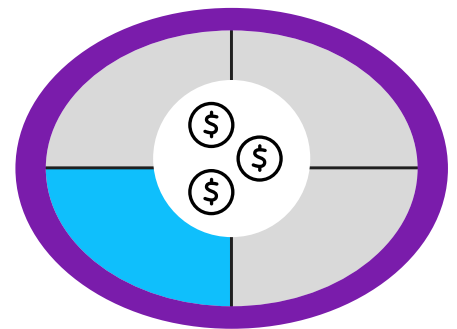
Today, international commodity trade is largely shaped by price pressure. Companies are constantly seeking ways to cut costs and to improve efficiency in all aspects of production. This causes persistent human rights, corruption and environmental risks in global supply chains. **Smallholder farmers and agricultural workers produce the crops for multi-billion-euro supply chains like coffee, bananas and cocoa**, yet many of them struggle to make a living income from their labour. Cheap food comes at a cost of exploiting the farmers and workers in the upstream of the supply chain. Agricultural workers who are working for someone else's business or sharecroppers (see box below) face different challenges than farmers who own their own land.

### Insufficient income to achieve a decent standard of living

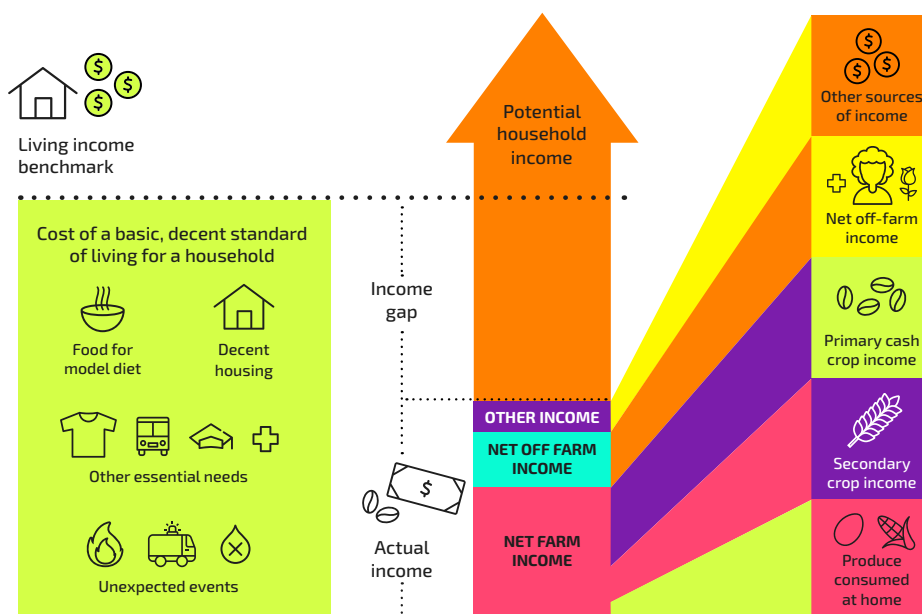
Living income is a fundamental building block in advancing producers' human rights. However, companies and governments are seldom held accountable for living income violations. The Universal Declaration of Human Rights addresses the right to earn a living wage in Article 23 and the right to a decent standard of living in Article 25, but this is clearly insufficient. The lack of a living income fuels several other human rights breaches like poor nutrition, poor health, child labour and environmental degradation.

Many smallholder farmers are subject to a **volatile global market prices**. For example, between 2016 and 2017, cocoa prices dropped about 40 per cent within one harvesting season. The dramatic price collapse devastated farmers in Côte d'Ivoire and Ghana, who produce more than 60 per cent of the world's cocoa. Even prior to the collapse, Ivorian cocoa farmers and their family members lived, on average, on less than one euro per day per person, when the living income rates for the region were estimated at 2.5 euros per day.

The principal shortfall that hinders the realisation of living incomes in global commodity supply chains is the **uneven distribution of economic power** among supply chain actors. In many commodities, large conglomerates dominate trading or processing, leaving small producers with limited negotiating power on prices.



### The Living Income Story



Farmer cooperatives often suffer from **limited information and skills**. Most cooperative leaders are farmers themselves with extensive intergenerational knowledge and expertise on production methods. However, they often have limited familiarity with the best practices for sustainable and high-quality production that meets the global market demands. In addition, most producers would benefit from stronger skills in business administration, including negotiation, marketing, cost of production calculations, and logistics – elements that have a direct impact on the producers' livelihoods. Based on feedback from producers, they face challenges in having timely access to reliable market information.

**Cash crop production has several disadvantages.** The income and employment benefits are typically divided unequally within households. The income is usually cyclical in nature, leading to "lean periods" with little income that require self-discipline and good financial planning. The range of cash crops and market outlets can be narrow, and the households are vulnerable to market fluctuations. Most farmers sell their cash crop as basic **raw material without any value addition or processing**.

**Low productivity, risk management skills and knowledge of resilient agricultural practices** are additional obstacles to living incomes, highlighted by our monitoring data and analysis with rightsholders. The producers' know-how, resources and access to services, like financial and agricultural extension services, are central factors contributing to these challenges. Limited knowledge and skills make production vulnerable to climate change and extreme weather events. Farmers need to invest in ecologically sustainable production practices to be able to adapt to a changing climate and to maintain adequate productivity levels.



## Cocoa in Côte d'Ivoire The numbers

**7**

Per cent of farmers earning a living income\*

**8**

Number of people living on a farm\*\*

**\$ 343**

Annual wages of hired farmworkers\*\*

**\$ 2,276**

Extreme poverty line\*\*

**\$ 1,919**

Farmer household income per year\*\*

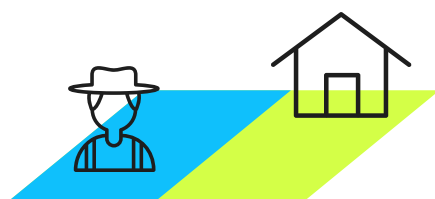
**\$ 7,271**

Living income for a household\*\*

\* data from 2019

\*\* median figures numbers come from the 2018 True Cost report, and are from 2016.

## Sharecropping



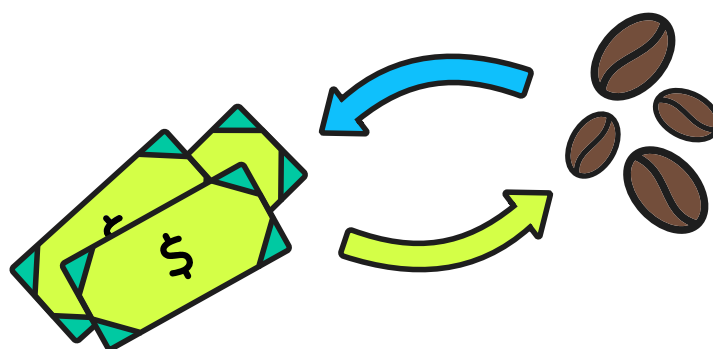
Sharecropping agreements are widespread in West African cocoa production. Under these agreements, land-owners leave the care of already developed farms (i.e. already bearing fruits) to sharecroppers who receive one third of the crop in exchange for maintaining the farm.



Sharecroppers, usually migrant farmers from poorer areas, can be considered both tenant farmers and labourers, 'dependent yet independent', at the same time.



Therefore, they can be seen as a hybrid between the two, being paid their share as 'labourers', but also paying over a share of the crop as 'tenants'. This ambiguity often renders sharecroppers invisible to research and policy actors.



## Precarious work

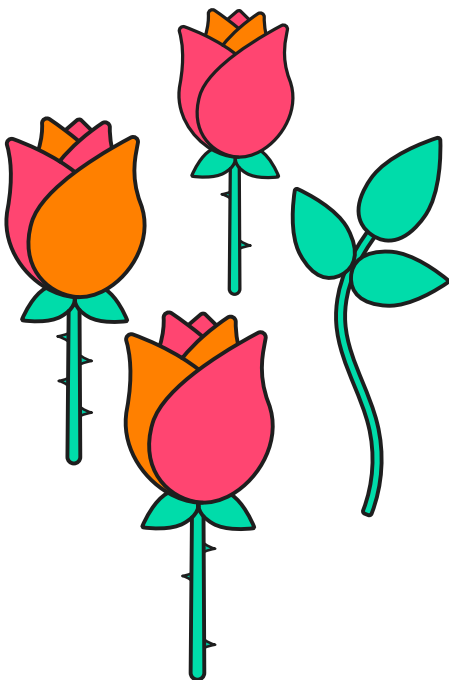
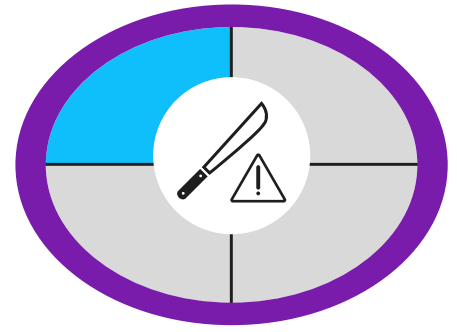
Although most UN member countries have ratified the core ILO Conventions for decent work requiring national legislation on labour rights, and the codes of conduct by manufacturing and retail companies that increasingly require their suppliers to observe labour rights, there remains a gap between policy and practice on labour rights.

The population in the programme's operating areas is predominantly young and mostly with a low level of education. For example, in Ethiopia, out of a total population of around 115 million, 68 per cent are under 30 years old, and the youth **unemployment** rate is estimated at nearly 27 per cent.<sup>3</sup> There are few decent work opportunities for young people and even less for illiterate, unskilled people.

Those who do have a job face challenges to have their **rights at work fulfilled**. Many agricultural workers are vulnerable and exposed to human rights violations. The human right to Freedom of Association is critical for workers to join trade unions and collectively negotiate wages and other benefits. We have seen this during the global COVID-19 pandemic. When orders have been cancelled, transport annulled and workplaces shut down with little or no advance notice, unions have brought attention to the workers' unpaid wages. Trade unions – in some cases with the support of our previous programme – have been in the COVID-19 frontline, providing personal protective equipment (PPE), trainings and food to their affected members. Nevertheless, several companies still view the trade unions as a costly threat.

In many countries, trade unions and employers have a history of antagonistic relations. Governments may arrest trade union activists, and security forces may target workers' representatives who campaign for better wages, rights and conditions. There are only a few examples of **social dialogue which leads to positive changes in line with SDG8** (Decent work and Economic growth). Many trade unions are still weak due to low membership and, in some cases like South Africa, are hampered further by the high number of trade unions operating in the same sector and region. Some unions are closely tied to the companies and thus lack sectoral bargaining power. This is the case for example in the Ethiopian flower sector.

The lack of **social protection for agricultural workers** was frequently mentioned in the programme's problem analysis. This issue was particularly acute in 2020 since many workers had lost or feared losing their job due to COVID-19. When flower markets were closed in Central Europe or when the South African government banned all alcohol sales as part of lockdown measures, it was the workers in these supply chains who bore the brunt, losing their jobs and left to fend for themselves.



### Article 23 of The Universal Declaration of Human Rights

- Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
- Everyone, without any discrimination, has the right to equal pay for equal work.
- Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity.
- Everyone has the right to form and to join trade unions for the protection of his interests.

## 1.3.3 Ecological overshoot

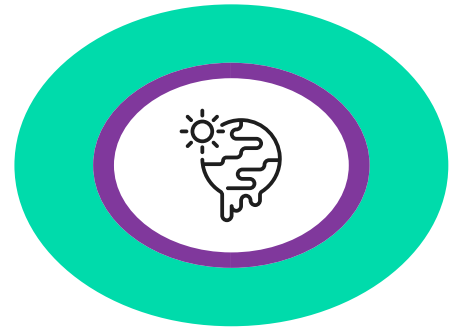
### Climate change and environmental degradation

Global food production has tripled in the last 40 years. Besides its positive aspects, increased production is one of the principal causes of the deteriorating environment and climate emergency. Agriculture and forestry account for 24 per cent of GHG emissions<sup>4</sup>, while taking over significant amounts of land. Land grabbing and adverse land use cause deforestation and biodiversity loss, pollution and the degradation of water and soil.

Climate change and environmental degradation highlight the disparities of power in the global economy: the most critical impacts of climate change are felt by smallholder farmers in the developing world. In other words, the people who are the least responsible for causing the crises are paying the heaviest toll for the consequences. Therefore, climate change reflects a **market failure**, whereby the emitters do not pay for the losses and damages their operations inflict on others. Apart from the economy, climate change and environmental degradation are crises from the perspective of the value of nature. It reflects the interconnected relationship between human beings and the environment, and the health and wellbeing of all species on the planet. In the framework of the doughnut economy model, climate change is both puncturing holes in the global planetary ceiling and dragging farmers and farm workers towards the hole in the centre, by making their livelihoods more vulnerable and societies more exposed to shocks.

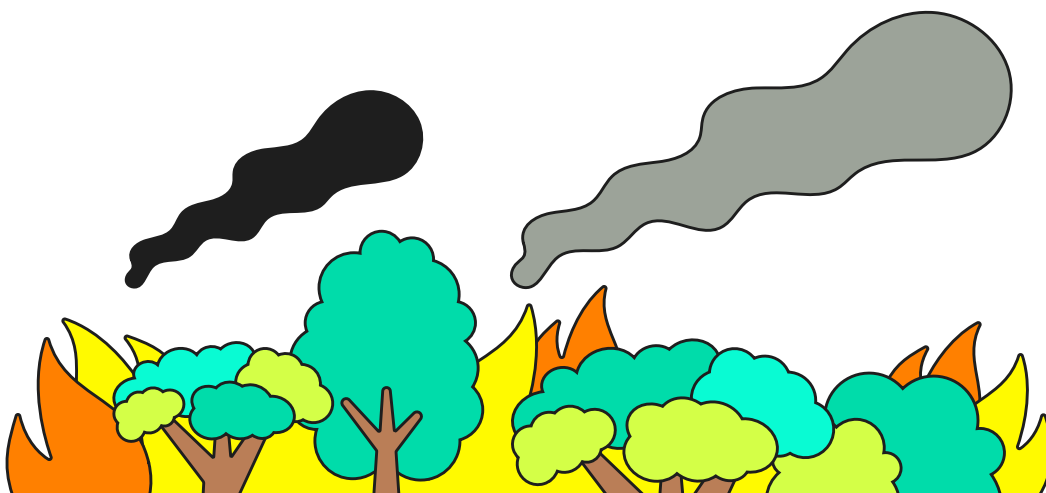
Every aspect of life in an agricultural community is affected by climate change. There are the "unpredictable" **climate shocks** like record-bending heatwaves, extended cold snaps, forest fires, and rapid floods caused by more frequent and stronger hurricanes and monsoons. Then there are the long-term **climate stresses** witnessed through changes in average temperature and rainfall, prolonged dry seasons, and sea-level rises causing salination on fertile soils. None of the standards and certification requirements could adequately address what is perhaps the most defining human rights challenge of our time. Certainly, Fairtrade's farmer standards include an ever-increasing number of requirements around responsible land and water and pesticide use, and a variety of other regulations addressing environmental stewardship. Nevertheless, tackling climate change is beyond a certification requirement.

Africa produces only 4 per cent of global GHG emissions, according to IPCC statistics. However, Africa is estimated to produce other pollutants that are more harmful in terms of human health than GHGs, such as **black carbon**. The main reason for this is the burning of firewood, mainly by the domestic sector, which produces 66 per cent of Africa's black carbon emissions. Many rural areas have limited access to energy, which presents a major obstacle to development. Due to the limited energy services, farmers, agricultural workers, their families and communities suffer from lower productivity, educational attainment and health, which ultimately exacerbates the poverty trap they face. The adoption of clean cooking fuels and technologies has increased from 56 per cent of the global population in 2010 to 63 per cent in 2018. Nevertheless, **2.8 billion people still rely on traditional polluting cooking solutions like wood, charcoal, and dung**.<sup>5</sup>



#### Environmental rights as human rights

Fairtrade is aligned with the increasing number of human rights observers, courts and international bodies that see environmental rights as one facet of human rights. Human beings have a right to a healthy, safe and stable environment. Such an environment is important in itself – and also essential for people to enjoy other rights. For instance, environmental degradation and climate instability can directly impact people's access to water, food and health. Such hardships can lead to reduced incomes and harm children's rights such as the right to education, protection and survival.



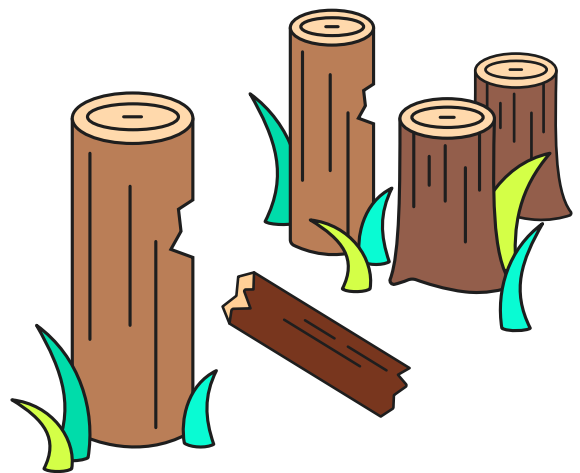


**The environmental crisis is evident: we are experiencing a sixth mass extinction of species ranging from flora to fauna and land covered by forests diminishes rapidly due to deforestation, forest fires and soil erosion.** Forests are the ecosystems for life on earth as we know it. They regulate the water and climate systems and uphold the livelihoods of one billion people. Global estimations state that more than half of the agricultural land in use is degraded, and the diminishing yields will hit 500 million small farms hardest.<sup>6</sup>

Contrary to what the term might suggest, smallholders do not have a small role in the loss of natural resources. The Science for the EU-AU partnership report concluded: "Unlike other tropical regions, **deforestation and forest degradation in Africa are mainly caused by small-scale processes** rather than large-scale agriculture; thus, deforestation here is more closely related to the livelihoods of subsistence farmers, small-scale charcoal producers and the gatherers of wood for fuel."<sup>7</sup>

Furthermore, the increasing pressure from agricultural expansion, timber extraction and other socio-economic factors are leading to **deforestation**. In their search for more income, smallholders try to increase their farm size by expanding to forest land. For example, cocoa has traditionally been slash-and-burn agriculture. Illegal logging gives additional income for rural families, resulting in the clearance of large tracts of forest for cocoa cultivation. According to the 2019 Global Forest Watch Report, Ghana and Côte d'Ivoire experienced the biggest increase in primary forest loss between 2017 and 2018 due to illegal mining and cocoa expansion. The situation is complicated by the interests of a wide range of different groups, like the local communities that cut trees for their own use or traders who employ the local community to cut trees for them to be sold illegally.

Moreover, the **COVID-19 pandemic has shown the critical relationship between biodiversity loss and unsustainable land use, with zoonotic disease spreading to human beings**: An estimated three out of every four new or emerging infectious diseases in people in the past 10 years are zoonotic.<sup>8</sup>



## 1.3.4 Other challenges

While conducting the programme's problem analysis, several unifying factors were raised that fall under each of the three main sustainability challenges.

**Firstly, gender inequality** was frequently mentioned in the discussions on social, economic and environmental issues. Rural communities are usually patriarchal societies even if women are heavily involved in farm work. An essential element of the Fairtrade standards is the democratic management of the SPOs and HLOs, yet women often remain excluded from management positions within the cooperatives. This is partially due to **ownership-based** restrictions. Women often lack the documentation needed to participate in farming and community-related decision-making, like birth certificates, marriage certificates or land title deeds. Lack of official documentation and ownership reduces women's access to finance, information and training. Additionally, local **customs and traditions** prevent the participation of women. The lack of recognition makes women workers vulnerable to other threats such as **gender-based violence (GBV)**. In agriculture, there is a tendency for women's labour to be treated as a form of 'help' on the farm, which is why it is **not officially recognised as work**. The lack of recognition leads to many women being excluded from financial remuneration, influence over business practices and workers' protection rights.

**Secondly, youth exclusion** is a poignant sustainability challenge that partially overlaps with gender inequality. Farming communities globally face the challenge of intergenerational change. Young people see their parents' daily struggles and thus associate farming with poverty. Furthermore, youth can struggle to find other livelihood opportunities in the farming communities. As with women, youth perspectives are often disregarded. They face discrimination due to their age and how they see the world. Young people are usually more connected to the world than their parents, which breeds intergenerational dissonance and even conflicts. These factors fuel youth migration from rural settings into urban centres and abroad. ILO findings are even more alarming, showing that a high proportion of working youth lives in poverty.<sup>9</sup>

**Thirdly, the exclusion of vulnerable groups like persons with disabilities, migrants and landless people** was evident in the problem analysis of all three sustainability challenges. Disability and poverty are linked: Disability can increase the likelihood of poverty, and poverty can increase the risk of disability. According to WHO, 80 per cent of persons with disabilities<sup>10</sup> are more likely to be unemployed and are disproportionately affected during the COVID-19 pandemic. Women and girls face countless barriers around the world due to gender inequality, but those who live with a disability are considered to be *multiply disadvantaged*. Migrant workers often decide to leave their home due to poverty.<sup>11</sup> They are frequently subject to exploitation as they search for work in unfamiliar places and circumstances, typically finding jobs under subcontracting schemes or in the informal economy. Migrant workers are usually vital for the economies of both the host countries and their countries of origin, where they contribute remittances. Yet they are confronted by a dire lack of workplace protection and social security. Similarly, as with gender, this was perceived to be due to prejudices and traditions, but also due to the imbalances of socioeconomic power within the global marketplace.

**Fourthly, weak advocacy capacity** was mentioned in several discussions. Many producers feel that although they are aware of their governments' duties on human rights issues, they cannot hold the politicians and authorities to account. A recent study commissioned by Fairtrade International identified the following gaps in the resources and capacity for advocacy<sup>12</sup>:

- PNs reported insufficient resources and capacity / skills for advocacy to map advocacy opportunities, to develop and implement an advocacy strategy, and to engage and communicate externally on the issue of living income.
- Specific advocacy resources and training is needed, particularly at the producer and PO level, as politicians listen to their national constituencies.
- Advocacy and external engagement are seen as important at the sub-regional level in Africa to engage with regional economic organisations (Economic Community of West African States (ECOWAS), East African Community (EAC), Southern African Development Community (SADC).

