



FAIRTRADE
FINLAND

Programme Results Report 2023

**Development Cooperation Programme 2022–2025:
“Dignified Opportunities NURtured through Trade and
Sustainability” (DONUTS)**

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Acronyms and abbreviations

CBA	Collective bargaining agreement
CHED	Cocoa Health and Extension Division
CIRCLE	Children In Rural Cocoa communities are Learning and Empowered
CLAC	Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo
CLFZ	Child labour free zone
CLMRS	Child labour monitoring and remediation system
CR	Corporate responsibility
CSSD	Cocoa swollen shoot disease
CSDDD	Corporate Sustainability Due Diligence Directive
CRIG	Cocoa research institute of Ghana
CSO	Civil society organization
DAF	Dynamic agroforestry
DONUTS	Dignified Opportunities NURtured through Trade and Sustainability
DRR	Disaster risk reduction
EU	European Union
FAS	Food agroforestry system
FI	Fairtrade International
FIBS	Finnish Business & Society
FLIRP	Fairtrade Living Income Reference Price
FTA	Fairtrade Africa
GAP	Good agricultural practice
GHG	Greenhouse gas
HAF	Hazardous activity framework
HLO	Hired labour organization
HREDD	Human rights and environmental due diligence
ICI	International Cocoa Initiative
KKCLMRS	Kuapa Kokoo child labour monitoring and remediation system
KKFU	Kuapa Kokoo Farmers Union
LEAP	Livelihoods Ecosystem Advancement Project
MEL	Monitoring, evaluation and learning
MFA	Ministry for Foreign Affairs
NAPP	Network and Asian and Pacific Producers
NFO	National Fairtrade organization
NGO	Non-governmental organization
PN	Producer network
PO	Producer organization
PWD	Person with a disability
SZG	Stronger Together
SCF	Sustainable clean energy fund
SPO	Small producer organization
ToC	Theory of Change
UN	The United Nations
VSLA	Village savings and loans association
WIETA	Wine and Agricultural Trade Association

Summary

The report summarizes the progress and key initiatives in the second year of the Fairtrade Finland development cooperation programme “**Dignified Opportunities NURtured through Trade and Sustainability (DONUTS)**”. Fairtrade is a global movement supporting agricultural producers through more sustainable trade. The DONUTS programme, consisting of two phases (2022–2025 and 2026–2029), complements Fairtrade by addressing prevalent development challenges such as inequality, discrimination, and limited opportunities, with a focus on agricultural farmers and workers. It is inspired by the Doughnut Economics to support sustainable change in its rightsholders' lives, emphasizing sustainability in a holistic manner. The programme incorporates a human rights based approach, integrating advocacy and global education into its Theory of Change (ToC). It recognizes the interconnectedness between the environment and human well-being, with a particular focus on vulnerable people across Africa and Latin America. The goal of the DONUTS programme is to **ensure that the farmers' and agricultural workers' right to sustainable livelihoods is realized**. The goal is supported by three intertwined sustainability priority areas, **social, economic, and ecological sustainability**. **Cross-cutting objectives** focusing on youth, vulnerable groups, and gender equality, are integrated into the programme.

In 2023, most of the programme's projects were in full implementation mode. As a result of rigorous planning in the first year, most projects had a good basis to continue the rolling-out of activities. At the same time, to navigate with multiple project partner collaborations, we focused on strengthening our relationships with different partners through more open and timely communication, as well as joining in project visits.

The programme showed progress in all the three sustainability areas, although there is still a long way to go in reaching the impact goals. Most of the programme countries were affected by high inflation and climate change related effects, hindering the progress towards our objectives. The main achievements in the **social sustainability priority area** consist of increased inclusion of women and youth in the producer organizations (POs) and main activities, paving the way for more inclusive and active POs as part of civil society. In West Africa, the local communities' capacities to manage hazardous child labour cases strengthened signalling improved risk resilience. Within the **economic sustainability area**, the goals of decent work and living income were supported by having more farmers benefiting from diversified income sources and more agricultural workers from collective bargaining agreements (CBAs). Essentially, the road towards sustainable livelihoods in the long run is depending on the **ecological sustainability area** which provides the basis for all agricultural activities. Within this area, the programme managed to both develop and increase the use of agroforestry systems supporting soil health, income diversification and climate change mitigation through carbon sequestration. Moreover, clean energy access was enhanced benefiting both human health and the climate, while contributing to producers' economic situation as well by decreasing the energy costs and giving additional income.