### Climate change is more dangerous for women

According to UN Women, women are **14 times** more likely **to die** in climate change-related disasters than men.

Sub-Saharan Africa continues to suffer the highest working youth poverty rates globally, at almost 70 per cent.



# 1.4 Enabling environment for fair supply chains

**Businesses' societal role has exceptional potential in terms of transformative change in the near future.** Many companies have already caught on to the need for change. In August 2019, the heads of more than 180 US companies, facilitated by the non-profit association Business Roundtable, declared that businesses are responsible for providing economic benefits to all, not just their investors, and should put social responsibility above profit. In January 2020, the OP Survey of Large Corporations said that Finnish CEOs agree.

Importantly, the demand for transformative change has not diminished during the economic crisis caused by the COVID-19 pandemic. In fact, the crisis has revealed how vulnerable today's vast and complex supply networks really are. There are strong calls for business to aim at more transparent, resilient and sustainable supply chains.

Human Rights and Environmental Due Diligence (HREDD) is one significant field of policy development that these calls have strengthened. The HREDD approach springs from a global consensus on the UNGPs (2011), also enshrined in the *Organization for Economic Cooperation and Development* (OECD) Guidelines for Multi-national Enterprises (2011). Its essence is that **companies have the responsibility to respect human rights and the environment, and are expected to address any negative impacts in or linked to their operations, value chains or business relationships.** In practice, companies are expected to identify, address and account for their most serious human rights and environmental problems, **having dialogue with the rightsholders** and other stakeholders at each step of the process.

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## HREDD

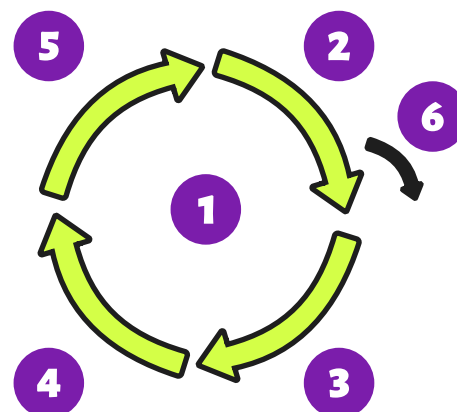
HREDD is an ongoing process through which organisations manage their potential and actual adverse impacts on human rights and the environment. HREDD steps:

1. publishing a HRE Commitment,
  2. identifying and assessing the most serious HRE risks and violations,
  3. interventions to cease, prevent or mitigate these risks and violations,
  4. tracking the effectiveness of the interventions,
  5. publicly communicating the results of steps 2–4,
  6. remedying any human rights violation.
- 

HREDD policies call for companies to address both human rights and environmental challenges, which corresponds with the holistic approach of this programme. It is a ground-breaking consensus that business must respect human rights, and over the medium to long-term, binding laws on HREDD could have profound implications on fairness in global supply chains.

Today, the EU Commission is committed to enacting **EU-level HREDD regulation**. In March 2021, the European Parliament voted by an overwhelming majority in favour of asking companies to conduct HREDD in their entire value chains. Numerous European countries, including Finland, Belgium, France, Germany, the Netherlands, Norway and Switzerland, already have or are in the process of drawing up HREDD laws.

These policy processes are spurring the sustainability work in Finnish and European companies. Several of the world's largest chocolate companies, for example, are implementing highly advanced HREDD – and calling for the EU to enact ambitious HREDD regulation. The number of other companies, including small and medium sized enterprises (SMEs) that are doing concrete work to build their understanding and capacity for HREDD, is clearly soaring. As a very small but tangible sign of this, the two webinars that Fairtrade Finland and FIBS have organised on HREDD for Finnish companies in 2021 have each attracted over 100 participants.



Fairtrade brings added value to the policy and business discussions on HREDD. While many civil society and business organisations are engaging in HREDD discussions, few have both a human rights-based perspective and an in-depth understanding of how global supply chains work in practice.

Under the previous programme, Fairtrade Finland had a notable role in fuelling the political debate on a Finnish HREDD law as an active member of the #Ykkösketjuun campaign coalition of about 70 companies and 70 CSOs and trade unions, coordinated by Finnwatch. The campaign influenced the governments of Antti Rinne and Sanna Marin to commit to the preparation of a HREDD law (current Government Programme, p. 115).

At the start of this programme, the Business and Human Rights Lead of Fairtrade, who is based at Fairtrade Finland, is serving as one of the Finnish development NGO representatives in the working group that supports the development of Finland's HREDD law. Coordinated by the Ministries of Foreign Affairs and Economic Affairs and Employment, the working group is a good channel for our constructive participation and support for this important policy discussion. Further, we have an ongoing partnership with FIBS to encourage and build the capacity of Finnish companies to conduct HREDD.

## Lessons learnt from the previous programme

The following points came to light in the stakeholder analysis of the previous programme:

- The need for a more **holistic approach**, covering whole value chains and tackling different issues in the same producer community in order to bring about sustainable and transformative change.
- We should not increase the number of project countries but rather have more projects in the same geographic areas and covering the same product.
- A **long-term approach** is needed to reach transformative change, building on existing work and complementing this with CSO strengthening, including advocacy skills building.
- The integration of **disability inclusion** was very successful in Africa. Stakeholders suggested that we deepen the disability approach in Africa and analyse the obstacles and opportunities for disability inclusion in Latin America.
- The previous programme took a bold step away from Central America to **LDCs and fragile states in Africa**. Despite the challenging environments, the programme has reached good results and our partners have strengthened their capacities in managing development projects.
- Cooperation with the co-financing corporate partners has been smooth and many companies have contacted us during the previous programme expressing their interest to join the new programme. The **MFA's long-term programmatic funding was considered the key factor for leveraging impact** and for securing high standards of implementation.
- We considered **carbon credit** pilots already in the previous programme, but the time was not right then. In five years, businesses will have become more interested in carbon neutrality. Based on the encouraging pilot in Ghana, the recommendation was to continue on that path in the new programme.
- Another theme on the rise is **HREDD**. As with carbon neutrality, the time is ripe to promote rightsholder-driven HREDD more boldly among our corporate partners.
- An important lesson from the previous programme cycle is to improve the **programme level monitoring**.





## **2 Theory of Change & Programme Strategies**



In order to address the key challenges and make use of the identified opportunities, the **overarching development goal of the programme for 2022–2029 is: Farmers' and agricultural workers' right to sustainable livelihoods is realized.**

This goal is in line with Fairtrade's vision statement of "A world in which small farmers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future". During the programme period, Fairtrade Finland will pursue this goal through three closely inter-connected and mutually supporting priority areas:

- Social sustainability: **Inclusive and strengthened civil society.**
- Economic sustainability: **Farmers' and workers' economic rights are realized.**
- Ecological sustainability: **Farmers and workers live in harmony with the environment and climate.**

Additionally, the programme promotes three **cross-cutting objectives** based on the values of the Fairtrade movement: gender equality, youth, and vulnerable persons.

Our programme is based on the aspiration to realise **Article 1 of the Universal Declaration of Human Rights "All human beings are born free and equal in dignity and rights"**. In addition, our programme aspires to fulfil **Article 25: "Everyone has the right to a standard of living adequate for the health and well-being of themselves and their family, including food, clothing, housing and medical care and necessary social services [...]"**. A safe, clean, healthy and sustainable environment is integral to the full enjoyment of these human rights.

**Livelihood** comprises of the capabilities, assets and activities required for a means of living, to enjoy basic needs (such as food, shelter, health, water, sanitation and hygiene (WASH) and education). Livelihoods are sustainable when the individual and family can cope with and recover from stresses and shocks, and maintain or enhance their capabilities and assets, while not undermining the natural resource base.

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## **Doughnut economics**

Our programme's three sustainability priority areas and their components – the wedges – are presented in a circular way, **inspired by Kate Raworth's Doughnut Economics' model**. Instead of a linear mechanism, we recognise that change and development have more complex dynamics.

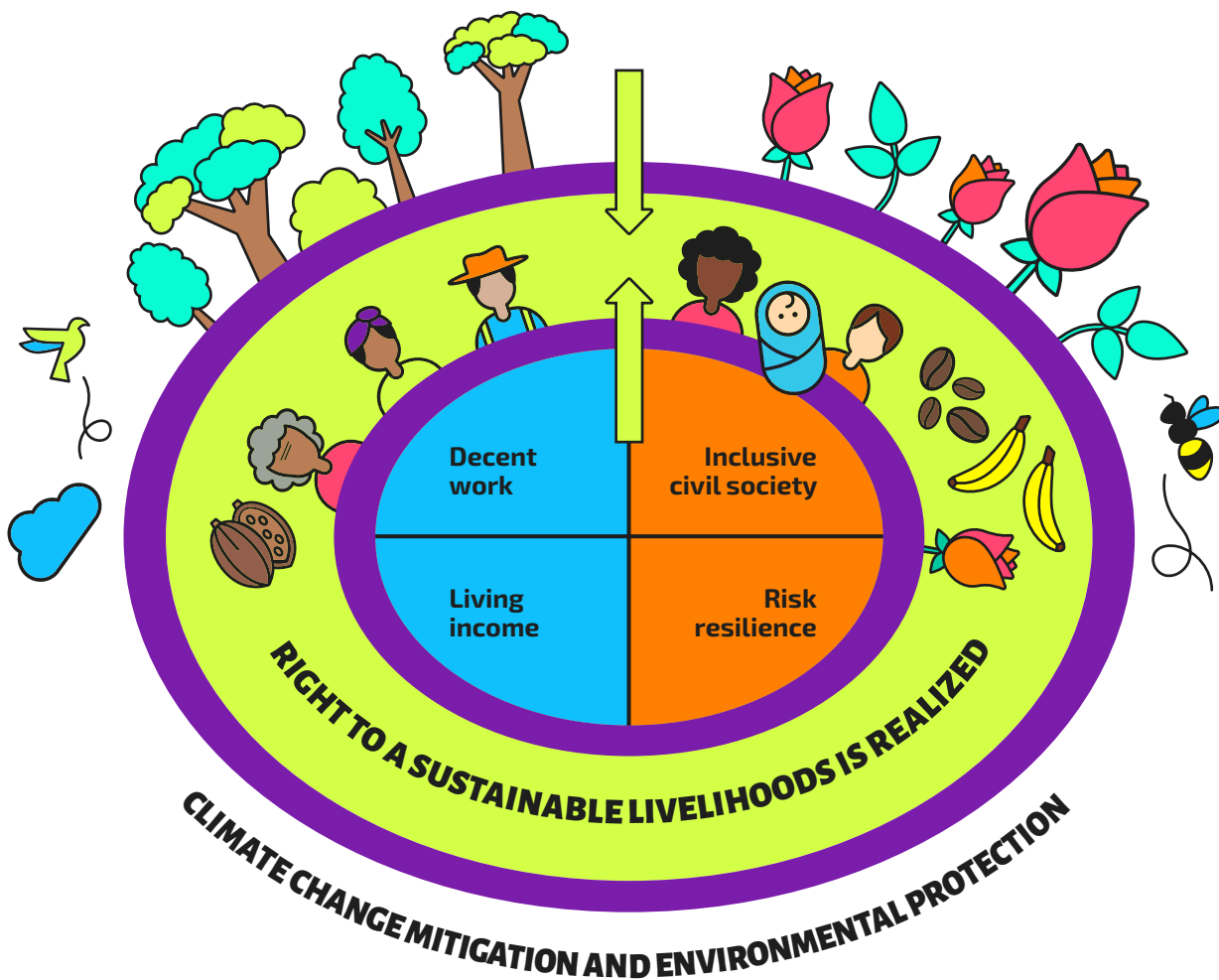
The three priority areas have separate but strongly interlinked ToCs that support each other and share several approaches and activities. Especially, the **social** and **economic** wedges that make up the **foundation** of the programme are strongly interconnected. For example, achieving living incomes will ensure more attractive employment for young farmers, reducing the likelihood of migration. They form an inner boundary, below which lie many dimensions of social and economic human deprivation. The programme will strengthen these blocks of social and economic sustainability to enable more individuals to reach a sustainable livelihood level.

The **ecological ceiling**, which forms the outer boundary beyond which there are many dimensions of ecological degradation, is also interlinked with the foundation. For example, improved productivity will decrease the pressure to log trees to increase production and income. Training in drip irrigation will improve productivity and quality, while contributing to the sustainable use of natural resources.

The target area of this programme is the doughnut-shaped area between the socioeconomic foundation and the ecological ceiling. This represents the environmentally safe and socially and economically just space for farmers and agricultural workers. This is the space where inclusive and sustainable economic and social development takes place. Our aim is to pull everyone out of the hole and over to the social foundation within the doughnut (circle), but we cannot let our collective use of resources overshoot the outer edge of the circle, the ecological ceiling.

**The doughnut is the desired sweet spot for humanity where we must find a thriving, healthy economic balance between the social foundation and the ecological ceiling.**

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## Strengthening civil society

The programme's objectives will be achieved **by enabling the empowerment of rural people** – smallholder farmers and diverse agricultural workers and their organisations (membership-based co-operatives, trade unions, and other local CSO bodies). We envisage a future where farmers, workers and their families enjoy socially and economically sustainable livelihoods in harmony with the planet. This, in turn, will enable them to realise their human rights freely.

**Active civil society is the change agent** enabling a collective voice for the rightsholders – diverse smallholder farmers and agricultural workers. The Fairtrade system is based on democratic SPOs and HLOs that work to benefit their members and workers directly and indirectly in multiple ways. Farmer and worker organisations play a vital role in identifying and voicing collectively their members' priorities and in defending their rights. They offer skills development through trainings and support for their business development and trading relations. They also bring economies of scale, where farm inputs and services are jointly acquired for all the members.

Worker organisations collaborate with **trade unions** to enable better collective bargaining practices in hired labour settings. Through our programme, we will support them to network more widely with **other civil society actors** at the local level to influence local policies and services for the broader benefit of everyone in the farming community. As the countries covered by this programme do not fully respect the universal human rights covenants they have signed, we support the local civil society in offering services and

calling for the local governments to uphold and fulfil their duties and responsibilities.

In addition to building the capacity of these associations to promote the rights of their members, we advocate for a more **enabling environment where civil society can fulfil its double role** as a watchdog and a partner for governments and the private sector. Advocacy for a more enabling environment for civil society is a focus especially in the decent work component of this programme, but also a very important approach for reaching and maintaining an inclusive and democratic society.

### Cooperatives as change agents in civil society

**Conclusion of the programme evaluation:** [...] the cooperatives are centres for technological and social innovation, from which others in the surrounding local societies are learning. This to some extent is due to the fact that the Fairtrade cooperatives function as change agents. In a more conducive political environment, the cooperatives would have the potential to influence local politics and thus be part of a pluralistic and vibrant civil society with political influence.<sup>13</sup>

## Transformative and holistic

The programme is **human rights based** and **human rights transformative**. Through this programme, we seek *transformative societal change* by addressing the disparities in power and discriminatory legislation, norms and practices that prevent the full enjoyment of human rights. We support diverse farmers and agricultural workers in gaining a greater say and influence in civil society and supply chains. We also engage with policymakers and business, calling for them to create more space for the participation of farmers and workers.

Our ultimate goal is that the duty-bearers in the supply chains – the suppliers, traders, importers, retailers, and policymakers alike – start actively respecting human rights. This programme complements Fairtrade's certification-based quest to transform the power dynamics within the global trading system and thus, enable trade on fair terms. Human rights principles and frameworks, derived from the United Nations Human Rights Council (UNHRC), ILO, United Nations Convention on the Rights of the Child (UNCRC) and UNGP, among others, guide our processes and goal-setting.

## Linking the whole value chain

Our programme links the **whole value chain** in a unique way. We work with farmers and workers along with consumers, businesses and the Finnish civil society because we believe collaboration is the best way to enable the empowerment of our rightsholders and to transform trade.

Our **communications work in Finland** has an important role in the ToCs: We raise the Finnish consumers' awareness of the problems in global value chains and inspire them to be agents for change. Our target groups are citizen-consumers of any age who have a positive attitude towards sustainable consumption but a low level of commitment to taking action. We aim to raise their commitment to sustainable consumption by offering thought-provoking information and stories and visual materials about the social, economic and ecological challenges and solutions in the global supply chains.

We bring global development problems close to people by highlighting the injustices behind **everyday commodities** consumed by most Finnish people: coffee, chocolate, bananas, flowers, wine and cotton textiles. We campaign in collaboration with **companies** as well as with Fairtrade **universities, cities, workplaces** and **member CSOs**. Close cooperation with **other Fairtrade organisations** brings us valuable ideas, substance, and opportunities to produce materials together, which also leads to cost savings and greater impact.

The programme is **holistic** in the sense that most of the projects include targeted components for all three aspects of sustainability. We have sought to implement several projects with the same communities and the same products / supply chains to tackle the various root causes of poverty, and to enable sustainable change and transformation. For example, in Ghana our strategy is to implement concurrently one project to tackle child labour exploitation and another for climate action. Each project tackles the root causes, ensuring the long-term sustainability of the interventions.

**Advocacy at the downstream of supply chains** plays a crucial role in the ToCs for each of the three priority areas. Our advocacy work aims to engender better business practices that further the farmers' and agricultural workers' right to sustainable livelihoods. We have two key target groups: (i) companies, and (ii) policy-makers who regulate and guide business conduct. Fairtrade is uniquely positioned between the private sector and civil society and well placed to build bridges and dialogue between these sectors. We carry out joint advocacy work with companies when we share common interests. We also collaborate and build coalitions among Finnish and European CSOs.

The programme's advocacy work is solutions-driven and evidence-based. We will share evidence on the inequalities and injustices present in the value chains while focusing on exploring and highlighting the corrective measures and ways forward.

**Our advocacy work on HREDD** feeds into each one of our three priority areas. We engage with both policy makers and businesses to motivate and support the development of HREDD regulation and business practices that can have concrete impact on global agricultural supply chains. We expect to contribute to raising farmers incomes, strengthening workers' rights, reducing child labour and forced labour, reducing discrimination against vulnerable groups, and protecting nature.

### Advocacy focus:

- HREDD
  - Living wage
  - Living income
  - Climate change mitigation
-



The programme supports policy processes related to HREDD by:

- Bringing rightsholder voices to the Finnish and European legislative processes.
- Making concrete proposals on how HREDD can be formulated.
- Raising awareness about solutions to the risk that HREDD, if poorly implemented, can exclude vulnerable suppliers from the global supply chains.

Further, this programme engages with companies to:

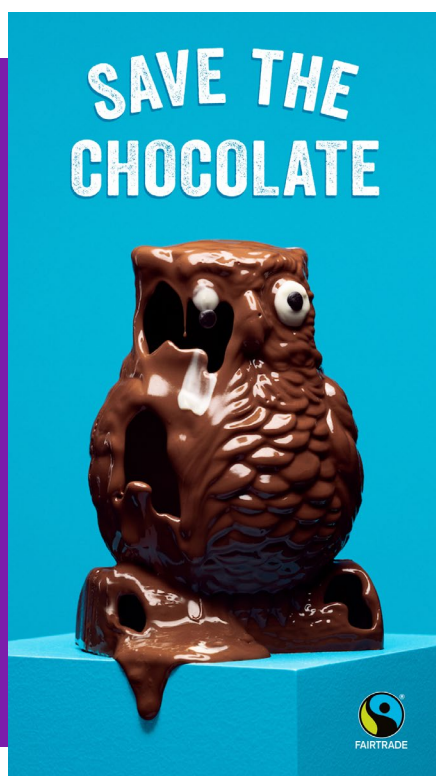
- Raise awareness about HREDD among Northern and Southern SMEs. It is likely that most SMEs will not be directly covered by HREDD regulation, but their bigger business partners will be hoping for HREDD from them too.
- Highlight the importance of rightsholder dialogue, the fundament for HREDD.

Our communication and advocacy work are closely intertwined and push political and business leaders to take bold steps in advancing respect for human rights and the environment in global business.

**This unique and systemic approach, covering the value chain from end-to-end, is the strength of the programme.**

### Fairtrade calls for HREDD legislation that:

- Covers the whole supply chain.
- Requires companies to address the human rights and environmental issues rather than abandon or avoid high-risk sourcing areas.
- Requires companies to engage in dialogue with rightsholders.
- Mandates companies to assess and change trading practices that contribute to harms.
- Recognises living wages and living incomes as indispensable steps to achieve human rights and environmental protection.



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### Our Awareness raising work – Case Chocogeddon

Keeping up the positive change: If consumers, decision-makers, chocolate manufacturers and retailers commit to sustainable production, cocoa farmers and workers will reach living income.

Fairtrade chocolate sales in Finland went up by 6 % and the selection of cocoa products increased 30 % (in 2020).

Citizens and NGOs demanded actions from chocolate companies and decision-makers to support sustainable cocoa production.

Changing consumer behaviour in Finland: Active citizens started buying more sustainable chocolate.

More than 400,000 young active citizens and 1,9 million people globally reached.

The campaign: #SavetheChocolate – Chocogeddon campaign. Awareness raising in late 2019 about deforestation and impact of climate change in cocoa production. Main statement: "Chocolate will disappear by the end of 2050 without rapid climate actions."

## Human rights and environmental due diligence (HREDD)

HREDD is, in addition to our advocacy theme, part of our own work in the priority areas. In this programme, **we will engage corporate partners in a rightsholder-centric HREDD process**. While our corporate partners undertake HREDD and recognise the role of rightsholder dialogue within it, in practice their level of rightsholder engagement is significantly lower than what human rights-based thinking calls for – and what is expected in the UNGP and the OECD Due Diligence Guidance. This process entails:

- Producer-driven mapping of the salient human and environmental rights issues in project areas.
- Capacity building for POs, farmers and workers on human rights and HREDD.
- Capacity building for companies on human rights-based approaches.
- Facilitation of direct dialogue between POs and companies.

**A producer-driven mapping of the salient human and environmental rights' (HER) issues**, building on international guidelines for Human Rights Impact Assessments (HRIAs) (step 2 in the HREDD process), will be the start of the participatory planning in most of our projects. We seek to ensure that diverse farmers' and workers' views have a strong bearing on the results. To respect the producers' data ownership and protection, the results will be published in an aggregated form, with an emphasis on the root causes of the identified risks and infractions. In the ranking step, we will conclude which HER issues are most salient, based on their likelihood and severity, including the number and vulnerability of the adversely impacted people and the depth and remediability of the violation. The final project plans – the mitigation plan for HER risks – will be based on this mapping and ranking exercise.