The programme has a strong focus on **advocacy and communications** to reach wide audiences on national and international levels with the aim of improving business practices and promoting sustainable consumption. In 2023, the main results in our **advocacy** were the inclusion of Fairtrade's main asks to the European Union (EU) Corporate Sustainability Due Diligence Directive (CSDDD) and successful launch of the Fairtrade risk map and survey on Finnish companies' human rights due diligence, which guide businesses in assessing and managing their impacts on human rights and environment in supply chains. In addition, effective **communication** appealing to the target groups is particularly important to make the programme's themes and the challenges of global supply chains known to the Finnish population. Although consumer interest in responsible consumption declined due to inflation and uncertain times, awareness of the Fairtrade brand grew to record levels (91 %). This was reflected in the strong growth of digital content production.

The annual expenditure for 2023 was **3.18 million euros**, supported by funding from the Ministry for Foreign Affairs of Finland (MFA), national Fairtrade organizations (NFOs) and the private sector. Slightly over 40 % of the total expenditure was derived from license fees and donations from corporate partners and NFOs. The administrative costs were kept low at 5,7 %.

In conclusion, the second year of the DONUTS programme demonstrated a determined commitment to advance its objectives in realizing the right to sustainable livelihoods for farmers and agricultural workers. Despite the various contextual challenges, the programme managed to strengthen partner collaboration and advance its goals by some degree.



Debrah Mabel, cocoa farmer from Kwakuduaikrom Society of the Asunafo Union in Ghana ©Mohamed Ali

1 Introduction



1.1. The Fairtrade System

The Fairtrade system is a multi-stakeholder, non-profit movement focusing on the empowerment of small-scale farmers and agricultural workers through fair and sustainable trade. Fairtrade Finland works to connect producers and consumers to promote fairer trading conditions and sustainable development while following **Fairtrade's vision: a world in which small farmers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future.**

Fairtrade Standards form the cornerstone of Fairtrade's approach. They support the sustainable development of small-scale producer organizations (SPOs) and hired labour organizations (HLOs) in countries affected by unfair global trade structures. The standards consist of social, economic, and environmental requirements. Standards and certifications are vital tools to enable empowerment and development, but alone they are not sufficient to tackle persistent development challenges. Sustained, targeted and supplementary initiatives are needed to support farmers and workers to tackle deeply embedded and complex issues like climate change, displacement of people, exploitative work, child and forced labour, human trafficking, exclusion of immigrants or persons with disabilities (PWDs), and gender equality -related issues. Fairtrade Finland's **development cooperation programme called the Dignified Opportunities Nurtured through Trade and Sustainability (DONUTS)** comes in to support that the farmers' and agricultural workers' right to sustainable livelihoods is realized.

1.2. The DONUTS programme's Theory of Change and objectives

The DONUTS programme aims for holistic change in its rightsholders' lives by working with various value chain actors, such as producers, companies, civil society organizations (CSOs), consumers as well as duty-bearers while acknowledging the interconnectedness of both human rights and environmental aspects. Therefore, **the overarching development goal of the programme for 2022–2029 is to ensure that the farmers' and agricultural workers' right to sustainable livelihoods is realized.** Fairtrade Finland pursues this through three inter-linked priority areas:

1. **Social sustainability:** inclusive and strengthened civil society.
2. **Economic sustainability:** farmers' and workers' economic rights are realized.
3. **Ecological sustainability:** farmers and workers live in harmony with the environment and climate.