### Overview of our HER mapping process

**This is the current process proposal.** We seek to ensure that the results are determined by farmer and worker views. When publishing our findings, we will aggregate the information and lay emphasis on the root causes.

Step 1 Scoping all Risks and Impacts	Step 2 In-depth Assessment		Step 3 Ranking	Step 4 Validation + Project Plans	Step 5 Project Implementation & Risk Publishing
Risks per country based on ext. data	External info of HER challenges in the countries (literature reviews)	Fieldwork = interviews with keypersons at: FT Country Network Product Network POs In-country partners	Confirming salient human rights		Publishing articles / a report / an interactive website
Risks per commodity (literature reviews)					
Risks per function	Audit and impact data		Consolidation	Project plan (Risk mitigation plans)	

Building on the HER mapping exercises and on Northern companies' growing commitment to HREDD, we will facilitate **direct dialogue between POs and companies** about human rights and environmental challenges, their root causes, solutions and the possible ways and conditions needed for the partners to collaborate in addressing these challenges in the selected supply chains (cocoa, flowers, wine grapes). We anticipate that the regional HREDD dialogue project leads to dialogue, novel pieces of shared understanding and concrete collaboration among the supply chain actors and contribute to creating more space for the rightsholders – diverse farmers and

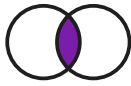
workers – to participate in shaping the global supply chains. We believe such space and collaboration is of fundamental importance in reducing the socioeconomic shortfalls and environmental overshoots in the global supply chains.

Throughout the HREDD process, we will **share the lessons learnt widely** to encourage and support Finnish and European companies to deepen their rightsholder engagement.

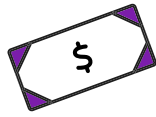
## Fairtrade Carbon Credits

An important tool covering all three priority areas is the **Fairtrade Carbon Credit (FCC)** (see box below). We have piloted carbon credits production in Ghanaian cocoa farming communities. Besides Ghana, we plan to expand FCC activities to Ethiopia and Kenya. Carbon credits bring value addition to the programme as they offer the possibility for positively influencing the producers' social, economic and ecological sustainability.

### The Fairtrade climate standard



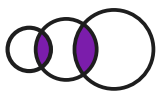
Democracy and transparency



A Fairtrade Minimum Price



Opportunities to adapt via a Fairtrade Premium



Capacity building



Labour conditions and environment



End-buyer emissions reductions

### FAIRTRADE CARBON CREDITS™

Gold Standard's expertise in climate security and sustainable development and Fairtrade's strength in producer empowerment, together support vulnerable rural communities in their fight against climate change.



Gold Standard®

### Benefits of Fairtrade Carbon Credits



#### Social

- Cleaner energy sources for cooking prevents respiratory diseases.
- Less physical strain from carrying wood.
- Women and girls are less exposed to risks of harassment and GBV.
- More time with family and for educational and recreational needs.



#### Economic

- Income diversification from FCC sales.
- Employment through the production of energy efficient cookstoves, briquettes, and construction and maintenance of biogas installations.
- Reduced expenditure on fuel.
- Adaptation projects with the Fairtrade Premium.



#### Climate & environment

- Reduced GHG emissions.
- Reduced wood use prevents deforestation.
- Training of climate-resilient farming practices.
- Reforestation activities contribute to a decrease in soil erosion, protection of water sources and reduce the pressure on remaining natural areas.

## Assumptions and the results logic

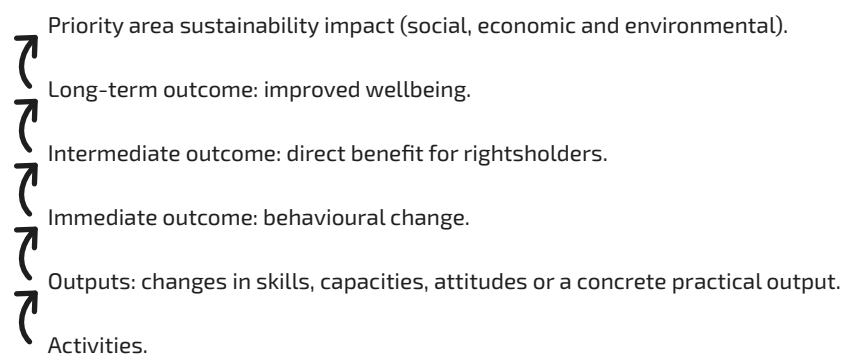
**Critical success factors and assumptions** for the programme implementation are:

- POs are supportive of the prioritised strategies and commit to the programme objectives.
- National / inter-governmental legislative and policy processes are favourable for the chosen thematic focus areas of the programme.
- Corporate actors are interested in sustainable sourcing and business and participate actively in the dialogue with policymakers and civil society.

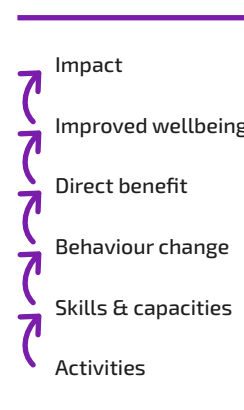
The programme has a thematic structure rather than a regional one. Our three priority areas – *social*, *economic*, and *ecological* – together are envisaged to lead to the **overall development goal of the programme for 2022–2029: Farmers' and agricultural workers' right to sustainable livelihoods is realised.**

Each priority area has its own intervention logic and anticipated impact. This impact level is beyond the project's sphere of influence. Within each priority area, we focus on 1–2 thematic areas or “wedges”, with a results chain from activities to outputs, immediate outcomes, intermediate outcomes and expected long-term outcomes. The following sections describe these result chains in more detail.

The priority areas (social, economic and ecological) are inter-connected, and most projects have elements of all three. **The results logic of the programme is the following:**



This ToC covers the whole eight-year programme. **Some of the activities, outputs and outcomes will only be initiated during the second phase, starting in 2026.** It is important to note that for the ecological sustainability priority area – ecological ceiling – the results are more abstract and influenced by complex parallel actions and developments in the world at large. Hence, the ultimate wellbeing benefits for our rightsholders are beyond the scope of the programme cycle. Recognising the programme's sphere of influence, we have set the ecological outcome level a step lower than that of the other two sustainability priority areas.





## 2.1 Social sustainability: inclusive and strengthened civil society

An active and inclusive civil society is crucial to hold policymakers accountable for providing basic services, maintaining fair rules for business, and supporting communities. Fairtrade has a unique role in fostering good governance in agricultural POs and supporting their growth as agents of positive change in their societies. In this programme, under the **social sustainability priority area**, we look at the social wellbeing of the rightsholders in a holistic way while recognising the interconnectedness of physical and mental health and the enhancement of human and social capital.

The aimed impact of this priority area is **inclusive and strengthened civil society**. The expected long-term outcomes are:

- More democratic, inclusive & active POs as members of civil society.
- Enhanced community resilience to risks.

With increased knowledge and awareness of human rights risks, POs can actively engage with their communities and collectively **include vulnerable members in the decisions** regarding their wellbeing. With this, POs and their communities work together to **protect persons in vulnerable positions from abuse, exclusion, exploitation and neglect**. This will eventually lead to a strengthened and more resilient civil society.

POs are not just about livelihoods and economics. Their democracy and self-responsibility form an important model of active citizenship. Farmers can learn that through cooperation they can improve their lives and those of their household members and the workers who they hire on a temporary or permanent basis. They can become important role models and agents for positive change in their society. While Fairtrade standards set requirements for good governance in POs, **democratic participation requires additional support for farmers and workers to recognise and commit to gender equality, inclusion and diversity**. They need leadership and organisational skills and management tools to promote genuinely democratic and inclusive POs.

When farmers and workers thrive through their work, this will benefit their families and the wider community. The Fairtrade Premium is designed to support investments in community wellbeing and development. However, **to drive inclusive and sustainable change, communities must embrace sustainable practices and be equipped to hold local authorities accountable for providing essential services**. Therefore, the programme has a strong focus on **awareness-raising and training** for producers and other community members which can enable community-wide improvements on issues such as hygiene (including COVID-19 prevention measures), clean environment, child protection, gender equality and inclusiveness.

Existing community-based mechanisms such as self-help groups and village committees are valuable assets in supporting this approach. In many countries with weaker government capacities, **community-based systems form an acknowledged part of the social protection systems**.

We recognise that the capacities of the producers and community members vary depending on the local political, social and economic contexts and the households' levels of education and poverty. The situation in the coffee cooperatives in Honduras is very different from the cocoa cooperatives in Ghana or Côte d'Ivoire. Our toolbox for promoting community wellbeing is comprehensive, and the chosen strategies are based on the local needs identified by the PO members themselves, actively engaged with their communities.

The programme aims at **transformative social change** in the lives of our target populations: farmers and diverse agricultural workers. We support the rightsholders' greater awareness of their rights – and the duty-bearers' responsibilities to democratic participation and basic social services. Furthermore, we aim to tackle the vulnerable rightsholders' limited access to information. For example, we provide technical support for advocacy to enable more accountable local governance that benefits persons in vulnerable situations, especially women, youth, at-risk migrants and PWDs. The programme addresses various discriminatory attitudes, prejudices, and traditional practices that prevent people's equal participation and a democratic and inclusive civil society. We forge dialogue between POs, their buyers and other supply chain actors, and we advocate for HREDD regulation and business practices to strengthen the farmers' and workers' say in the supply chains.

Critical success factors and assumptions for this priority area:

- Continuous training, coaching, awareness-raising and honest dialogue with PO leadership and members will support the promotion of equal opportunities for participation in their organizations.
- Local interest groups, once they recognise the role of the POs as agents of change, are supportive of new initiatives, and no conflicting interests block implementation.
- Local political context presents genuine, viable opportunities for producers and communities to advocate for their priorities.
- Fairtrade is regarded as a relevant actor, convener and facilitator for dialogue and collaboration between POs, companies and policy-makers.

**To drive inclusive and sustainable change, communities must embrace sustainable practices and be equipped to hold local authorities accountable for providing essential services.**

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## Democratic and inclusive producer organisations

### Strategies to expect changed behaviour, processes and direct benefits for rightsholders

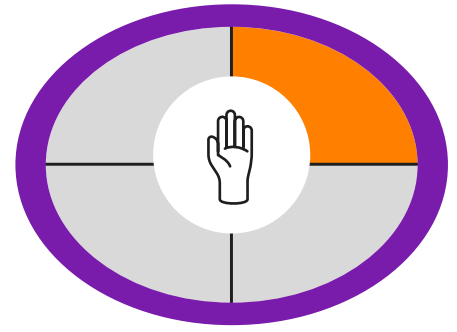
Farmer and worker organisations are the places where the diverse members of the farming communities can seek attention and support for their concerns. In this thematic wedge **we envision POs that operate as active members of the local civil society** and have the capacities and mandate to **act as spokespersons for the farmers and workers to influence policies and legislative reforms**, and take up issues regarding human rights violations. Therefore, we support these organisations to improve their governance and accountability to give diverse farmers and workers a voice, especially for often-excluded persons like women, youth, at-risk migrants and PWDs – within the POs. Hence it is important to extend the capacity strengthening activities to both members and persons in positions of authority and trust in the organisations.

**Training** will be offered **in democratic leadership, governance, board and committee work** to improve accountability of the POs. Furthermore, **awareness-raising on gender, literacy and numeracy, diversity, intergenerational awareness and disability inclusion** will be organised to members. This aims to increase the understanding of the rights and interests of the various groups of people involved in the production of agricultural products and the underlying factors that maintain negative attitudes, behaviours and discriminatory practices within the membership. **Women, youth, at-risk migrants and PWDs will receive training** to equip them with the life skills to represent themselves.

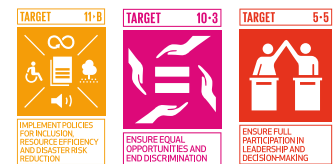
We aim for effective and relevant awareness-raising activities to enhance the understanding of the members of POs of **the importance of equal and inclusive organizations** where the membership base reflects the diversity of the society. Once the producers gain new knowledge, they will be able to work together more effectively to establish policies and action plans that strengthen the representation of often-excluded individuals and groups. Similarly, the organisational management will be strengthened through the deepened democratic, inclusive and more transparent policies and processes. With improved PO management and structure, individuals in vulnerable situations can voice their perspectives more confidently and participate in the different committees and working groups where the decisions are made.

In addition, our programme will support the **POs to network with other CSOs to form local partnerships**. POs will be supported to better connect to the local civil society and influence the democratic development of their localities from the grassroots up. The new partnerships will enable knowledge exchange and mutual learning to improve the functions of the POs and bring benefits for their members. Thus, local cooperation efforts can lead to more sustainable impact in the long-term as the change originates from local contexts and needs. The **POs will be supported to identify common areas of interest with local civil society actors** and develop common plans to advocate to local duty-bearers about issues of collective concern. The advocacy issues to be prioritised are expected to develop organically in the producer communities. Our purpose in this regard is to support any civil society activities organised by the POs that are relevant to the overall objective of the programme.

Similarly, we will **facilitate HREDD dialogue and do advocacy work** to call for ambitious HREDD practices in companies and regulation from governments. An honest dialogue process between companies and rightsholders can be useful for addressing discrimination and exclusion of certain groups from global supply chains. We expect the companies to take the lead in sharing experiences about their work to **make global supply chains more inclusive**. By **advocating** towards policy-makers, we aim for new **HREDD policies and regulation** that call for companies to identify and address sustainability problems in their supply chains. This way duty-bearers create **novel space for diverse farmers and workers, including vulnerable groups, to influence the supply chains they operate in**. Companies, increasingly engaging in dialogue with rightsholders, gain understanding of discrimination and the challenges of vulnerable groups in supply chains, and increasingly co-invest in inclusivity in POs.



↑ **Long-term outcome:**  
**More democratic, inclusive and active POs as members of civil society**



**The community here assumes disability is a 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.**

Edeo Demu, Supervisor, Herburg Roses, Ethiopia



**I have a leg disability and my society always think that I can't work or get employed. However, now I am employed at Sher Ethiopia. I have big dreams and ambitions despite my disability. The training on disability was very valuable. It empowered me well and it has also changed many people's perception of disability. I wish to see many PWDs employed to change the negative attitude.**

Konjit Merato, 28 years old, a flower farm worker at Sher Ethiopia

## Expected outcomes

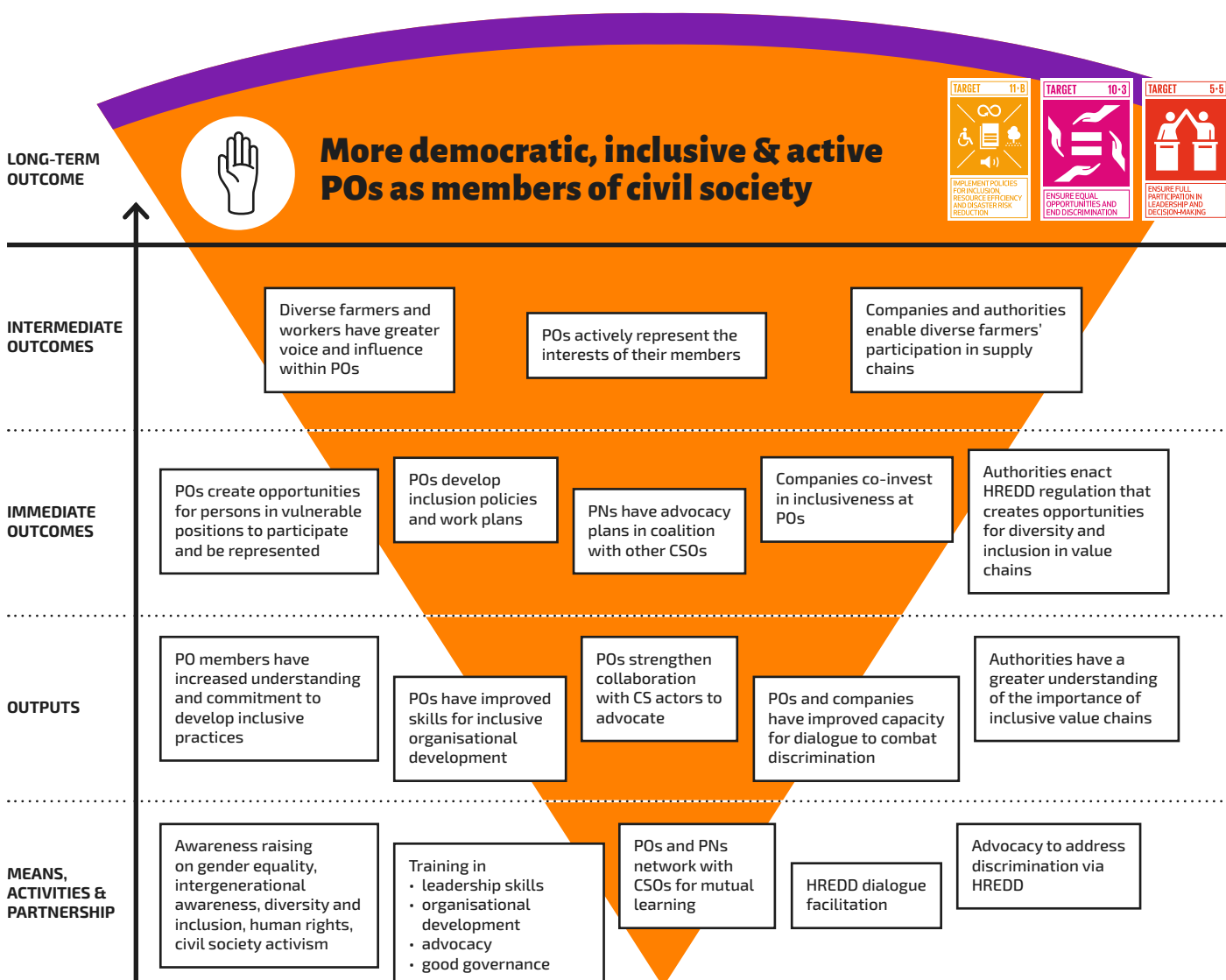
The general assumption is that systematic programme support for trainings and development of inclusive policies and processes in dialogue with partners will lead to **stronger voice for diverse PO members**. PO leaderships will create space for all members who are interested in becoming active and take up leadership positions in the committees and decision-making bodies. POs will be led more democratically and effectively, and they consider opportunities for community members with disabilities to participate in economic and social life, for example, through activities in the POs. **Members will be able to see their interests represented by the cooperatives and workers' associations** and feel confident about raising issues regarding their livelihoods and wellbeing. **The POs operate as active members of the local civil society** since they have the capacities and mandate to act as spokespersons for the farmers and workers to influence policies and legislative reforms and take up issues regarding human rights violations. Therefore, by improving the POs' capacity and inclusiveness, they can work as agents of behavioural change in the producers' communities.

Most of the projects under this programme have an output area for this objective, and the themes of inclusion and participation are closely linked to the cross-cutting objectives of the programme.

## Steps towards greater inclusion of persons with disabilities

In our previous programme, we started cooperation with Finnish Abilis Foundation who trained our African partners' personnel on **disability inclusion**. Abilis and the Ethiopian Center for Disability Development (ECDD) conducted an assessment of the existing opportunities, gaps and needs in the Ethiopian coffee and horticulture sectors. According to the study, lack of knowledge on disability and harmful attitudes in society limited perceptions on disability.

We contracted an Ethiopian partner DPO with expertise in disability to support FTA in executing disability inclusion activities, and recruited an inclusion coordinator to support both projects, as recommended by Abilis' study. Both projects incorporated awareness creation on disability and inclusion at workplaces into the project plans.



## Community resilience to risks

### Strategies to expect changed behaviour, processes, and direct benefits for rightsholders

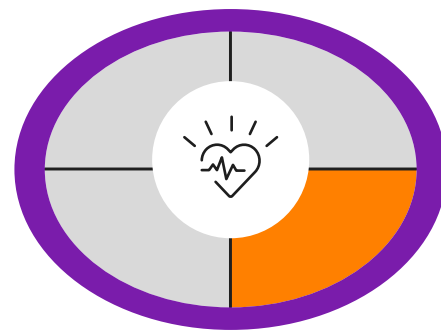
Under this priority area we promote resilient communities through a holistic set of interventions that look at both natural hazards as well as human rights risks. Economic risks are included in the economic sustainability ToCs. With the ongoing global pandemic, local health concerns belong under this resilient communities wedge.

We will address various **health** problems through awareness raising on risks and facilitating training on healthy energy sources. Additionally, the programme promotes good sanitation and hygiene practices to address the current threat of the COVID-19 and other health risks, such as unsafe handling of chemicals and pesticides. Thus, the provision of PPE for farmers is key along with the proper usage instructions.

**Natural hazards** pose an increasing threat to the programme's rightsholders and their communities, which can also affect their health and overall wellbeing. To address this, we will support POs to develop disaster risk reduction (DRR) plans. They can help to increase the POs' capacity to understand the risk of natural hazards in the area, and to anticipate them better in the future. Importantly, the process of developing DRR needs to be inclusive, and we will promote the participation of people in vulnerable positions to ensure their needs are met. For example, disaster early warning mechanisms need to reach those with limited eyesight or hearing capability. Similarly, in case of an emergency, people with assisting devices need to be considered when making evacuation plans.

**Child labour and forced labour** form unfortunate and rampant risks for both the individual and the society wellbeing. In this programme, we address child and forced labour issues in both contexts by preventing and responding to the problem. Human rights breaches in global supply chains are usually discovered via dialogue and observation rather than through formal grievance mechanisms. Victims may oppose changes if they are dependent on the existing income sources and have few other alternatives, or if they remain trapped in the "care" of traffickers or enslaving employment contracts. We take a systemic approach, working together with the entire supply chain: POs, communities, children, local authorities, and companies to address the problem. For **prevention** of child labour, we partner with local CSOs to work with parents and education and social welfare workers to promote children's schooling and safer learning environments. We raise awareness in farmer communities of child labour risks and children's rights. Some of the activities include for example facilitating a community risk analysis and training on child rights, positive parenting, alternative forms of discipline and community-based child protection mechanisms. Children will be activated to learn about their rights to participate in matters affecting them. This way, an ecosystem of institutions works together to protect children from violence, abuse and exploitation both at school and at home. For **response** we support SPOs to set up inclusive community-based child labour monitoring and remediation systems to identify and facilitate the effective remediation of cases. The work will build on existing community-based systems, which are often recognised as part of the formal child protection systems, especially in regions with low government resources for social protection. The programme includes training on monitoring and liaison with social workers and other authorities in remediation activities. Furthermore, we support SPOs to **advocate** at the local and national level towards policy-makers to implement child protection laws and policies.