The priority areas have interdependent **Theories of Change (ToCs)** as the basis of the programme and its goals. We have chosen Dr Kate Raworth's **Doughnut Economics Model** as a theoretical inspiration for the programme's problem analysis and ToC. The doughnut presents the boundaries for sustainable life on earth based on the social and economic foundation and the ecological ceiling. Hence, the programme's goal is to reach the area between the ceiling and the foundation where sustainable life can thrive. Each priority area has its own thematic areas, or "wedges", with individual results chains covering activities, outputs, outcomes, and the long-term impact.

The programme promotes three **cross-cutting focus areas** based on the values of the Fairtrade movement: **gender equality, vulnerable persons and youth.** At the same time, **environmental aspects** are integral to the programme as a whole priority area of its own. A human rights-based theme is central. Supporting the empowerment of rural people is in key position, as well as actively promoting civil society to represent farmers and agricultural workers in the programme countries.

Overall, we seek **transformative societal change** supporting a diverse group of farmers and agricultural workers in gaining a greater say in civil society and in supply chains. We engage with policymakers and businesses to encourage a change in power dynamics to become more favourable for disadvantaged people and persons in vulnerable positions. While our **communications** work focuses on the Finnish consumers, our **advocacy** component works directly with policymakers to influence wider change.



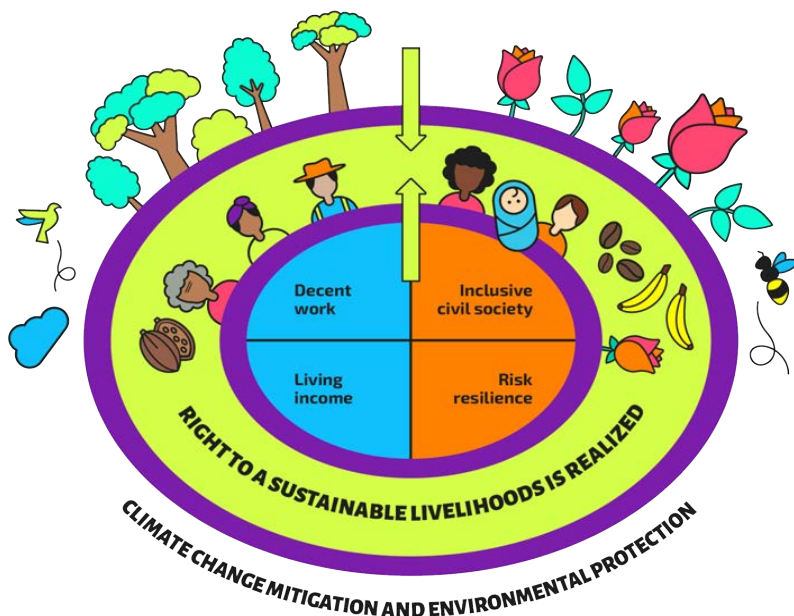


Figure 1. The Doughnut Economy is a model that seeks an environmentally safe and socially just space where humanity can thrive between social and planetary boundaries.

1.3. Rightsholders

The programme's direct rightsholders are Fairtrade small-scale farmers and agricultural workers whereas their families and community members impacted by the programme are indirect beneficiaries. The table below shows all projects' direct and indirect rightsholders, and producer organisations (POs), meaning the SPOs and HLOs that were reached in 2023. Roughly 52 % of the total direct rightsholders were women and around 33 % youth (as per to the United Nation definition of youth, meaning persons between 15–24 years of age).

Project	Direct rightsholders			of which (estimation)			Indirect	POs	
	Male	Female	Total	Youth	PWDs	Children		SPOs	HLOs
A1: East Africa									
Ethiopia: flower workers	1 423	2 079	3 502	1 680	190	0	10 506		7
Ethiopia: coffee, climate academy	200	1 961	2 161	83	22	0	6 531	15	
Kenya: flowers, green energy	818	682	1 500	379	7	0	4 931		4
Kenya: coffee, climate academy	591	431	1 022	188	13	0	4 088	5	
Subtotal, East Africa	3 032	5 153	8 185	2 330	232	0	26 056	20	11
A2: West Africa									
Ghana: cocoa, child rights and protection	590	601	1 191	122	6	652	5 955	2	
Ghana: cocoa, KKCLMRS	1 106	904	2 010	600	0	210	6 280	4	
Ghana: cocoa, Sankofa 2.0	717	185	902	339	1	0	4 439	4 (same as KKCLMRS)	
CDI: cocoa, LEAP	1 179	525	1 704	479	0	0	8 520	4	
CDI: cocoa, income diversification	17	175	192	47	0	0	960	4	
Subtotal, West Africa*	3 609	2 390	5 999	1 587	7	862	26 154	14	0
A3: Southern Africa									
Madagascar: vanilla	75	50	125	10	2	0	656	5	
South Africa: wine workers	624	615	1 239	250	2	0	4 956		16
Subtotal, Southern Africa	699	665	1 364	260	4	0	5 612	5	16
A1-2: Continental HREDD dialogue									
A1-2: Continental HREDD dialogue	69	63	132	48	3		396	3	42
Subtotal, Africa	7 409	8 271	15 680	4 225	249	862	58 218	42	69
A4: Latin America									
Bolivia: coffee	315	143	458	21			1 140	6	
Subtotal, Latin America	315	143	458	21	0	0	1 140	6	0
PROJECT ACTIVITIES, TOTAL	7 724	8 414	16 138	4 246	249	862	59 358	48	69
									117

Table 1. List of all projects and rightsholders

*The rightsholder figures are estimates. KKCLMRS and Sankofa 2.0 projects in Ghana may have overlapping rightsholders, so the total number of rightsholders in West Africa may be lower than this.

1.4. Localization, ownership and sustainability

Local decision making, ownership and sustainability are deeply interconnected. **Localization and ownership are firmly integrated in Fairtrade's global system** as Fairtrade producers hold 50 % of the decision power in the whole Fairtrade system. Moreover, Fairtrade farmers and agricultural workers are consulted whenever standards are drafted and updated. The three PNs, namely Fairtrade Africa (FTA), Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo (CLAC) and Network of Asian and Pacific Producers (NAPP), represent their respective Fairtrade producers and hold considerable influence at Fairtrade International's (FI) Board of Directors. Importantly, the Fairtrade system supports localization also through economic decision making. The Fairtrade premium offers an opportunity to allocate funds for various development initiatives, such as building infrastructure or supporting communities and households. Producers hold authority over these premium funds.

Close collaboration with the local structures is a core value in our programme. DONUTS works together with local organizations representing rightsholders such as cooperatives, agricultural workers' associations and trade unions, as well as specific youth and women groups. The programme's inclusive rural development 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. The farmers and agricultural workers themselves defined the challenges and priority needs, gender issues, stakeholders and project objectives. This helps to ensure that the programme's approach and scope are targeted and relevant for the people affected by it. By ensuring the inclusion of different groups of rightsholders, as well as duty-bearers, the programme promotes ownership of the projects' goals and eventually, supports the sustainability of the impacts.

The project rightsholders provide continuous feedback and play an important role in the regular monitoring and the annual review workshops. For example in West Africa, localization is supported through strong collaboration with the local cocoa cooperatives. In Ghana, the cocoa cooperative Kuapa Kokoo Farmers Union (KKFU) has a central implementing role in the Kuapa Kokoo Child Labour and Monitoring System (KKCLMRS) and Sankofa 2.0 projects since they represent a vast number of small-scale cocoa farmers. The Project Officer in charge of the project is a KKFU employee himself. This approach builds project management capacity and knowledge directly within the cooperative, setting a foundation for the sustainability of results post-exit. In Sankofa 2.0, KKFU pays for 20 % of the agroforestry field officers' costs, which in the local context is a valuable contribution signaling the SPO's commitment and sense of ownership. The Executive Director of KKFU is part of the Sankofa 2.0 Steering Committee, which strengthens commitment at top management level.