Additionally, Fairtrade supports companies to conduct **human rights risk assessments (HRIAs)** in selected value chains to have more accurate data on child and forced labour risks in specific contexts. Corporate HREDD processes are strengthened, for example, in the West African cocoa supply chain where the programme will facilitate direct dialogue and rightsholder driven identification and assessment of salient human-rights infractions. The programme also advocates for binding HREDD legislation in Finland and at the EU-level.



↑ **Long-term outcome:  
Enhanced community  
resilience to risks**



## Expected outcomes

When farmers and diverse workers acquire new knowledge and skills and exchange views and experiences within their communities, *the assumption is* that they start to change their behaviours and conduct. POs play a vital role as they represent an organised way to develop new work plans and processes allowing farmers and workers to better **prepare for and mitigate risks** caused by human rights violations and natural hazards.

The programme assumes that with training and knowledge sharing, some of the health risks are reduced at the local levels. Clean energy sources for cooking will reduce the risk of respiratory health problems while the wider utilization of PPE will result in less farm accidents and injuries. Importantly, the POs and their communities will build resilience and adaptive capacity to face potential natural hazards through DRR plans.

The assumption is that with programme support to existing community-based systems, these are able to carry out their social duties and act as local first-hand resources. Furthermore, the POs develop child labour monitoring systems and have acquired capacity to advocate to **hold local authorities accountable** for improvements in key social services and work together with the communities and local governments in the development and delivery of these services. Furthermore, the facilitated dialogue between POs and companies about human rights risks and their mitigation will result in the POs increasing functioning relations with companies and local authorities and **work together to improve child protection systems** and other social protection mechanisms in the producer communities to reduce human rights violations in global supply chains.

As with other wedges, the consumers' increased demand for socially responsible products, as well as the pressure they put on companies and governments to support these efforts, will strengthen the sustainability of the results. Ultimately, through our multi-stakeholder approach where governments invest in strengthening social protection systems to allow for appropriate prevention and remediation measures, where companies invest in addressing human rights violations in their supply chains, where local communities work together to encourage children to go to school, and where SPOs carry out effective child labour and forced labour monitoring and response activities, there will be **less child labour and forced labour on farms**. All these aspects together lead to enhanced community resilience to risks that threaten people's wellbeing.

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In cocoa farming, the exploitation of child labour is rampant especially in West Africa. According to recent data gathered by our partner ICI in our programme countries Côte d'Ivoire and Ghana, there was 60 % less child labour in the cocoa growing communities where women were literate. In communities with a high quality of education the proportion of child labour was 66 % lower than average. Additionally, in communities with community-based interventions for at least three years, there was a 33 % reduction in hazardous child labour, and an overall 20 % reduction in child labour.

» Data from speech by Nick Weatherill, ICI, at Cocoa Talks organised by EU Commission 16 March 2021.

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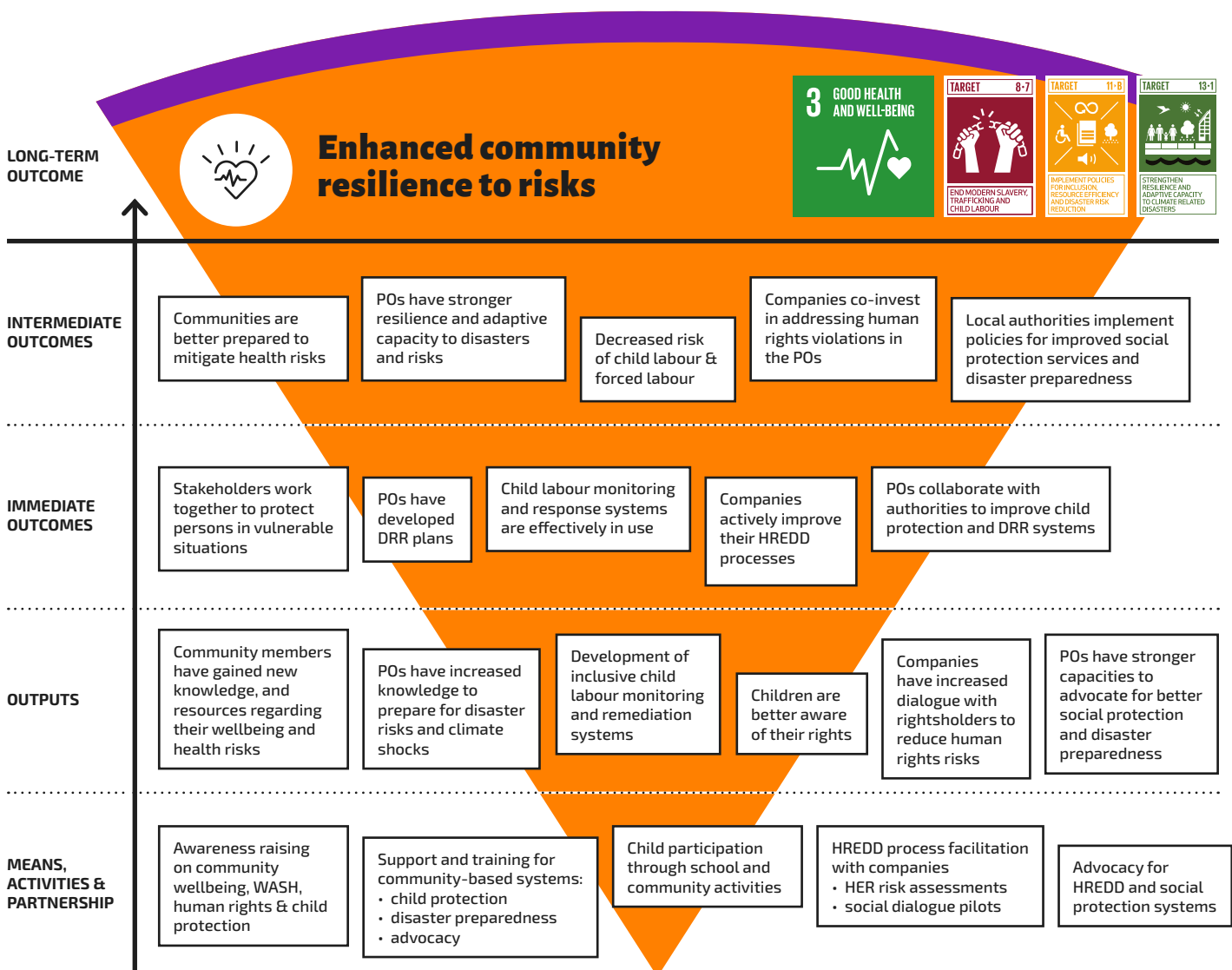


## Youth Inclusive Community Based Monitoring and Remediation System

Fairtrade has designed a participatory child labour monitoring system called Youth Inclusive Community Based Monitoring and Remediation System (YICBMR), led by youth in the farming communities. The system starts with awareness-raising, followed by targeted risk assessments in the community. The SPOs hire local youth to work as monitors between households. Additionally, the SPOs form child protection committees with youth monitors as members. Finally, the SPO is expected to adopt a Child Protection Policy and a detailed monitoring protocol.

**The process is participatory throughout.** Both adults and children are engaged in the different workshops to define and discuss which work tasks can be considered hazardous for children, what are the potential risks in the community, and to prioritise action points.

**The objective of the YICBMR system is to withdraw children from child labour and prevent others from becoming engaged.** Through the participatory mechanism, farmer communities are able to identify risks without having to rely on the periodical audits from the certification organisation. Moreover, the **community will have ownership** of the design and implementation of prevention and remediation activities. The system encourages active dialogue between the SPO and the community to find solutions that suit their specific context. The SPOs will collaborate with local authorities in charge of child protection and social welfare. Thus, the SPO's Child Protection Policy and monitoring protocols define roles and responsibilities, set rules for data management, and explain how the cases are reported to the child protection authorities or child rights organisations working in the area. The SPO should make sure to follow the do no harm principle, so that the affected child is not put in further danger in the process.



## 2.2 Economic sustainability: Farmers' and workers' economic rights are realized

The expected impact for economic sustainability is that farmers' and workers' economic rights are realized.

The expected long-term outcomes of this priority area are:

- Producers' right to a living income is realized.
- Agricultural workers' right to decent work is realized.

Fairtrade believes that the support for farmers' and workers' empowerment and greater control over their own lives and work is crucial for overcoming poverty and vulnerability. For this to happen, producers need greater awareness of their rights, but also knowledge and leverage to protect and realise these rights.

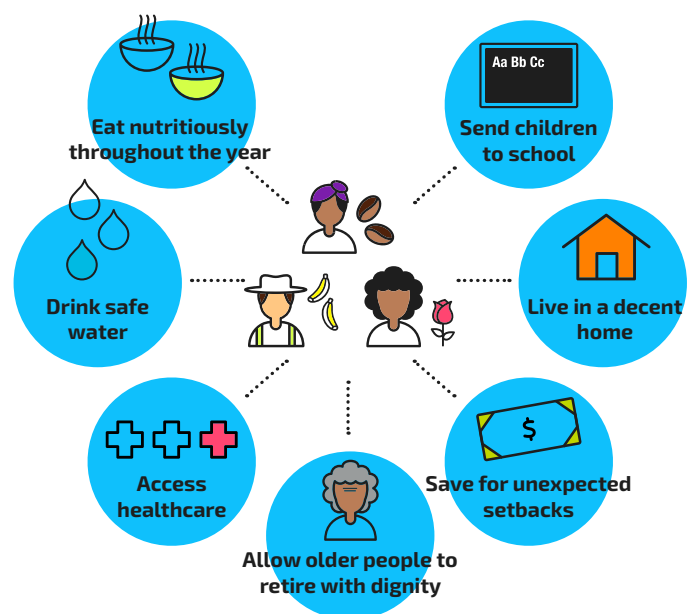
An important first step is for smallholder farmers to organise themselves more effectively and influence change through their collective voice. Fairtrade Finland's expertise is built on over 20 years of direct work with **farmer organisations**. The goal of our model for strengthening SPOs is to enable the farmers to become more visible and powerful civil society actors, who can engage in direct advocacy with their local and national governments, traders, buyers and other relevant actors in the supply chains, ensuring that they can benefit from more equitable and sustainable livelihoods.

**Unity is strength** for all workers, too. Besides SPOs, we support workers from HLOs on plantations to self-organise in order to defend their rights and join trade unions. **Trade unions** provide diverse workers with a collective voice, represent the workers' interests, promote safer working environments, and negotiate for workers' benefits. Trade unions are important for wider societal change as they strengthen the workers' demands for better labour and industrial legislation and practices. Strong organisations also protect the individual from being exploited by short-sighted cost-saving interests.

We approach economic sustainability holistically, engaging with all parties of the supply chain. The programme seeks **transformative change in trade** by challenging the current trade rules, trading practices and disparities of economic power, so that the rightsholders of our programme can develop their livelihoods and lead a dignified life. Although Fairtrade Standards prohibit all forms of discrimination, additional support is needed to address the root causes of discriminatory practices. Under the economic sustainability priority area, awareness-raising activities geared to changing attitudes, are an inherent part of our work. There are deeply ingrained prejudices that prevent, for example, many women, sexual and gender minorities, youth, immigrants, at-risk migrants and PWDs from enjoying their right to work and decent livelihood. The programme's approach is a combination of training, awareness-raising, coaching, and mentoring to introduce or refresh the rightsholders' and duty-bearers' capacities.

Critical success factors and assumptions for this priority area:

- Farmers, once trained, are ready to test and adopt new agricultural practices to increase productivity and quality.
- POs are open to support different ideas for income diversification as livelihoods strategies.
- Income diversification opportunities are viable for farmers and they are ready to try out different strategies.
- Local interest groups are supportive of the programme initiatives and no conflicting interests block implementation.
- Voluntary frontrunner companies commit to an open HREDD process with the rightsholders.



## Living income

Living income refers to an annual net income of a household sufficient to enable a decent standard of living. This programme aims to realise a living income for producers by promoting farmers' negotiating position in global supply chains and improving their livelihood strategies by raising productivity, improving product quality and supporting the diversification of income sources.

### Strategies to expect changed behaviour, processes, and direct benefits for rightsholders

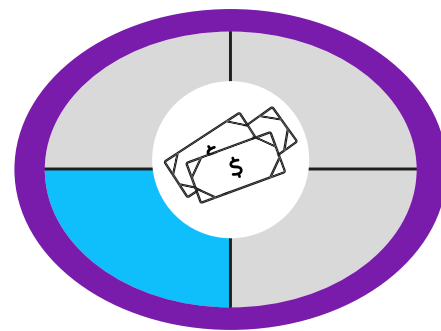
Fairtrade seeks lasting and transformative change in the empowerment of farmers and workers by addressing the disparities of economic power in the supply chains. SPOs can provide an extensive set of services to their members, such as inputs, storage, access to credit, collective sales, production, post-harvest equipment and agricultural advisory. These services enable improved farming performance when farmers increase productivity, improve quality, and reduce the risks and costs of production. Cooperatives can better collect dispersed market information and successfully represent their members' interests in business negotiations. As a result, farmers will have a better negotiating position, secure a better price for their harvest and gain access to global markets and thus more viable livelihoods. The smallholders' collective action can also influence duty-bearers to be more accessible, responsive and accountable.

Strategies for a living income differ according to country and product as well as POs. POs strive for lowering the probability of risks to their members' livelihoods. Through the programme we will focus on producers who have both low resources and low performance (LRLP). To achieve a living income for these highly fragile producers, different tools are needed, ranging from improving production methods to income diversification and advocacy for fairer terms of trade.

The programme will build SPOs' capacity to better support their members and advocate for change. **SPOs' knowledge will be improved** by training on market access and buyer requirements, negotiation skills, marketing, business management and value addition. Productivity and quality improvement activities are primarily product-specific, but include training on good agricultural practices (GAPs), drip irrigation, integrated pest management, buyer requirements, post-harvest processing and quality management systems. These can help in reaching living incomes for the producers as they can generate more revenues through improved quality and productivity in an environmentally friendly way.

The projects implement **production and market analyses**, to build the POs' capacity to offer the right products for the right customers. For example, in the case of coffee, this means a thorough analysis of the customer preferences related to acidity levels, aromas, missing pieces in the customers' blends, among others.

SPOs will be supported in developing and implementing **climate change adaptation strategies** which will be specific to products and geographies. For example, the programme promotes drought-resistant coffee varieties. With increased skills and capacities, SPOs can provide better services to their members to become more resilient to climate change and extreme weather shocks and stresses, and to protect the environment while farming. The programme introduces information technology for climate change adaptation to inform the producers' planting cycles, based on climate data.



↑ **Long-term outcome:  
Producers' right to living  
income is realized**



Through the programme, we promote inclusive approaches through equitable access to **training and coaching**, finance and other resources. We will train farmers and especially women and youth in new skills and support them to enter **new economic activities that will raise their incomes**. Additionally, we offer technical support for new opportunities in carbon credit generation and the upcycling of production side streams – from biomass to briquettes, or cocoa fruit pulp to replace sugar as a sweetener. Rapid assessments of income diversification potential will be conducted at the community level. Farmers will receive entrepreneurship training and opportunities to **access finance** through revolving micro-finance facilities in cooperatives and different localised banking options. The programme assists especially **women and youth** in experimenting with new income-generating ideas and expanding these into entrepreneurial businesses that have growth and employment potential. To promote youth-inclusive development and encourage young people to stay in the rural communities, we will pay great attention to the needs and objectives of young people through activities such as quality control, cupping and organic fertilizer production, and include skills training initiatives like farmer field schools. The programme also offers equitable access to finance and other resources. We recognise that the primary significance of microcredit arrangements may lie in the socio-political rather than the economic sphere.

**The HREDD dialogue** project in the value chains of cocoa, flowers and wine grapes will facilitate dialogue between POs and the traders, manufacturers and / or retailers. The topics include farmers' incomes and the standard of living, the impact of low incomes on other human rights and environmental practices, and the root causes of the low incomes. This dialogue will build the POs' and companies' capacity for such direct dialogue to build shared understanding and collaboration between supply chain actors.

As with other components, a crucial pathway for reaching living incomes is **advocacy**. Our advocacy work is based on the rightsholders' needs, priorities and realities since the rightsholders form a heterogeneous group with different income sources. We will assess the partners' advocacy capacity, train POs and local partner CSOs in advocacy skills and support them to develop advocacy plans tailored to their particular contexts and needs. Additionally, we will advocate towards Finnish and European companies and institutions. We will raise companies' awareness about living incomes and fair pricing as critical aspects in respecting and protecting human rights and highlight possible steps towards living incomes. Advocacy at the EU includes continuing engagement with the Commission, Parliament and relevant Finnish Council members to integrate living income as one of the human rights to be assessed in mandatory HREDD. Furthermore, the programme will **raise consumer awareness** about the inequality of value distribution in global supply chains, low prices and consumers' opportunities to show support for fairer production practices.

## Expected outcomes

The programme presents three pathways to reach living income: 1) getting more income from current primary livelihood source, 2) diversifying income sources, and 3) increasing demand for sustainably sourced products. Firstly, the farmers and their associations, strengthened skills in GAPs will **increase their productivity** and thus enable increased income. The impacts of climate change are experienced locally, which means that adaptation strategies must be defined onsite. **Adaptation** measures require a good understanding of the vulnerability of the targeted product, agroecosystem, and farmer communities. A better knowledge of quality control and markets will in turn increase sales prices.

Another way for raising incomes is by **diversifying producers' income sources** and reducing farmers dependence on a single cash crop. Encouraged by the new skills and supported by market linkages, and guided by local market analyses and resources, producers start developing and piloting complementary livelihood sources. One potential new income opportunity that some projects promote is the production and sale of FCC and, relatedly, the production and sale of briquettes and stoves. Cooperatives will play an aggregation and market coordination role in several new supply chains. The alternative and viable income sources will reduce the producers' vulnerability to price fluctuations and climate and market shocks. Through the programme, we strive to support balanced income portfolios for the producers, building their economic resilience.

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## Wake-up call for climate adaptation – case COFFEE RUST

For more than a century, aromatic Arabica coffee bushes have thrived in Central America's shady, temperate highlands. It is a significant economic driver for the region. However, a fungus known as Coffee Rust (la Roya), has posed occasional challenges.

2012 marked a turning point when the coffee rust breakout was becoming more uncontrollable with conventional methods. Weather patterns had shifted and extreme, unpredictable heat and rain had become the norm. In large swathes of the region, up to 70 per cent of the coffee plants were affected.

Fairtrade Finland's first development cooperation programme (2014–17) was built around introducing almost one million new rust-resistant coffee seedlings. However, simply giving away plants does not alter the power dynamics between the farming communities and buyers. *"Our members needed resources to withstand disasters, so we started offering trainings"* says Javier Aliaga, CLAC's Climate Change Program Coordinator.

The programme focused on building the organisational and community capabilities to help farmer organisations share and train on best practices, develop strategic plans, build project management skills and increase the participation of youth, women and other under-represented community members. The programme directly benefited close to 18,000 people in 45 smallholder organisations:

- Coffee nurseries and demonstration plots were established.
- Women and youth launched organic fertilizer centres.
- Fruit trees were planted to provide both shade and sustenance.
- Income diversification like honey production were adopted.
- SPOs developed strategic plans.
- Organisations developed best-practice manuals, training materials and quality control systems.
- Policy advocacy with the Central American governments improved.

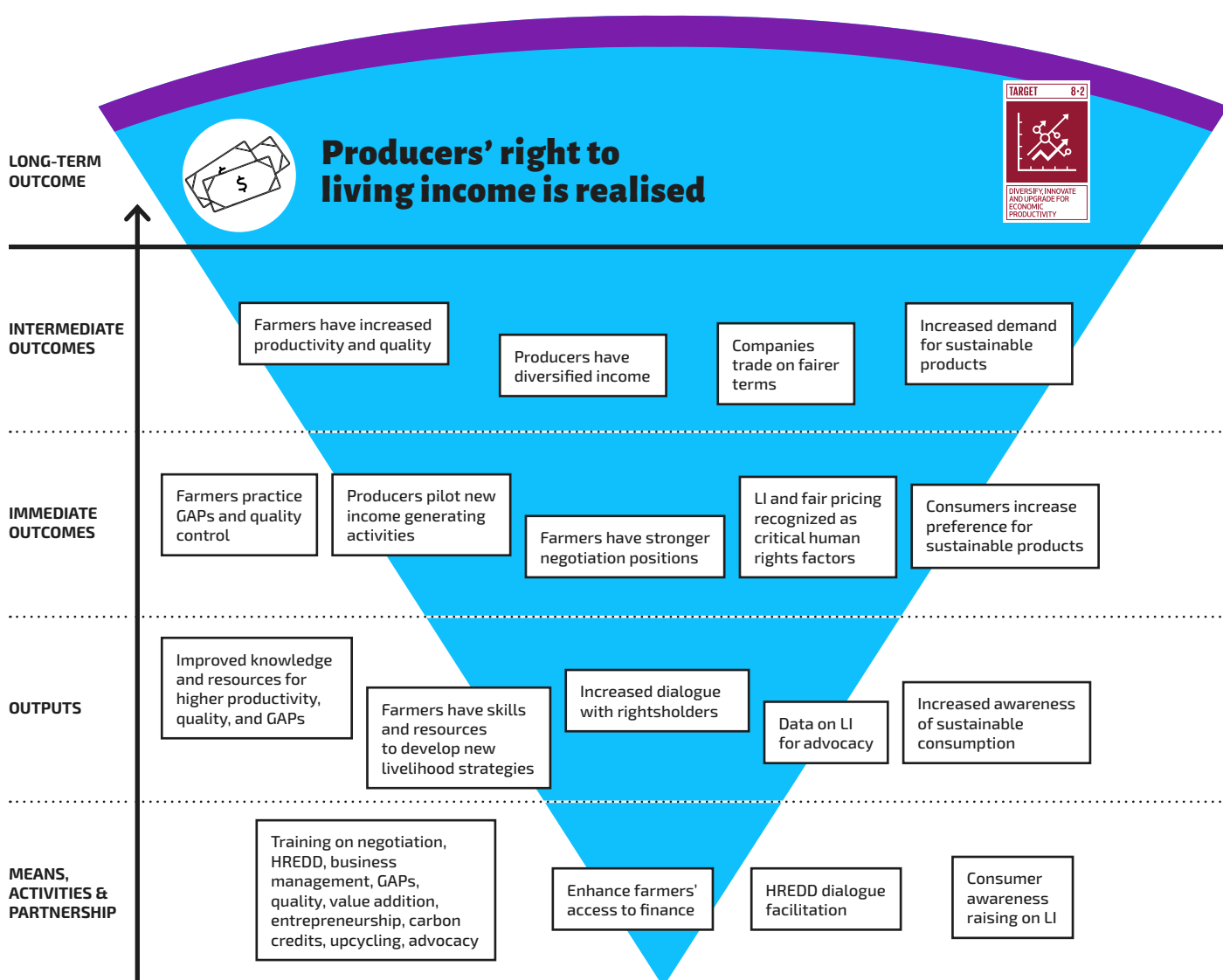
As a result, the local coffee production more than doubled, and more of it was exported. While La Roya has receded for now, it was a major wake-up call that invited the POs and Fairtrade to build farmers resilience and design strategies to prevent new waves of pests and diseases.