PNs in the project countries play central role throughout the project cycle. Continental Programme Manager based at Nairobi is responsible of overall programme management in the field. Programme's MEL Manager at FTA handles programme level MEL and support projects in their MEL plans. Communications Officer, based at Ghana, collects communicational material, arrange events and supports Fairtrade Finland's communicational team. Regional and project level personnel are in charge of the day-to-day planning, implementation and monitoring of the project activities and the budget. Fairtrade Finland's role is facilitation, support, risk management and quality control as well as reporting to the MFA.



Coffee farmer Werkenesh Dukale, Ethiopia © Fanny Ampon / Fairtrade Africa

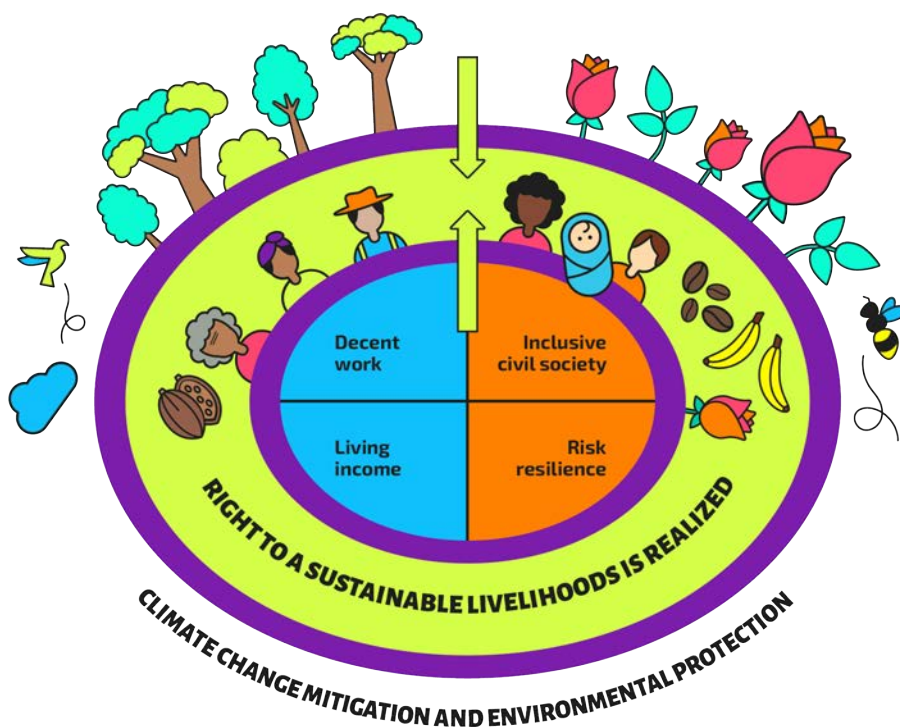
2 Progress and effectiveness



The second year of the programme consisted of project implementation with a focus on strengthening collaboration with various project partners to ensure efficient and timely rolling-out of activities. The first step towards this was the annual programme workshop organized in cooperation with FTA in February 2023 in Kenya. Moreover, partner communication, project management and general partner relationships were improved through various project visits, supporting the adoption of more analytical reporting and more open communication about challenges. Some projects encountered changes. For example, the human rights and environmental due diligence (HREDD) dialogue project began its implementation phase in the second half of the year while the child rights and protection themed cocoa project entered a new phase with an additional focus on forced labour.

When it comes to reaching the programme's goals, there were promising signs of increased inclusion of women and youth in their POs, while farmers benefitted from having diversified incomes supporting their right to living income. At the same time, the programme saw positive change with more functional local child protection systems in the West African cocoa sector as well as increased use and development of agroforestry settings for growing cocoa and coffee. Nevertheless, there is still a lot to be done to support the inclusion of PWDs and other vulnerable groups, particularly when it comes to decent work and living wage themes, as well as mitigating climate change.