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The third pathway for raising farmers' incomes is through consumption habits. Consumers will have gained a deeper understanding of the inequalities in global supply chains and will thus **increase demand for ethically and sustainably produced products**. Our advocacy work will have encouraged governments to explicitly call for rightsholder engagement and living incomes in HREDD policies and our HREDD dialogue project will engage participating companies in rightsholder-inclusive HREDD. The assumption is that these together strengthen farmers' negotiating positions in supply chains and gradually lead to **fairer terms of trade** for farmers. It is essential that we take a systemic approach working with the entire value chain for increased awareness among the companies and consumers to **realise producers' right to living income**.

The expected long-term outcome of this wedge is to see **producers earning a living income** that will increase their economic freedom and reduce the dependency on negative coping mechanisms. Thus, the producers will have the capacity to plan their livelihood strategies more widely.

In the programme, several projects focus on living income, for example two projects in cocoa chains in Côte d'Ivoire, the vanilla producers' project in Madagascar, and the coffee sector projects in Ethiopia, Honduras and Kenya. All Fairtrade carbon credit projects also support the realisation of a living income.





## Decent work

The programme's decent work -wedge will lead to better collective bargaining agreements (CBAs) for workers as well as a greater commitment for decent work from companies and policymakers in line with SDG8. An essential part of the wedge is the realization of living wages, meaning the sufficient income of hired labour that allows workers to afford a standard cost of living.

### Strategies to expect changed behaviour, processes, and direct benefits for rightsholders

The programme will **increase awareness of workers' rights among both workers and companies** via various types of training and awareness-raising measures. The programme will increase workers' ability to voice concerns and exercise their rights by training workers and trade unions on themes such as decent work, labour laws and contracts, and by training worker representatives on negotiation and HREDD processes.

Several projects will train plantation owners and managers on occupational health and safety (OHS) issues. Workers' health and safety will be improved through skills development and onsite coaching, and by supporting them to set up health and safety committees.

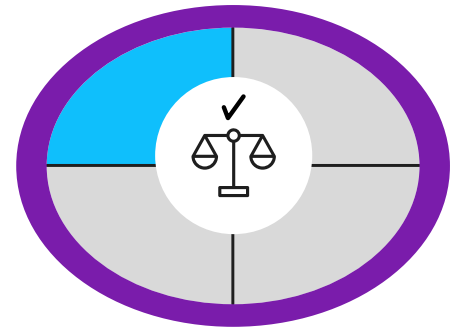
Through the programme, we will raise awareness of inclusion in the workplace, and the prevention and elimination of gender-based violence. Our projects will support POs to develop policies to protect persons in vulnerable situations. Together with local disability inclusion organisations, several projects will assess the existing situation, gaps and potentials for the employment of persons with disabilities.

The programme will encourage **workers to organise themselves in democratic structures** within the POs – such as trade unions or other associations – by communicating to workers about their right to unionise, and by awareness-raising for plantation owners and managers on workers' freedom of association and the role of trade unions. We will encourage women, youth and PWDs to get involved in different committees, so that their specific interests are heard and considered. The programme strives to remove barriers to organising and ensure trade unions' independence. The programme works together with the employers, workers and trade union partners to build conditions where workers can organise and have the tools and confidence to bargain for better wages and terms of employment.

**Social dialogue and industrial relations** will be improved through training on negotiation and human resource management, periodical meetings between worker representatives and senior management, and conflict mediation services. The functionality of existing workplace grievance mechanisms for employees will be assessed to inform how these can be improved. The projects will build links with local trade unions, worker organisations and international trade unions, as well as organise round-table discussions with trade unions and companies – from both the producer and consumer countries. The programme will provide guidance to employers and workers on the ways to build constructive, mutually beneficial labour relations. We will recommend procedures for social dialogue, not just for the purpose of collective bargaining, but also to create a routine of regular feedback meetings between employees and employers. We believe that trust and inclusive development is built on open dialogue between the different actors at workplaces.

We will facilitate mappings of salient human and environmental rights issues in selected supply chains to generate context-specific data on workers' rights risks. These mappings will enable our regional programme **partners to do evidence-based advocacy for decent work and pilot HREDD roundtables with buyer companies**. The programme will also train workers' representatives and trade unions on advocacy skills and support them to co-create advocacy plans.

The programme uses country-specific living wage benchmarks, which inform effective collective bargaining and advocacy work in the programme country context. There are several ways to calculate a living wage, ranging from a simple desk study estimation to a very detailed investigation in the field. Fairtrade uses the latter, more comprehensive approach, undertaken through the Anker method (see box).



↑ **Long-term outcome:**  
**Agricultural workers' right to decent work is realised**



### Anker Living Wage benchmarks

The living wage benchmarks calculated with the Anker methodology are based, to a large extent, on primary data gathering to ensure fairly accurate reflections of the local costs.

For example, food prices are gathered at markets where workers normally shop, enabling the calculation of the price of a food basket. The homes of workers and their supervisors are visited to understand what decent housing in the local context would look like. Socioeconomic databases are utilized for information on women's labour participation, the typical number/contribution of breadwinners, and the typical number of people in a household.

Through this methodology, the product and region-specific living wage benchmarks can be calculated to inform collective bargaining by the workers' unions.

## Expected outcomes

Workers' increased awareness on workers' rights and decent work, and improved negotiation skills will result in workers holding employers accountable to improve conditions and ensure decent work. As workers organise themselves or join trade unions, and the unions are better equipped with new skills and accurate knowledge on labour laws, they are ready to negotiate constructively. *The assumption is* that constructive social dialogue processes facilitated by Fairtrade lead to **open and more inclusive communication** between the negotiating parties. The inclusive negotiations and better understanding of decent work by all parties – supported by favourable policy environments and pressure from consumers – will lead to **more favourable CBAs for workers**.

On top of the required legal minimum wage, the programme supports workers to achieve living wages so that workers can adequately provide for themselves and their families. Thus, employers can gain from paying a living wage: higher wages commonly lead to better retention of skilled workers, improvements in quality and productivity, and lower recruitment and training costs.

The producer-centric HREDD dialogues promote open, in-depth discussion about human rights challenges and solutions between rightsholders and traders, manufacturers and / or retailers that source from them.

The programme pilots this approach with the regional HRDD project across Africa. Through the programme we influence **companies to co-invest in preventing and addressing workers' rights violations within the POs**.

An essential factor in reaching the goal of decent work is raising consumer awareness of living wages and decent work without forgetting advocacy towards public and corporate policymakers, both in the producer and buyer countries. These can increase the demand and support for national laws and policies on minimum wages and other labour rights and benefits, including social welfare. Similarly, competent authorities must fulfil their duties to carry out inspections and enforce existing laws and policies at the workplace. In order to fulfil this, the international environment also needs to be conducive: workers must have enough influence in supply chains, and, on the other hand, international governance needs to steer business practices so that suppliers are made to pay living wages and offer decent working conditions.

In the programme, decent work is the main objective in the project for the South African wine sector and the project developing the Ethiopian flower sector. For example, the project in Ethiopia is aiming to reform the whole trade union sector, which is currently dominated by company-based, weak trade unions without real sector-level negotiation power. In Kenya and South Africa, the programme's regional HREDD dialogue project also aims for securing decent work for the flower and wine sector workers.

## Unity is strength for workers

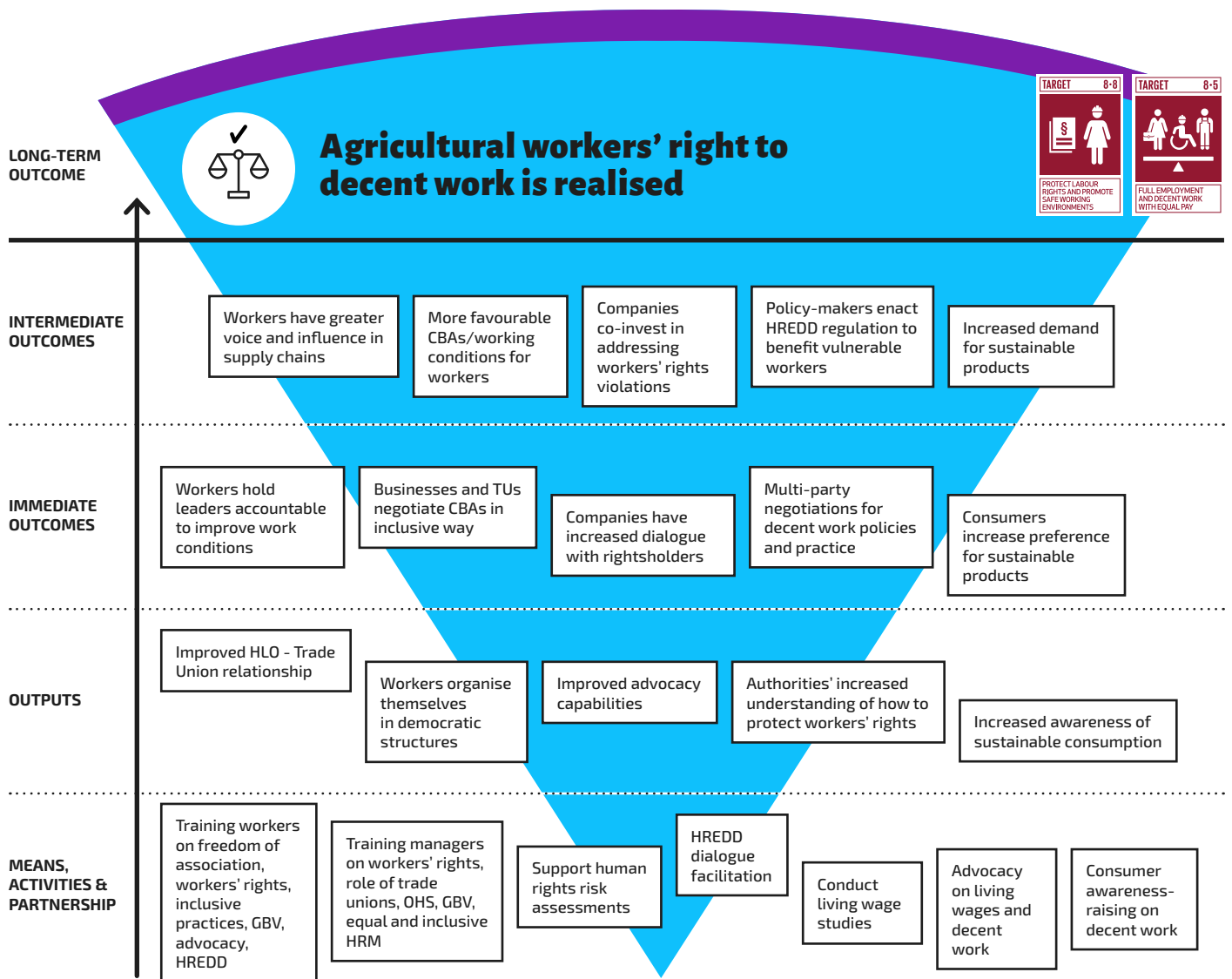
**Trade unions provide workers with a powerful, collective voice**, promote safer working environments, negotiate for decent wages and call for strong labour laws. By joining forces, disadvantaged workers get their voice and interests heard.

The benefits of unionization go beyond the workers. With a collective voice, unions can build communication and decrease conflicts between workers and the management, and improve productivity.

However, like farmer cooperatives, an effective trade union does not focus solely on the economic interests of its members, but rather serves as a democratic organisation that highlights the importance of voting, consistent meetings, access to information, and other processes that reflect the value of each member's opinion. Trade unions can play an important role model in transparency, accountability, and good governance. Thus, trade unions can support democratisation and generate stability and prosperity.

The Ethiopian labour proclamation 1156/2019, states that a pregnant worker shall be granted a period of 90 consecutive days of fully paid post-natal leave. However, supported by Fairtrade Finland's project, the trade union at Sher Ethiopia successfully negotiated for 120 consecutive days of fully paid post-natal leave for workers. Sher Ethiopia has more than 14,000 workers of which 85 per cent are women.





## 2.3 Ecological sustainability: Farmers and workers live in harmony with the environment and climate

Climate change and environmental degradation pose an existential threat to producers' livelihoods, as well as to the global food system as a whole. Tackling this challenge requires a systemic supply chain-wide approach since ecological overshoots happen at all levels: farms, traders, manufacturers, retailers and finally at consumer households. Our approach recognizes the complex nature of how livelihoods intertwine with the environment and its species. Environmental rights are regarded as human rights<sup>14</sup>, so **we approach the environment and climate from both a human rights' and an environmental perspective. The interventions within this programme area are expected to transform the way farmers, workers and their organisations see their livelihoods as part of the ecosystem services that they rely on every day.**

In search of a sufficient income, farmers sometimes use practices that are harmful to the environment: cut down trees to clear farmland, overuse water or pesticides, or disregard soil health. In doing so, they harm the ecosystems that are critical for the ecological balance and their own livelihoods. Hence, the adoption of environment and climate-friendly farming practices is a question of survival for small-scale producers. We must **make supply chains environmentally sustainable, through close collaboration and engagement with the traders, retailers and consumers alike.**

The aimed impact of this priority area is that **farmers and workers live in harmony with the environment and climate.** The long-term outcome of this priority area is:

- Actors in value chains mitigate climate change and protect nature.

**We seek transformative change** in ecological sustainability by working on all levels of society to create awareness of the climate crisis, environmental degradation and loss of biodiversity, and their dire consequences to the rightsholders' future livelihoods. During the programme we aim to strengthen nature-based solutions and ecosystem protection into farmers' lifestyle. We envision our rightsholders and partners to understand the value of biodiversity and the environment beyond economic purposes.

Furthermore, the programme works towards **carbon neutrality** by producing over 60,000 tonnes of FCC in the first phase (by the end of 2025) and an additional 100,000 tonnes by the end of the whole eight-year programme period.

Critical success factors and assumptions of this priority area:

- Cooperatives will be open to a stronger environmental and climate focus in production and support different ideas for improving farming practices.
- Local interest groups are supportive of the initiatives and no conflicting interests block implementation.
- National / inter-governmental legislative and policy processes are favourable for the environmental and climate focus of the programme.
- Voluntary frontrunner companies commit to open HREDD processes with rightsholders.

**We approach the environment and climate from both a human rights' and an environmental perspective**

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**We feel the importance of reconciling ourselves with nature. To thrive, we must consciously search for a balance between economic, social and environmental aspects of life.**

Juan Pablo Solis, Fairtrade International's Senior Advisor on Climate and Environment

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## Climate change mitigation and nature protection

### Strategies to expect changed behaviour, processes, and direct benefits for rightsholders

Through our programme, we seek to **strengthen** producers' **capacities** in areas that build upon best practices and approaches for the future of farmers and our planet. We emphasize on halting deforestation through agroforestry, reforestation, and development of FCC production as a new product. The sale of carbon credits brings additional income for farmers and community members while offering an incentive for reducing emissions. We acknowledge the farmers' own experiences of environmental degradation and biodiversity loss and focus on the conservation priorities that they see in their environment.

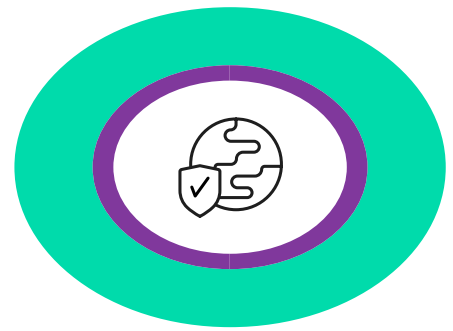
Tackling climate change and biodiversity loss knows no borders, so it requires coordinated solutions at all levels of global governance and the supply chains. Under the integrated climate change mitigation and nature protection wedge, we target POs and producer families with actions related to lowering the carbon footprint in production processes and promoting adaptative measures such as skills training in ecologically sustainable farming practices and community climate action, taking into account local realities, microclimates, and the product-specific requirements. The promotion of sustainable farming practices requires knowledge and investment. Our programme will strengthen the farmers' **knowledge and practical skills on climate-resilient and regenerative farming** and sustainable farm management, promote efficient use of inputs through technical trainings and follow-up coaching, and **facilitate access to low-interest finance**. Examples of the farming techniques and skills trainings vary from Sustainable Agriculture Land Management (SALM), sustainable water resource management, to composting and recycling of nutrients, sustainable use of fertilizers, Dynamic Agroforestry (DAF) and tree nurseries.

The trainings are tied to a broader initiative to be developed and rolled out within the Fairtrade system called the **Fairtrade Climate Academy**. It is a farmer-centred training package that focuses especially on the next generation of farmers, boosting their **climate knowledge** and increasing their understanding of links between production and carbon emissions.

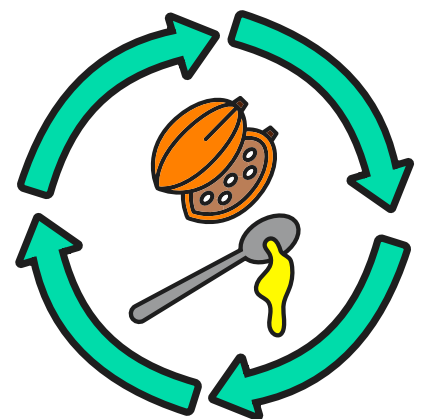
The mitigation opportunities for farmers and POs lie in their current production processes but also in everyday actions at family and community level. We support **carbon footprint calculations** which can provide valuable information on the production processes with the most emissions and the opportunities for reduction. Another key strategy is facilitating producers' **access to clean energy**. The aim is to provide producer households access to affordable alternative energy sources for cooking and lighting that are more energy-efficient and less polluting and **reduce dependency on firewood**.

**Upcycling** is another approach that strengthens our work on both climate change and environmental degradation. The programme promotes the upcycling of products' side streams to create new ingredients for food or functional materials. Possibilities vary from plastic-free food packaging based on sugarcane to chocolate sweetened with cocoa fruit pulp, among other **innovative opportunities** available. Besides the income benefits covered in the previous priority area, upcycling has an important positive impact on the environment by reducing waste and GHG emissions.

We will support farmer-led **human rights and environmental impact assessments (HREIAs)**, to identify which environmental issues most seriously influence or are influenced by the producers' operations and explore the use of **geospatial mapping** to identify deforestation risks. These are valuable processes that build POs' capacity and evidence base for **HREDD dialogue** between producers and their buyers. The programme pilots a rightsholder-centric HREDD process with a regional dialogue project in Africa.



↑ **Long-term outcome: Actors in value chains mitigate climate change and protect nature**





Through advocacy and leadership training, we encourage young leaders to become spokespersons for a sustainable future in farming. The programme supports SPOs' efforts in taking an increasingly active role in **influencing local and national policymaking** around climate change and sustainable resource management in the agriculture sector. Furthermore, we advocate for HREDD policies that can help protect natural resources if they bring supply chain actors together to address the salient environmental issues. We see that it is the governments' obligation to set binding and mandatory due diligence frameworks for environmental rights regarding the impacts from the companies' supply chains.

All supply chains actors have to commit to climate change mitigation. **We engage with companies to encourage concrete climate and environmental commitments and partnerships** across their supply chains through dialogue between the rightsholders and buyers. In the consumer markets, awareness-raising campaigns highlight the plight of smallholder farmers and workers, encouraging people to call for responsible business conduct and regulation.

An essential part of a new project development in the programme is a **Human and Environmental Rights (HER) mapping and ranking**. It identifies the most serious problems related to the geographic area and supply chain, the influence POs have on the issues, as well as their root causes. The HER mapping and ranking is part of the planning phase to define the projects' results frameworks.

In sum, we emphasize the **involvement of all actors along the value chains**. Companies and consumers must do their share with the institutional and normative support from governments, given that local producer realities and concerns are heard. Companies must develop a broad environmental sustainability strategy to guide their journey. Through the programme activities we will encourage **companies to commit to climate change mitigation** and have a clear plan for emission reductions throughout their supply chains. Similarly, we work with the POs and the Fairtrade network to influence local, national and even intergovernmental (EU/AU) policies and legislation regarding climate action in line with the Paris Agreement and the EU Green Deal. While we support **advocacy skills** development, it is the producer communities who are the lead advocates for issues concerning their everyday lives. The programme raises consumer awareness about ecological farming and sustainable consumption, especially among young consumers whose future is on the line.

## Expected outcomes

With the increased knowledge and capacities, farmers will be able to **apply ecologically sustainable farming practices** in their farms and explore cases for production side streams. Thus, they have built awareness of the **value of protecting biodiversity** around their communities. *The assumption is* that this will encourage them to engage in activities such as tree planting to create **carbon sinks** and to **protect ecosystems**. Moreover, our advocacy efforts have succeeded when businesses engage in dialogue with farmers about the environmental challenges in their communities and undertake **inclusive HREDD practices**, while consumers increase their **preference for ecologically sustainable products**.

Smallholder farmers are primarily concerned about their everyday survival and are driven by short-term economic necessities. *The assumption is* that we will gradually build the farming communities' understanding about the long-term implications for community wellbeing in terms of nature protection. In the intermediate term, our goal is to enable farmers to make **efficient use of natural resources in an environmentally sustainable manner**. A good example of combining the programme's different components is the **carbon credit projects that can regenerate forests and decrease firewood consumption for fuel**, while supporting the generation of additional income and decreasing health risks.

The rightsholder-inclusive HREDD processes will encourage **companies and governments to actively co-invest in protecting nature and ecosystems** in value chains. This will be further enhanced by the pressure consumers put on suppliers and retailers. All these efforts will ultimately lead to **actors in value chains mitigating climate change and protecting nature**.

The main climate change mitigation projects in the programme are in Kenya, Ethiopia, Ghana, and Malawi. In the programme, ecosystem protection is a strong component in all the carbon credits projects and the Climate Academy activities, and the sustainable cocoa projects in West Africa. In the Malawian sugar sector, the programme pilots the use of sugar production side streams. Lastly, the HREDD dialogue project aims strongly at increased nature valuation.

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## Production of fair carbon credits

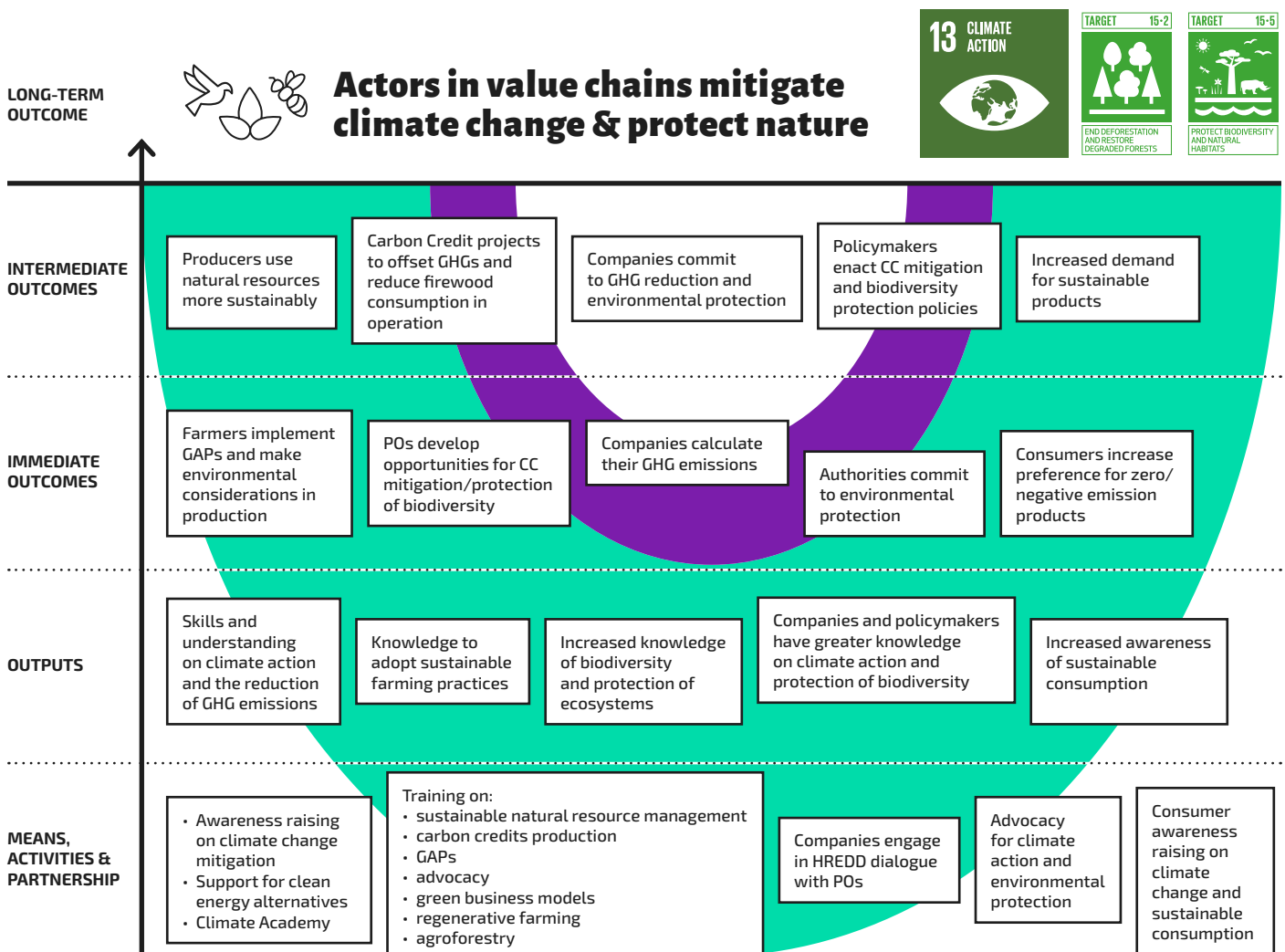
The programme will explore opportunities to accelerate the reduction of carbon emissions. The main tool for this will be **carbon credits production**. There are three main ways to produce FCCs: the distribution and use of efficient cooking stoves, renewable energy, and reforestation/afforestation projects, all of them having the potential for a significant reduction in GHGs. High-quality carbon credits adhere to a strict set of standards, as explained in section 2 (Fairtrade Climate Standard). Projects can either reduce or remove the amount of GHGs in the atmosphere. GHG emissions can be avoided by replacing fossil fuels with renewable energy, for example with efficient cooking stoves or biogas. The other option is to remove emissions from the atmosphere, for example, by planting more trees. Fairtrade has been involved in a pilot project in Ethiopia with the programme's partner organisation Fair Climate Fund. The pilot has reduced over 60,000 tonnes of CO<sub>2</sub> through fuel-efficient stoves used by 6000 families. With the introduction of carbon credits as a new product for farmers, coupled with the technical training and follow-up to set it up, producers and POs learn the required **skills to produce carbon credits**.

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**...The capacity building the Fairtrade Finland's project has provided on biodiversity, deforestation and forest governance has given me a better understanding of the advantage of tree planting. It has also made me realize that the advantages can still be derived far in into the future. I am committed to educating my people on climate change and its impact and the strides FTA is making. Our cocoa farms are perishing under the stress of the sun because there are no shade trees but thanks to this project I now know better. I would however like to invite you to durbars in the future to help me educate my people on climate change and the mitigative measures. Use these platforms to reach a large group of people!**

Nana Kwaku Owusu, Dwatuohene Goaso Traditional Council, Asunafo North Municipal Cooperative Cocoa Farmers Union, Ghana



## 2.4 Cross-cutting focus areas

**Strengthening civil society** lies at the heart of our programme and thus is a cross-cutting objective throughout. The programme's ToC is based on sustainability priority areas divided into social, economic and ecological domains. **Climate change and environmental sustainability are embedded in the ToC.**

Together with our partners within the Fairtrade movement, we have identified three additional cross-cutting focus areas for the implementation that are rooted in Fairtrade standards. Of these focus areas, **gender and youth** have been core themes for the Fairtrade movement. During the current programme cycle, Fairtrade Finland has emphasised the rights of other **vulnerable groups** such as PWDs. We have had positive results in this work, especially with our partners at Fairtrade Africa. Hence, the rights of PWDs will have an even stronger focus in the new programme. Other vulnerable groups to consider are children and migrant workers, and although we have targeted child labour eradication initiatives, the cross-cutting focus will allow special considerations for these vulnerable groups in the project stakeholder analyses, even if these were not among the targeted beneficiary groups. These cross-cutting focus areas will allow our partners to deepen their stakeholder and context analyses and include perspectives that are not necessarily the main focus of the initiative but may have a significant positive impact on inclusion.

Fairtrade Finland continues to apply a so-called **twin-track approach** in the realisation of the cross-cutting focus areas, namely mainstreaming and targeted interventions. Most projects include one or several of the cross-cutting foci. We will, for example, conduct gender, youth and disability inclusion analysis in the project areas where these have not been done yet. Based on these analyses, the projects will be informed of the priority interventions to better integrate the cross-cutting issues into the project plans. In addition, the programme will support the participatory development of gender, youth and disability inclusion policies at the PO-level for the POs who do not have these in place yet, and offer coaching and revision for the other POs, ensuring a transformative impact at the institutional level.

### 2.4.1 Gender



Our approach is to move beyond gender mainstreaming to realise **transformative gender impact** in the target areas. Fairtrade acknowledges gender as going beyond the binary male-female divide. Nevertheless, gender remains a very new and abstract issue for most of our farmer and worker communities in the Global South. As such, our main focus in gender equality continues to be on the empowerment of women in the global value chains.

Women play a special role in all the social, economic and ecological realms. We approach transformative change for women across the three sustainability priority areas and acknowledge their key role in each area. As a step-based approach, it is essential to carry out conversations about **traditional gender roles** in communities and what effects these have on the lives of the farmer families. Following this, **barriers for equal participation and inclusion by all genders** are identified and addressed as a part of the project planning. Although POs are democratic structures, we acknowledge that **social norms, attitudes and traditions** are present in all the POs' decision-making mechanisms, such as workers committees or recruitment practices. Thus, gender awareness-raising is a staple in all community actions and PO trainings, to ensure equal access for women to productive assets and services, employment and market opportunities.

We promote gender equality through participation quotas and **targeted initiatives** for women, which serve to give exposure to women's ideas and perspectives on issues that might otherwise be excluded. We cannot overestimate the impact **role models** have on women's empowerment, so we seek to enable these valuable exchanges between producer women.

Apart from supporting women's participation, it is important to understand the underlying issues preventing women from having a voice in decision-making bodies. Often illiteracy plays a key role, where women default on relying on their literate husbands to represent them. This is why we promote the design of gender action plans that are context-specific and consider the different realities of POs. These actions must be women-led to ensure that any interventions address the specific needs of women.

Furthermore, the programme promotes the need for practical PO actions to tackle women's burden of care, including maternity leave, the requirements of pregnant and lactating women, and childcare provisions. Several projects have targeted activities to prevent GBV and adopt a do no harm approach. **The projects' impacts on gender equality are assessed and monitored through determined indicators.**

## 2.4.2. Youth



According to Fairtrade monitoring data, the average age of producers is 55 years old. Hence, we see youth as a key target group to ensure the sustainability of the smallholder agriculture sector. However, as youth consists of a very heterogeneous group, **targeted interventions** are required to promote their agency and voice. Through the programme, we empower youth to become more active members of POs, encouraging them to take up entrepreneurship skills that grant them a more attractive future in farming.

**Youth can be powerful drivers across all three sustainability priority areas** of our programme. They can lead the way for diversifying livelihood opportunities in their communities and thereby securing intergenerational sustainability in farming. Youth are invited to lead several programme specific activities (such as YICBMR or carbon offsetting / inseting and upcycling of production side

streams) that motivate them to participate in the development of their communities. Through our programme, we promote **intergenerational dialogue** within the POs, and leadership programmes for youth.

In addition, **youth as consumers** are important agents for promoting sustainable consumption and demand-driven ethical value chains. They are a key target audience for our advocacy work in Finland, for example, through universities. There are eight Fairtrade Universities in Finland, and the title gives recognition to institutions that have embedded ethical and sustainable practices, such as procurement. Fairtrade Finland actively engages and makes a tailored plan with each university to reach out to students and communicate on sustainable development.

## 2.4.3. Vulnerable groups



The protection and inclusion of vulnerable persons, especially PWDs and migrant workers, is an important focus area of the programme. A key objective of our programme is to enable farmers, workers, traders and retailers to adopt **a rights-based approach** for eliminating exploitative labour practices.

We cooperate with PNs and their member organisations, as well as producers, companies, NGOs, trade unions and governmental bodies, to address abuses that exist in the global supply chains. It is essential for the stakeholders in the supply chain to identify and understand the existing vulnerabilities and analyse their root causes in order leave no one behind and thus, act on remediating abuses and enabling better inclusion of vulnerable persons in the system. The vulnerabilities vary according to each country or regional context. Furthermore, each project focus will be adjusted to ensure interventions addressing the individual needs of the vulnerable groups identified following a thorough assessment.

Fairtrade, throughout its standards, promotes an inclusive approach to **persons with disabilities**. In 2019, together with disability inclusion experts, we assessed the existing situation, gaps and potentials in the Ethiopian flower and coffee sectors and conducted a review of legal frameworks in Latin America. Since then, there has been a positive development at Fairtrade Africa to revise their strategies and proactively start mainstreaming disability inclusion in their work processes. PWDs have been recognised as equal members of the farming communities and the POs look to improve their livelihood opportunities and economic independence.

Together with local partners, we plan to continue awareness-raising on the rights of PWDs for both SPOs and hired labour settings and encourage premium committees to set initiatives for people with special needs. The programme assists SPOs and plantations to analyse their premises from an accessibility point of view, to review suitable work tasks for people with different disabilities, and to make the necessary changes for the premises to be accessible for all.

Fairtrade will further strengthen the collaboration with local Organisations for Persons with Disabilities (DPOs) to operationalise the inclusion plans that POs have worked on during the past programme cycle. This will ensure that local expertise and knowledge is used in the best possible way and that the PWDs themselves take the lead in the actions. Our aim is to make inclusive practices the norm within POs so that PWDs are regarded as contributing members of the cooperatives.

**Migrant workers**, especially undocumented ones, are a vulnerable group prioritized by the programme. Many plantations, as well as small farms, hire migrants during harvesting seasons. For them and other **landless people**, we seek to improve opportunities for decent work for seasonal harvest and post-harvest handling – especially in the coffee and grape sectors. In plantations, HLOs are encouraged to work collectively to influence better working conditions and social protection for migrant workers. Seasonal workers hired in small-scale farms are a more challenging issue because smallholder farmers also find themselves in a vulnerable situation, with limited resources to invest in better conditions and wages for their temporary labourers.

Through our programme, we intend to support HLOs in advocating for decent work conditions for all the labourers and negotiating with plantation owners to pay special attention to the migrant workers' social protection needs. Interventions will be context-specific, meaning that it is crucial to conduct thorough situational analyses for every project that has a significant migrant worker target group to inform fit-for-purpose activities and ensuring doing no harm. The programme includes targeted interventions for migrant workers, especially in the wine sector in South Africa (Zimbabweans) and the Côte d'Ivoire cocoa sector (Burkinabe).

Throughout our programme interventions, we will ensure that the intersectionality of marginalisation – be it gender, age, ability or legal status – is addressed in a holistic approach, through a rights-based and participatory approach to localising inclusion at PO and community level.



**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 sympathise and I don't want to be sympathised; 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 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



## 2.5 Coherence with Finland and European union's development policy framework

Fairtrade Finland's Development Cooperation Programme is strongly aligned with **Finland's development policy**. The programme's three sustainability priority areas cover each of the four development policy priorities (excluding the fifth for humanitarian aid).

1. **The rights and status of women and girls** in social, economic and ecological domains is at the heart of our programme. We are particularly concerned with improving women's democratic participation and decision-making in the POs and enhancing their economic opportunities through entrepreneurship and trade.
2. **Sustainable economies and decent work** are closely linked to the second development policy priority for **decent work and sustainable livelihood** opportunities, which is Fairtrade's core business. Fairtrade strives for better remuneration and working conditions, with special attention to women, youth, PWDs, and at-risk migrants. We engage with companies to conduct HREDD within their supply chains to promote responsible business conduct.
3. **Education and peaceful and democratic societies** are promoted through **democratic and inclusive farmer and worker associations** who often are change agents for an active local civil society in rural areas. POs' active democratic and inclusive practices must be evident during Fairtrade certification audits. Farmers and workers learn about democratic governance mechanisms by participating in the POs' work and capacity building. At the same time, the communities' inclusiveness is promoted by working with community-based systems.
4. **Climate resilience and natural resource use** is another core sustainability priority area within our programme. This is advanced in multiple ways by building awareness on climate change adaptation and mitigation, supporting POs to draw preparedness plans, introducing FCC production as a livelihood to reduce GHGs, promoting ecological agricultural practices and awareness on the value of biodiversity protection, and empowering POs to advocate for climate action to acquire resources for their adaptation and mitigation priorities.

Fairtrade Finland's development programme feeds directly to the outcomes outlined under priority areas 2 and 4:

2. Sustainable economies and decent work;
  - Outcome 1: Increased number of people, especially women, youth and those in vulnerable situations, have their right to decent work, livelihoods and income fulfilled, and
  - Outcome 2: The private sector grows, is responsible and supports sustainable development.
4. Climate resilience and natural resources;
  - Outcome 1: All people benefit increasingly from the clean environment and healthy ecosystems, conservation, sustainable management and use of renewable natural resources, such as forests and water bodies,
  - Outcome 2: All people have improved and equitable access to affordable and clean, sustainably produced renewable energy.

The specific aggregate indicators of these outcome areas will be covered in the Programme Results Framework.

The programme complies with **the Guidelines for Civil Society in Finland's Development Policy** by supporting a more enabling environment for civil society to function and by strengthening farmer organisations' and workers' associations' capacities. Advocacy work is integrated within the ToC of the programme: POs receive advocacy skills training and support for drawing advocacy plans to claim rights and hold duty-bearers' accountable for upholding human rights commitments. Advocacy work in Finland is an integral part of the ToC, with the objective to change public policies, business practices and consumer awareness and behaviour. The programme focuses on reducing poverty while increasing the social inclusion of vulnerable groups. The programme supports women, youth, at-risk migrants, and PWDs to join forces within farmer and worker associations and trade unions to demand the change they want, aim for leadership positions, and become role models and agents of change in their communities. Representing farmers and workers, the programme partners have clear roles in the development of their societies. The programme strengthens POs to develop their democratic and inclusive values while contributing to more democracy and transparency in other sectors of the society. The programme's decent work wedge upsills organisations to better handle conflict situations in plantations and mitigate rights violations, contributing to a more peaceful society. The programme is human rights based, increasing the breadth of farmers' and workers' knowledge of their rights and aims for a transformative change.

Furthermore, our programme complements **Finland's Africa Strategy** on multiple fronts: the majority of our project countries are in Africa, where our specific development focus is on *ecologically sustainable production and trade* supporting climate resilient and low GHG emission development, as well as sustainable natural resource management and biodiversity protection, and *inclusive economic development*, with special attention to decent work and livelihoods for women, youth and PWDs. We aim to transform means of trade in selected supply chains by supporting sustainable production and the realization of human rights through multi-stakeholder collaboration. Moreover, the individual projects under the programme will be checked for coherence with the relevant **country programmes**<sup>15</sup> of the Finnish government. Currently, our planned interventions in Kenya and Ethiopia complement the new country programmes in these Finland's focus countries.

In **Kenya**, our work will align with *Impact 1: Women participate meaningfully in decision-making and all women and girls are free from violence*, especially regarding *outcome 1.1: Enhanced opportunities for women to participate in leadership and decision-making*. Our planned projects target the female workers in the Kenyan flower industry and focus on decent work and livelihoods diversification with specific attention given to support for women's leadership capacities and self-organising.

In **Ethiopia**, our planned interventions in the coffee and flower sector in Southern Nations, Nationalities, and People's Region and Sidama State complement the country programme's *Impact 1: Sustainable economic growth and improved livelihoods for people in rural areas*, specifically the *outcome 1.1: Agriculture improves sustainable livelihoods in the rural areas of the Amhara Regional State*. Our planned projects target the productivity and value addition activities in the coffee sector with a focus on ecological and climate-resilient agricultural practices and climate change mitigation through carbon credits. In the flower sector, we target women workers to support their leadership and organising capacities to enable better industrial relations and decent work. Furthermore, in Ethiopia, we have a strong disability inclusion focus within the decent work theme.

Additionally, our development programme is aligned with the **EU Commission Directorate-General for International Partnerships' main policies, strategies and action plans**. The programme contributes especially to the strategies on low carbon development, ecosystem protection, and sustainable food systems of the EU's Green Deal. The other major contribution is to the *Alliance for sustainable growth and jobs*, where our emphasis is on decent work and livelihoods (with special attention to work quality and inclusion of women, youth, PWDs and at-risk migrants) and on sustainable production, as well as consumption (where we stress the importance of HREDD along the supply chains).



## **3 Programme Implementation**



## 3.1 Programme country snapshots

This programme entails 14 projects in 9 countries and one regional project. The increase in the number of projects has been taken into account in the planning and implementation schedule of the programme with the **phasing of project cycles**. For programme management, we will group the countries into four geographical regions: East Africa, West Africa, Southern Africa, and Latin America and the Caribbean.

Three of the programme countries are classified as LDCs, five countries as *Lower Middle-Income Countries (LMIC)*, and one as *Upper Middle-Income Countries (UMIC)*<sup>16</sup>. Moreover, five of the programme countries are classified as fragile states by OECD.<sup>17</sup> **Africa covers 96 per cent of total project expenses and 98 per cent of direct rightsholders.** Apart from the geographical and human development perspective, we have assessed the project needs from the angle of human and environmental rights risks.



The most important defining factor in our choice of projects is the vulnerability of the rightsholders in the particular value chain. Our programme aims to complement the role of sustainability certification systems, especially in areas where a market-based voluntary system is not enough to address the vulnerabilities and social exclusion. Hence, the choice of UMICs is evaluated from this position. For instance, the hired labourers in the wine supply chain in South Africa, many of whom originate from Zimbabwe, are known to suffer from abject human rights violations. The supply chain impacts in such cases can therefore spread to other LDCs and fragile contexts.

As part of the country selection process, Fairtrade's HREDD Centre of Excellence, based in Fairtrade Finland, conducted a scoping analysis of human and environmental rights risks. This mapping used several criteria and indicators to rate the salient human rights risks. Based on the following indicators, an average index score was calculated for each risk group on a scale of 1 to 4 (Green / Low Risk, Yellow / Medium Risk, Light Red / High Risk, Dark red / Very High Risk), and a total risk score was produced (scale 100–400):

- **Poverty:** Inequality Adjusted HDI (IHDI)<sup>18</sup>; Multi-dimensional Poverty Index (MPI)<sup>19</sup>; Number of poor at \$3.20 / day<sup>20</sup>.
- **Workers' Rights:** Working Poverty at \$1.90 / day<sup>21</sup>; Global Rights Index<sup>22</sup>.
- **Child Rights & Forced Labour:** Forced Labour<sup>23</sup>; Prevalence of Modern Slavery<sup>24</sup>; Working Children<sup>25</sup>; Children in Child Labor<sup>26</sup>; Rural 1ry School Completion<sup>27</sup>; Rural Lower 2ry School Completion<sup>28</sup>.
- **Gender Equality:** Working poor among employed females<sup>29</sup>; Gender Inequality Index<sup>30</sup>.
- **Civil Liberties, State Fragility:** Civil Liberties Rating<sup>31</sup>; Fragile States Index<sup>32</sup>.
- **Climate & Forest:** Global Climate Risk Index<sup>33</sup>; Forest Area Change (by Hectares and by percentage)<sup>34</sup>.
- **Land and Water:** Degraded Land (% of total area)<sup>35</sup>; Baseline Water Stress<sup>36</sup>; People Living in Water Scarce Areas<sup>37</sup>.

Our unique operating model supports the effective and reliable implementation of agriculture related projects in various countries. We have strong, direct and reliable relationships with local actors in each programme country and our partner organisations have close links to relevant actors from farmers to political authorities. Despite the number of countries, the programme is not fragmented because the focus is on the supply chains of a few commodities – coffee, cocoa and flowers – where Fairtrade works on large parts of the global sector. This programme pilots many good practices that can later be replicated in Fairtrade's 75 producer countries.

COUNTRY	Poverty	Workers' Rights	Child Rights & Forced Labour	Gender Equality	Civil Liberties	Climate & Forest	Land and Water	TOTAL <sup>38</sup>	ODA/ DAC	Fragile state
Bolivia	2,00	2,50	2,67	2,00	2,50	2,67	2,00	233,3	LMIC	
Cote d'Ivoire	3,33	3,50	3,67	3,50	3,00	2,67	1,33	296,0	LMIC	Fragile
Ethiopia	4,00	3,00	3,50	3,00	3,00	2,33	2,33	302,7	LDC	Fragile
Finland	1,00	1,00	1,00	1,00	1,00	1,00	1,33	105,3	not	
Ghana	2,67	1,50	2,83	2,50	2,50	1,33	1,67	214,0	LMIC	
Honduras	2,67	3,50	2,25	2,00	2,50	2,67	1,50	241,3	LMIC	Fragile
Kenya	3,00	3,00	3,00	3,00	3,50	2,67	2,33	290,0	LMIC	Fragile
Madagascar	3,00	1,50	3,50	4,00	2,50	2,67	2,00	274,7	LDC	Fragile
Malawi	3,33	2,50	3,50	3,50	3,50	2,67	1,67	292,7	LDC	
South Africa	2,00	2,00	1,40	2,00	3,00	2,67	3,00	229,1	UMIC	

#### Scale of 1 to 4

- 1–1.99 Green / Low Risk,
- 2–2.99 Yellow / Medium Risk,
- 3–3.49 Light red / High Risk,
- 3.5–4 Dark red / Very High Risk



## Africa, regional



- **HREDD dialogue project with a phased approach:** implemented in the Kenyan flower sector, Western African cocoa sector and in the South African wine sector.

## West Africa

### Côte d'Ivoire:



- **LEAP - Livelihood and ecosystem accelerator project:** Strengthening SPOs, facilitating access to finance and unblocking barriers to income diversification for cocoa farmers. Greater community resilience and risk reduction. Especially focusing on women and migrants from Burkina Faso.
- **Income diversification:** Improving the livelihoods through income diversification that generates new sources of household income to minimize exposure to the cocoa price fluctuations and climate shocks.

### Ghana:



- **Child rights and protection:** Developing functional community-based monitoring systems to prevent, detect and remedy child labour cases and to fortify child rights awareness. Close cooperation with schools to build a safe school environment for children.
- **Climate-smart cocoa:** Enriching the soil, diversifying crops, increasing food security, and halting and reversing deforestation with agroforestry. Additionally, addressing climate change by increasing carbon sequestration at the farms with the production of carbon credits.
- **Child labour monitoring and remediation system:** The project complements the climate-smart cocoa project by developing and establishing community-based child labour monitoring and remediation systems and advocating for child rights and protection services.

## Southern Africa

### Madagascar:



- **Linked prosperity for vanilla farmers:** Improving livelihoods by enhancing productivity, value addition and cooperative business capacity for Malagasy vanilla farmers with additional support for forest conservation in the communities.

### Malawi:



- **Sweeter life for sugar producers:** Improving livelihoods by experimenting with upcycling opportunities from sugar production side streams for bioplastics and biogas. Opportunities for carbon credits production will be explored.

### South Africa:



- **Improved workers' rights:** Aiming for decent work in the South African wine sector where industrial relations are badly strained. Roadmap for a living wage. The project supports OHS and work opportunities for PWDs.

## East and Central Africa

### Ethiopia:



- **Improved workers' rights:** Focusing on gender equality in the flower sector, trade union strengthening, advocacy and PWDs. The project challenges the prevalent trade union structure which is company-based, and not sector wide with real bargaining power.
- **Sustainable coffee chain:** Improving the sustainability of the coffee chain by establishing a Climate Academy to inform farmers of nature-based solutions for climate resilience and by promoting carbon credits as an additional livelihood opportunity.

### Kenya:



- **Green livelihood:** Broadening flower workers' livelihood opportunities and improving their access to clean energy by introducing efficient cookstoves. The energy efficient stoves will, for example, reduce health risks.
- **Sustainable coffee chain:** Improving the sustainability of the coffee chain by establishing a Climate Academy to inform farmers of nature-based solutions for climate resilience and by promoting carbon credits as an additional livelihood opportunity.



## Latin America and the Caribbean

### Bolivia

- **Inclusive coffee entrepreneurship for climate change adaptation:** Strengthening climate change adaptation strategies and aiming for more inclusive SPOs by promoting stronger youth and women's participation in the SPOs and their management.

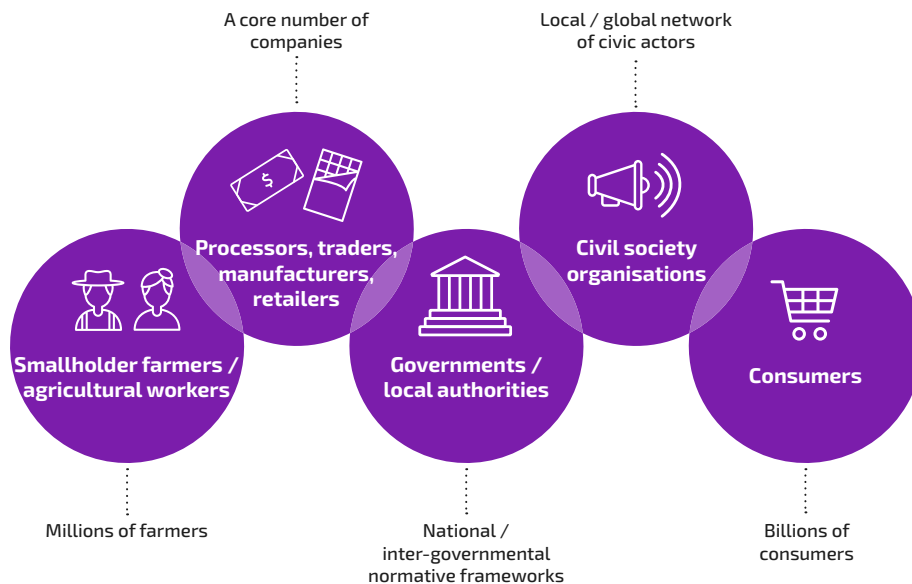
### Honduras

- **Stronger coffee SPOs:** Increasing SPOs' economic, environmental and social sustainability. The focus is on building income diversification strategies and climate change resilience, targeting women and youth. There are special components for Living Income baseline and identifying child labour risks.



## 3.2 Stakeholders: Rightsholders & duty-bearers

Agenda 2030 is characterised by the commitment to **leave no one behind**. In this spirit, Fairtrade Finland aims to ensure that the most vulnerable people among the smallholder farmers and farm workers benefit from our programme. Farmers and workers are the main rightsholders and direct beneficiaries of this programme, with their families and communities as indirect beneficiaries.

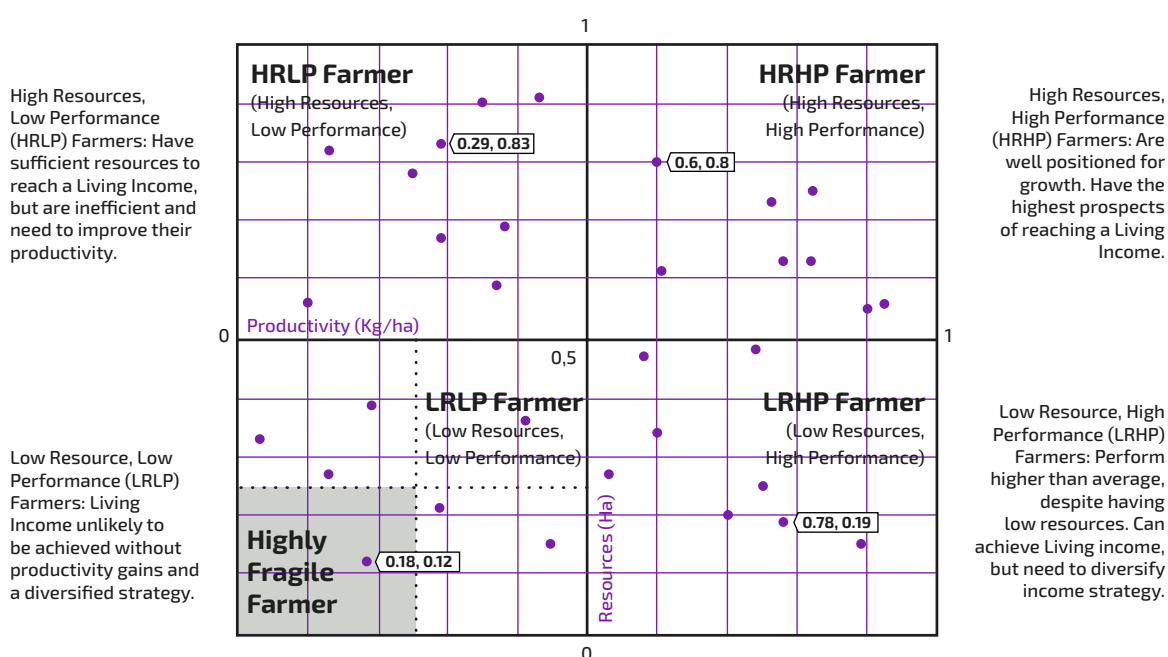


### Rightsholders

**The smallholder farmers** targeted by the programme mostly live in remote rural areas and usually have less than five hectares of arable land which they manage with their families. Importantly, the farmers form a heterogenous group with varying needs and interests. For this reason, projects undertake a farmer segmentation exercise to identify the participants, in line with our cross-cutting and rights-based priorities.

For example, there are multiple factors that affect a farmer's opportunity to reach a living income through their work. The typology map below illustrates this with four types of farmers segmented by opportunity differentials. The farmer on the top left corner of the map is segmented as High Resource, Low Performance (HRLP) farmer, meaning that they have sufficient resources, but low productivity keeps them from reaching a living income. Thus, productivity improvement might be a suitable strategic intervention for them. A farmer at the bottom right corner might have the same income with a higher productivity but insufficient resources, so income diversification, greater access to credit or greater support from the cooperative would be needed. The segment we mostly focus on is in the bottom left – the most vulnerable farmers – where the challenge includes both productivity and resources.

## Farmer segmentation strategy: typology



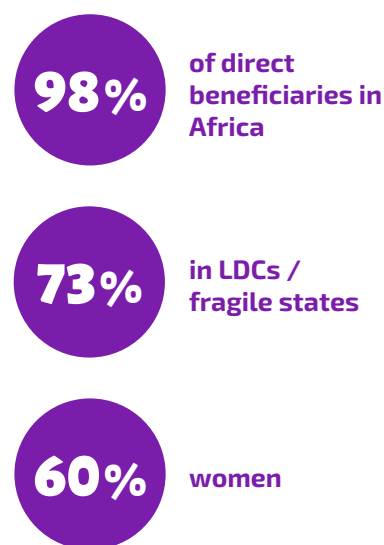
Critical Thresholds:  $LR < 3Ha < HR$ ;  $LP < 500kg/Ha < HP$   
 Source: Farmer segmentation typology, 2021, Fairtrade Foundation, UK

Workers benefitting directly from the programme can be classified as either hired labour at plantations or **seasonal workers**, hired by SPOs or farmers for the harvest season on small-scale farms. Seasonal workers typically work for a couple of months and under verbal, often daily contracts. In many regions, they may travel from one place to another following the seasonal harvest calendar for different crops.

Within these three main beneficiary groups – smallholder farmers, seasonal workers and hired labour – the programme focuses especially on the most vulnerable: **children, youth, women, persons living with a disability, and at-risk migrants**. For more information, see cross-cutting focus areas (Section 2.4).

Our inclusive rural development programme promotes people-centred development in which the target populations become the agents of their own development, participating in the decision-making and implementation of the project activities. For example, the rightsholders have been involved in prioritisation of the programme's themes while the project concepts have been developed by the POs and PNs, and they derive from the farmers' and workers' needs and build on earlier experiences. The farmers and workers themselves define the challenges and priority needs, gender issues, stakeholders and project objectives. The project rightsholders provide continuous feedback and play an important role in the regular monitoring and the annual review workshops.

Below is an estimate of the direct beneficiaries to be reached by project.



## Projects

## direct rightsholders

### A1: East and Central Africa

	male	female	total	indirect	special focus groups:
Ethiopia: flowers, workers, trade unions	3 800	25 700	29 500	133 000	women, PWDs
Ethiopia: coffee, carbon credits & climate academy	2 800	9 200	12 000	150 000	
Kenya: flowers, clean energy	3 000	7 500	10 500	42 000	women
Kenya, coffee: carbon credits and climate academy	6 700	3 300	10 000	40 000	
subtotal, East Africa	16 300	45 700	62 000	365 000	

### A2: West Africa

	male	female	total	indirect	special focus groups:
Ghana: cocoa, eradication of child labour	8 200	8 500	16 700	10 000	children
Ghana: cocoa, child labour & vulnerable adults	3 000	2 000	5 000	15 500	children, vulnerable adults
Ghana: cocoa, carbon credits & agroforestry	4 500	3 100	7 600	45 600	
CDI: cocoa, LEAP	9 400	11 000	20 400	67 000	Burkinabe (1/3)
CDI: cocoa, income diversification	4 800	1 700	6 500	30 000	Burkinabe
subtotal, West Africa	29 900	26 300	56 200	209 870	

### A3: Southern Africa

	male	female	total	indirect	special focus groups:
Malawi: sugar, side streams	1 700	1 100	2 800	12 000	
Madagascar: vanilla, livelihood diversification	180	160	340	1 100	
South Africa: wine, workers, gender, living wage	1 900	2 600	4 500	14 500	Zimbabweans
subtotal, Southern Africa	3 780	3 860	7 640	27 600	
Africa, regional HREDD dialogue (included in other projects)	-	-	-	-	

SUBTOTAL, AFRICA 49 980 75 860 125 840 602 470

### A4: Latin America and the Caribbean

	male	female	total	indirect	special focus groups:
Bolivia: coffee, adaptation, gender	330	60	390	1560	women, youth
Honduras: coffee, adaptation, child rights	1900	650	2550	9500	lenca mayas, children
subtotal, LAC	2 230	710	2 940	11 060	

PROJECT ACTIVITIES, total 52 210 76 570 128 780 613 530



## Duty-bearers

**Governments and local authorities**, both in the producer countries and in the retailer / consumer countries, as well as inter-governmental bodies such as the EU or the African Union, are the duty-bearers targeted by the programme. The role of governments is essential in creating the normative framework for sustainable production and trade, as well as guaranteeing the application of laws and regulations in practice. Through the Fairtrade network, we advocate for the core issues affecting rightsholders in producer countries, mainly: living income / wage, decent work, elimination of child labour, and gender equality, deforestation, climate resilience and natural resource management related legislation and policies. These issues are closely linked to calls for a more binding regulation on corporate human rights and environmental due diligence, but also to issues such as the minimum wage, social protection policies, land rights and education.

Apart from creating an enabling environment for sustainable livelihoods development in the producer countries, governments have a crucial role to play in consumer countries. Most of the corporates who handle the manufacturing, trading and retailing of raw materials and processed goods have their headquarters and markets in the Global North. To ensure that the sourcing of these materials is done in an ethical way is therefore relevant for the governments in Europe.

States are the ultimate duty-bearers for safeguarding the realisation of human rights. However, in many global supply chains, the processors, transporters, manufacturers, retailers and traders are in significant positions of power. With the increasing power of global corporations, the calls for **companies** to respect human rights in their supply chains are getting stronger, and many governments are currently drafting binding regulation that clarifies the corporate responsibility to respect human rights and environmental sustainability in their operations and supply chains. We engage with the governments to support these legislative processes and support the companies to fulfil their duty towards the rightsholders in a meaningful way.

## Other stakeholders

**Consumers** are a special stakeholder group for Fairtrade. They are not the rightsholders of the programme, but they have a significant role in influencing the realisation of the rights of the different groups targeted by the programme. Consumers are the end-users of the products, and their consumption habits and demand steer the course of supply by the manufacturers, traders and retailers. Therefore, consumers hold significant power in influencing companies and they can make a positive impact by accelerating the demand towards ethical sourcing. Through our programme, we engage with consumers via development communication and public advocacy campaigns predominantly in Finland – mobilising the Finnish consumers' role as active global citizens and changemakers for more sustainable and ethical trade.

## 3.3 Partners

Fairtrade brings stakeholders together to protect human rights in global supply chains through long-term, equitable partnerships.

Fairtrade Finland's **main partner organisations** in implementing the programme are the **Fairtrade PNs in Africa (FTA)** and **Latin America and the Caribbean (CLAC)** and their regional and national network organisations. They represent their regional rightsholders: the farmer and worker associations. These entities provide the spaces where people can jointly promote their interests. They are the natural partners for us as we have worked closely together throughout the previous programmes. PNs play an important role in enabling the sharing of learning, especially through peer-to-peer techniques, and in giving farmers and workers a voice for change in their own supply chains and with their governments. PNs and their country platforms have demonstrably the capacity to run effective projects. Moreover, they are democratic organisations representing the needs and priorities of workers and farmers in their regions.

As our partners are local organisations that have existed before our projects and will continue to work towards their own strategic goals after our project period, we do not create aid dependency in the partner through this programme. Rather, we help them to increase the impact of their work as local civil society actors by becoming stronger organisations. Our partners are at the same time grassroots civic movements and influential organisations bridging policy and action in their localities.

Since we work directly with our partners, we have direct contact with the local civil society. For example, the national producer network of Honduras, **Coordinadora Hondureña de Pequeños Productores (CHPP)** continues to be our partner organisation in Honduras, and Coordinadora Nacional de Comercio Justo de Bolivia (CNCJB) in Bolivia, in cooperation with CLAC.

**Fairtrade International (FI)**, is a non-profit, multi-stakeholder association of 22 member organisations – three PNs and 19 NFOs. FI has a total of 75 employees (69 per cent women). Special advisors in the thematic areas (child labour, forced labour, workers' rights, living income, human rights and climate change) and product areas (coffee, cocoa, sugar, flowers) will provide technical support for the projects' planning and ensure that the interventions are coordinated with other Fairtrade projects and product strategies. The programme's MEL is supported by FI's Global Impact team, and the MEL system is integrated into FI's system-wide impact monitoring.

We cooperate closely with other **NFOs** in the planning, management and monitoring of particular joint projects. The closest cooperation is planned with the **Fairtrade Foundation (UK)**, **Fairtrade Germany**, **Fairtrade Netherlands** and **Max Havelaar-Stiftung (Switzerland)**. We have shared the responsibility of the particular projects' administration so that the NFO with the best knowledge of and background in a specific region or theme takes an advisory role. For example, the UK Foundation has this role in the Côte d'Ivoire cocoa sector as the two livelihood projects are based on the pilot projects they implemented. Swiss Max Havelaar supports the agroforestry project in Ghana because it is based on their previous pilot project. This shared responsibility enables us to efficiently handle the increasing number of projects.

Furthermore, we **collaborate closely with other CSOs** both in project implementation and in advocacy. These actors include local community-based organisations, farmers' associations, NGOs, trade unions, religious leaders, and research institutions, to ensure that thematic expertise and local know-how reach project implementation. We seek synergies and coordination on who takes the lead on which sustainability issue to avoid the duplication of efforts and multiple targeting of specific decision-makers. We strive to speak with a single voice, particularly vis-à-vis producer governments.

We have partnered with the **International Cocoa Initiative (ICI)** to address child labour in the cocoa sector and with **Fair Climate Fund** and **Gold Standard** for the production of carbon credits. Other partners are, for example, the **Ethiopian Center for Disability Development**, **Global Coffee Platform**, and **World Cocoa Forum**. Important partners include several national exporters' or producers' associations and platforms, for example, **Ethiopian Horticulture Producers' Exporters Association (EHPEA)**, **Vinpro**, **Wines of South Africa (WoSA)** and **Ghana Cocoa Board**. We are establishing a new partnership with **World**

### Fairtrade Africa

- secretariat in Nairobi
- 627 member organisations
- 1,180,000 farmers & workers
- operates in 32 countries
- 105 employees
- 4 regional organisations, 3 are the programme's partners:
  - ECAN**, Kenya
  - WAN**, Ghana
  - SAN**, Malawi

### CLAC

- secretariat in El Salvador
- 1020 member organisations
- 370,000 farmers and workers
- operates in 24 countries
- 97 employees

**Wildlife Fund (WWF)** in our sustainable livelihoods' projects in Ghana and Madagascar. We will continue cooperation with **Trade Union Solidarity Centre (SASK)** in the decent work projects in the South-African wine industry and with **Food and Forest Development Finland (FFD)** in sustainable agricultural practices in Honduras.

In Finland, we engage in CSO coalitions for common advocacy goals and have partnered with the Finnish chapters of the Consumers' Union, Fashion Revolution, FFD, Pro Ethical Trade, SASK, Save the Children, UNICEF, World Vision, as well as Fingo. With the City of Tampere, we have planned joint advocacy on sustainable development with the doughnut model.

**Private sector actors** are important partners for Fairtrade as we work directly with manufacturers and retailers in the certification realm. In development cooperation, we have established development partnerships with a number of international industry actors to work together for inclusive and resilient producer communities. The main private sector partners are ALDI (Germany, Switzerland and UK), Alko, Ben & Jerry's, COOP / Chocolats Halba, Lidl, Mars, Nespresso and Tony's Chocolonely.

We also partner with FIBS, the largest corporate responsibility network in Finland and the Nordics, providing capacity building seminars on companies' HREDD responsibilities, living wages and living incomes, stakeholder dialogue and other sustainability issues. We reach more than 400 companies and organisations through the FIBS network, and our seminars have attracted broad audiences.

Partnering with companies has multiple positive impacts. Firstly, by taking advantage of both parties' expertise, there is great potential for mutual learning and reducing human and environmental rights risks. Secondly, we have the possibility to join forces for a ground-breaking societal impact, for example, by promoting more binding legislation on HREDD. Thirdly, Finnish companies are the primary audience of our programme's advocacy work, which focuses on promoting rights-holder-inclusive HREDD and ambitious action towards living wages, living incomes and climate change mitigation and adaptation. And lastly, partnering with the private sector ensures the longer-term sustainability of our interventions through systemic changes brought about in the way they do trade, benefitting smallholder farmers in the longer term.

As Fairtrade, we are in a unique position in the Finnish CSO sector. Our commercial arm works through contractual relationships with a vast number of Finnish companies selling Fairtrade products. We will continue to strengthen the synergies in our commercial and advocacy activities during this programme to fully capitalise on our close relationships with the largest retailers and large food manufacturers operating in Finland.



**The UNGPs envision a continuous process to understand and address human rights impacts. Fairtrade does not expect its partner companies to be perfect but the strive for continuous improvement is crucial. Ideally, Fairtrade partnerships foster greater understanding and commitment for responsible business conduct on every product – including those without a certification label.**

Tytti Nahi, Fairtrade's Lead on Business and Human Rights

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## 3.4 Implementation schedule

The programme is split into two phases and this document concentrates on the first phase taking place in 2022–25. As we are starting several new pioneering projects, the planning and implementation schedule of the programme's first phase is staggered starting with some projects later and based on the lessons learnt from the first wave. Some projects will be phased out earlier in the programme cycle.

2022	2023	2024	2025
<p><b>Q1</b> hiring programme level key personnel; implementation of pre-planned projects</p> <p><b>Q2</b> programme kick-off meetings in the field; hiring project managers</p> <p><b>Q2–Q3</b> participatory planning of new projects, incl. HER mapping</p> <p><b>Q3»</b> implementation of new projects;</p> <p><b>Q4</b> programme review workshop; programme annual plan &amp; updated budget</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>	<p><b>Q1</b> annual project review workshops; update annual activity plans</p> <p><b>Q2</b> planning of 2nd wave of projects</p> <p><b>Q3</b> programme review workshop; programme annual plan &amp; updated budget</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>	<p><b>Q1</b> annual project review workshops; update annual activity plans.</p> <p><b>Q3–Q4</b> programme review workshop; programme annual plan &amp; updated budget; start the planning process of the next programme phase</p> <p><b>Q4</b> programme mid-term review workshop</p> <p><b>Q4</b> new programme phase planning workshop in the field</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>	<p><b>Q1</b> annual project review workshops; update annual activity plans</p> <p><b>Q1–Q2</b> programme update for 2nd phase</p> <p><b>Q3–Q4</b> project evaluations; programme mid-term evaluation</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>
2026	2027	2028	2029
<p>Implementation of pre-planned projects</p> <p><b>Q1</b> 2nd phase kick-off meetings in the field</p> <p><b>Q2–Q3</b> participatory planning of new projects, incl. HER mapping</p> <p><b>Q3»</b> implementation of new projects</p> <p><b>Q4</b> programme review workshop; programme annual plan &amp; updated budget</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>	<p><b>Q1</b> annual project review workshops; update activity plans</p> <p><b>Q3</b> programme review workshop; programme annual plan &amp; updated budget</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>	<p><b>Q1</b> annual project review workshops; update activity plans. Mid-term review</p> <p><b>Q3</b> programme review workshop; programme annual plan &amp; updated budget; start the planning process of the next programme</p> <p><b>Q3–Q4</b> programme planning workshop in the field</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>	<p><b>Q1</b> annual project review workshops; update activity plans</p> <p><b>Q1–Q2</b> programme planning</p> <p><b>Q3</b> programme review workshop</p> <p><b>Q4</b> project evaluations; programme evaluation</p> <p><b>Q1–Q4</b> advocacy &amp; communications</p>

## 3.5 Monitoring, evaluation and learning (MEL)

For the new programme cycle, we will review our MEL system to better fit the purposes of the programme. During the past programme, the MEL system was intended to integrate Fairtrade International's impact data system to harmonise the indicators and data collection at the project level. However, the centralized CODImpact system was not fully compatible with our programme's data needs.

In 2021, Fairtrade International strengthened its information management systems to enable more impact-driven data collection by **launching ImpactCloud, a cloud-based project / programme data platform**. Fairtrade Finland is actively participating in the development, providing technical support to planning and piloting the data platform.

The Fairtrade Finland programme MEL system is based on the programme's ToC and **results framework**. Programme level indicators measure the intermediate and long-term outcomes which are divided into phase I (2022–25) and phase II (2026–29). The programme monitoring baseline will be established during the first year of the programme, based on the data collected from project baselines and system-wide monitoring data. The programme will implement a mid-term **evaluation** between the two phases to assess progress. The learnings will be used to review the programme ToC and due adjustments will be made to phase II.

In terms of the project portfolio, the number of projects has increased compared to the past programme cycle. This will be managed with a step-by-step approach where the lessons of previous projects will guide the inception phase of the new projects. The management of various reports and data will be ensured through data management plan that includes a procedure to evaluate, approve and store data. The overall purpose of data management is to keep track of projects' progress and financial situations more precisely.

The projects are evaluated by independent evaluators. The OECD / DAC evaluation criteria of **relevance, effectiveness, efficiency, impact and sustainability** will be used. Individual projects at the PO level will measure outputs and immediate outcomes that feed into the programme's intermediate outcomes. Our programme utilises the most relevant indicators from Fairtrade's global ToC. The project indicators will incorporate our cross-cutting priorities, be sex disaggregated and ensure the assessment of impact on marginalised groups.

Individual project progress is monitored through quarterly narrative and financial reporting and annual reporting. The results framework will be complemented with case studies and other assessments to deepen the results analysis with qualitative data. In terms of monitoring advocacy effectiveness, these indicators are integrated within the programme activities, thus local advocacy efforts are monitored at project level while advocacy in Finland and internationally will be monitored at the programme level.

PNs will disseminate case studies and lessons learned through existing regional platforms and alliances to enable opportunities for mutual **learning** and **scale up** in other countries. In order to maximise the value of the monitoring and evaluation data and findings, evidence of project impacts can be used for advocacy purposes. We will also facilitate online webinars for colleagues across the Fairtrade network, contributing to effective organisational learning and generating debate on best practices and impact strategies.

Each of the four programme regions has a MEL Specialist to support the Programme and Project Managers in their project management and reporting. We will also support training for project staff on MEL and RBM practices. Fairtrade International has a MEL Adviser who supports the system-wide community of practice and gives technical training and guidance on MEL issues. The federation also has a MEL task force to further support the organisational capacities and mutual learning on MEL.





## **4 Quality & Effectiveness**

## 4.1 Programme management & administration

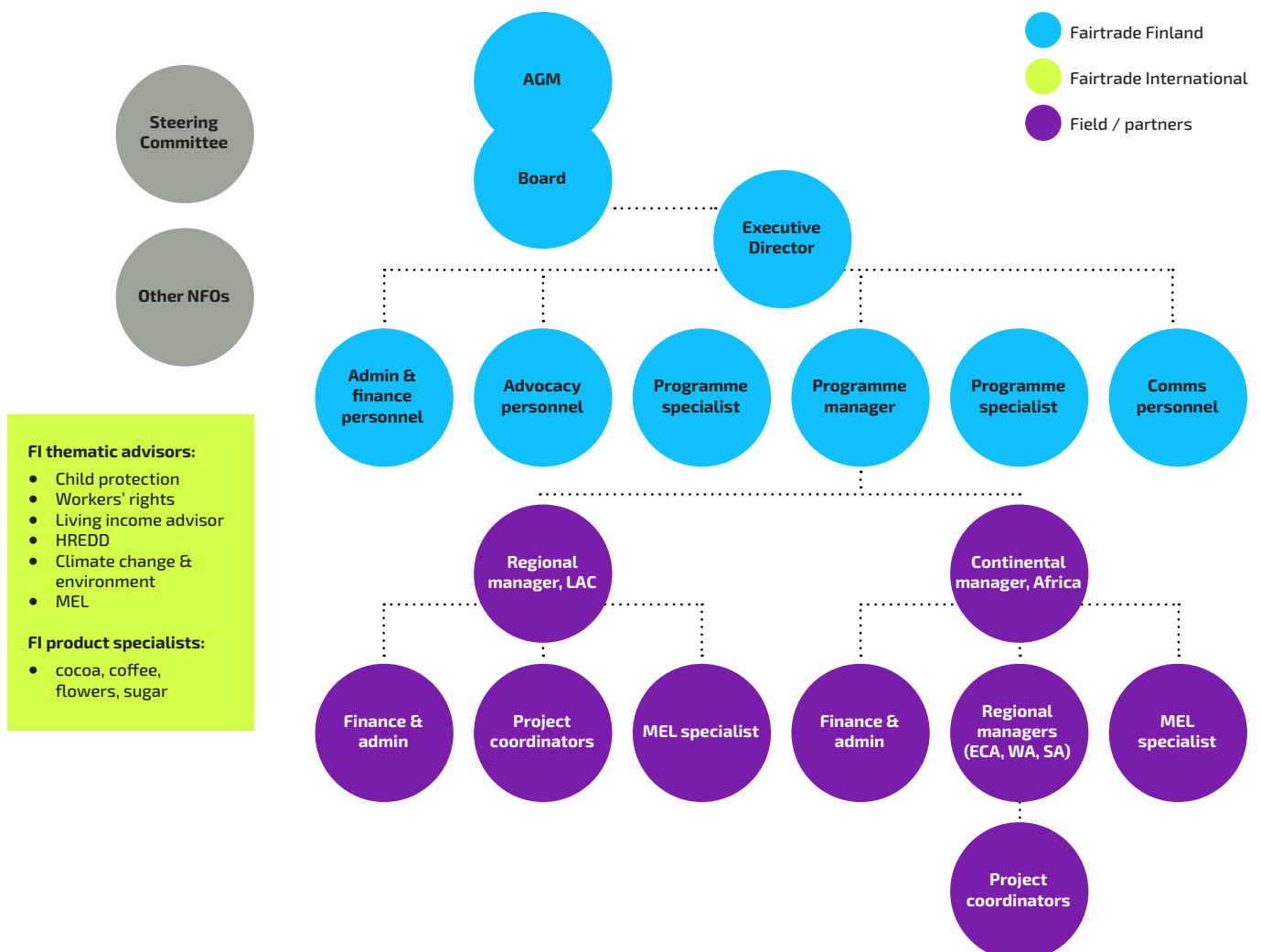
For this programme, Fairtrade Finland's **Programme Team** will be strengthened to enable the effective implementation of the proposed, more extensive and ambitious programme. The programme team consists of the *Programme Manager (PM)*, two *Programme Specialists* and one *Programme Coordinator*. The Programme Team shares oversight of the planning and monitoring of the project portfolios under the programme and the overall project coordination and communication with Fairtrade International's thematic experts, partnering NFO's teams and implementing partners in the programme countries. The Programme Team is supported by the administrative personnel, and working closely together with the **Communications** and **Advocacy teams** in planning and coordinating the programme activities in Finland.

FTA appoints a **Continental Manager (CM)** for their region. The CM is responsible for the general oversight for monitoring and supporting the projects being implemented in Africa. Each regional partner (CLAC, ECAN, SAN, WAN) will hire a **Regional Manager (RM)** to support the project implementation in the region. **Project Managers / Coordinators** are appointed for each project. They are in charge of the day-to-day planning, implementation and monitoring of the project activities and the budget. They send the projects' quarterly and annual plans, budgets and reports first to the RM to review and approve. The CM (RM in the case of CLAC) reports to the Programme Team in Finland.

Fairtrade Finland, Fairtrade International and implementing partner organisations will form a joint programme decision-making body comprising of representatives from each organisation. This **Steering Committee's (SC)** responsibilities are the overall steering of the programme implementation, including systematic monitoring of the risks and mitigation measures.

To backstop activities in the field and contribute to capacity strengthening at local and regional levels, thematic experts of **Fairtrade International** (covering child protection, workers' rights, climate change, HREDD, product specialists and MEL experts) will provide technical support to this programme. The implementing partner organisation has the overall responsibility to implement the project activities, monitor the project and budget and execute the funds according to plans.

Some **NFOs** will support the implementation of specific projects in which they have special expertise through previous projects or special expertise in that particular field. For example, UK's Foundation's cocoa team supports the cocoa projects in CDI, and Max Havelaar supports the agroforestry project in Ghana as those projects are based on their experience. By leveraging the Fairtrade network's expertise, we are able to implement the program efficiently.



## 4.2 Quality assurance

To ensure the effectiveness and efficiency of the programme, we present the programme management and MEL structures, practices and tools above. Apart from the human rights-based approach to the objective setting, we must ensure our accountability towards our rightsholders and key partners on the sustainability of the results. Fairtrade's expertise in linking the whole value chain enables us to ensure the sustainability of the programme's results and impact. The other main enablers for the programme sustainability are:

- Fairtrade standards.
- Reliable partner organisations.
- Robust planning, monitoring, evaluation and learning.
- Minimal aid dependency.
- Sustainable exit strategies.
- Risk management.
- Local ownership.
- Anti-corruption and safeguarding.

These principles and other measures to secure the quality of the programme are described in the following documents: Process Guidelines; Project Management Toolkit; The Code – Fairtrade Organization Code (*Anti-Fraud and Anti-Corruption Policy, Protection from Sexual Exploitation and Abuse Policy, Whistle-blower Protection Policy, Anti-Bullying and Anti-Harassment Policy, Child and vulnerable adult protection policy, Complaint and Allegation Policy*); Risk and Opportunities Policy; Fairtrade Standard for Small-scale Producer Organizations; Fairtrade Standard for Hired Labour; by-laws of the Fairtrade Finland association and management; and Financial Regulations of Fairtrade Finland.

The programme strengthens the capacity of the partner organisations' staff and members through the PNs so they can progressively take on more responsibilities and are able to replicate the approach to more producers in other countries in their region. We will continue the previous programme's tradition of organising an annual training week for the programme's field personnel. In previous years, the training topics have varied from disability inclusion to MEL and project cycle management. Future topics will be agreed based on a needs analysis. We will continue to arrange project cycle management training for all the programme field personnel. Previously, this has been in the form of Project Management for Development Professionals (PMD Pro) certification. The capacity strengthening supports the consolidation of the partners' activities and sets them on a sustainable footing.

The EU has selected Fairtrade as a key strategic partner for the EU's commitments to SDG17: Partnerships to support the other 16 goals. There is currently an EU-funded project being implemented, which strengthens the project management capacity of the PNs. The multi-year project supports the PNs to strengthen their operations and institutional capacity in the areas of internal governance, capacity building and expanding the inclusive representation of women, youth and workers in the PNs' governance bodies, operations (including finance and information and communication technology systems, planning, programme management, and leadership), advocacy efforts to bring the voice of the producers and workers to the global decision-making fora, and MEL. This EU-project complements our programme.





## **5 Budget and Finance (Phase I: 2022–25)**



## 5.1 Budget

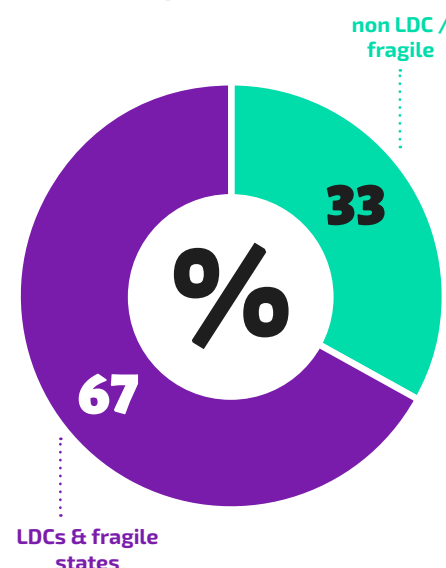
Fairtrade is a global system that connects farmers, workers, consumers and businesses to foster responsible business conduct and advocate for policy reforms. Fairtrade's global network of project staff and technical advisers enables us to implement the programme efficiently while securing the ownership of the farmers and workers. The programme benefits from Fairtrade's global MEL system and its reliable monitoring data, Fairtrade International's thematic advisers and product specialists, and the communications database with professional photos from the field. These services do not cost anything additional to the programme but are part of the network's normal processes. Additionally, active civil society and voluntary activists support the realisation of the programme's objectives while the participating companies can offer their advice for free and cover their own expenses. We can therefore focus the resources on the most important task: the actual project implementation in the field.

According to the budget allocation, 85 per cent will be used in the projects in the field, leaving 15 per cent for Fairtrade Finland expenses. The programme has a **strong focus on Africa** and **LDCs and fragile states**.

The personnel costs of Fairtrade Finland are budgeted to be around 11 per cent of total programme expenses. Fairtrade Finland's total planning, monitoring and evaluation (PME) expenses are budgeted to be 5.8 per cent of the total costs. In addition to the programme team, 4.3 per cent is budgeted for advocacy and communications in Finland. Administrative expenses will be kept low and a flat rate will be used, well below the maximum 7 per cent flat rate (budgeted to be 5.2 per cent).



Countries by project budget 2022–2025



## 5.2 Fundraising

Fairtrade Finland's self-financing capacity is robust. MFA funding leverages other stakeholders like committed businesses to contribute to blended finance by matching MFA funding with their donations. The programme draws its additional co-financing of **at least 6.7 million euros** from three main sources:

**1. Companies.** Fairtrade Finland engages with a range of commercial partners, including major retailers and suppliers. The companies that have already committed to substantial funding for the programme's first phase include ALDI (Germany, Switzerland and UK) Alko, Ben & Jerry's, COOP / Chocolats Halba, Lidl, Mars, Nespresso and Tony's Chocolonely. We aim to broker relationships between these companies and farmers' and workers' groups, seeking to leverage over 5 million euros of finance through direct private sector investments in the programme's first phase. A key pull-factor for the commercial partners' financial commitment has been the possibility to match their project funding with development cooperation funds from Finland.

In addition, the sourcing commitments of these company partners on Fairtrade terms will generate a premium payment back to the farmers' and workers' associations and their societies. Although this figure is not counted towards co-financing, it is one of the key financial sustainability added value factors for the projects being implemented.





**2. Fairtrade's licence fee.** The license fee paid by companies marketing Fairtrade certified products is Fairtrade Finland's main source of income. Part of the license fees is used to finance the programme expenses. Despite a challenging year due to the pandemic, Fairtrade Finland collected 1.3 million EUR in license fees in 2020, and its financial statements for 2020 were 12,000 EUR in surplus.

### 3. Fairtrade movement's direct contributions

In a spirit of cooperation and coordination, Fairtrade Finland works closely with the other NFOs that co-finance the programme. Some NFOs have made co-financing commitments already at the planning stage of the programme as well as in kind staff contribution by FI and NFOs and PNs.

#### Main private sector partners:

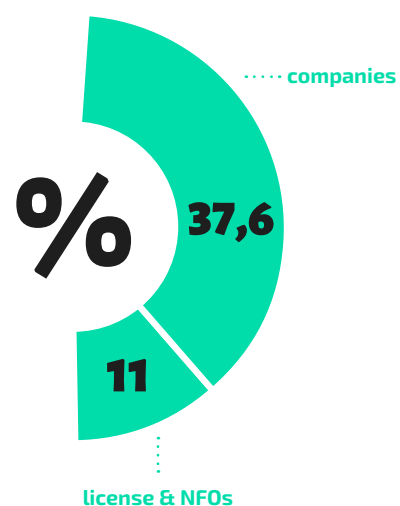
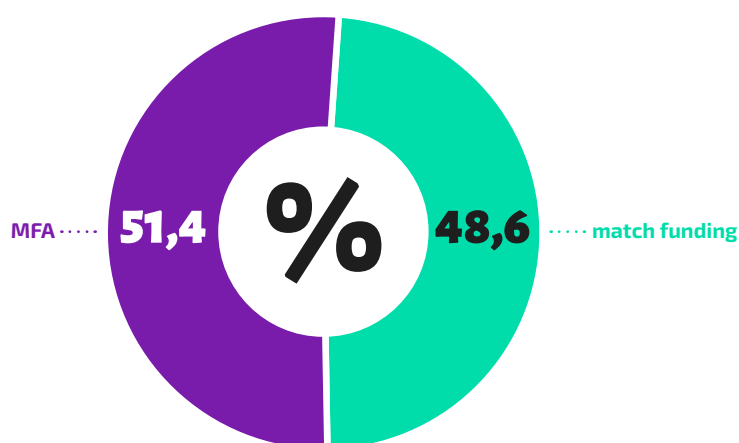
**Aldi**  
**Alko**  
**Ben & Jerry's**  
**Coop / Chocolats Halba**  
**Lidl**  
**Mars**  
**Nespresso**  
**Tony's Chocolonely**

#### Income

euros

	2022	2023	2024	2025	total	%
Grant from MFA	1 900 000	1 750 000	1 750 000	1 700 000	7 100 000	51 %
<b>Self-finance</b>						
companies	1 625 000	1 332 821	1 182 554	1 043 000	5 183 375	
licence fees and donations from NFOs	220 000	475 179	474 843	352 194	1 522 216	
	1 845 000	1 808 000	1 657 397	1 395 194	6 705 591	49 %
<b>TOTAL INCOME</b>	<b>3 745 000</b>	<b>3 558 000</b>	<b>3 407 397</b>	<b>3 095 194</b>	<b>13 805 591</b>	<b>100 %</b>

#### Funding 2022–2025



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