The programme's **advocacy and communications** components were rather active in 2023. We managed to influence the European Union (EU) corporate responsibility (CR) legislation and enhanced ambitious CR practices on human rights and sustainability in Finland and internationally, by publishing a survey on the state of CR in Finnish companies, and by launching the Fairtrade Risk Map. In addition, we gained new audiences through media coverage and various social media platforms, where communications focused more on Finnish consumers to showcase the realities behind mundane commodities, such as cocoa and flowers.



Despite our efforts to lay the ground for increased collaboration with project partners, we encountered some **operational challenges** in 2023. At Fairtrade Finland, we experienced staff turn-over affecting the West African project's management. Evidently this created some gaps in continuous monitoring and oversight of projects. Some of the larger projects in West Africa, like Sankofa 2.0 and Livelihood Ecosystem

Advancement Project (LEAP), needed specific attention from our side since both projects have multiple partners with whom collaboration can be more complex as compared to other projects. Particularly in Sankofa there was a significant challenge with the cooperative partner KKFU, which experienced a fraud case within a company it owns, leading to the dismissal of several lead or management level staff. The case did not concern the project funds and it has been handled by the local police and jurisdiction. This nevertheless caused the project activities to be delayed for some time. However, we tackled these challenges by being more present in communication and during project visits. As a result of our efforts together with FTA, the programme implementation rate improved significantly during the second half of 2023, reaching a total of 95 % of the budget. Importantly, we managed to tighten our collaboration with the bigger projects' partners, laying ground for more open communication and results-based management of the projects.

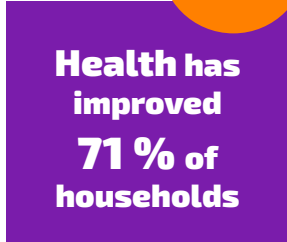
2.1. Social sustainability

An active and inclusive civil society is crucial to hold policymakers accountable for providing basic services, maintaining fair rules for business, and supporting communities. The programme's social sustainability priority area focuses on empowering civil society and enhancing social and human capital among its rightsholders. It addresses human well-being by reducing social shortfalls, such as gender inequality, discrimination and hazardous child labour. Importantly, it seeks to widen the space for civil societies by promoting good governance practices within the POs and by collaborating with various CSOs.

The expected **long-term impact goal** of the social sustainability priority area is to achieve **inclusive and strengthened civil society**. To contribute to this impact, two desired **long-term outcomes** are sought: first, to have **more democratic, inclusive & active POs as members of civil society** and second, to achieve **enhanced community resilience to risks**. Achieving the long-term goals, and the long-term impact goal in particular, is affected by multiple other factors in addition to DONUTS.

2023 saw already indications of **results in rightsholders' influencing power, inclusion of women, youth and PWDs, health improvement, child labour related capacity development and enhancing the protection against sexually intimidating, abusive, and exploitative behaviours**. Particularly significant improvement seems to have occurred in rightsholders' influencing power. During baseline, 48 % of DONUTS' rightsholders perceived that their organization is inclusive and democratic. In 2023 this figure rose to 73 %. The percentage of producers who felt that they can influence policies and regulations in the PO and or their community also rose from 41 % to 81 %. These both perceptions were widely shared in all groups, whether women, men, PWDs or youth. However, the decision-making bodies are still dominated by men who have passed their youth years, and the change occurs slowly. For instance, indicator measuring the representation % women and youth in PO management / committees show that the representation of women rose from 24 % to 27 % and representation of youth from 9 % to 13 %. The efforts to strengthen the inclusion of PWDs were, however, enhanced when the number of organizations with disability inclusion analysis or action plans or activities rose from 9 to 30.

Indicators also suggest that capacities and systems to address child labour were improved. In total 60 (83 %) of child protection committees (PO or community) perceived that their response capacities have improved during the programme. Moreover, the number of high-risk communities running self-governing systems to monitor and address child labour rose from 10 to 30. There are also indications that rightsholders' health has improved. In total 71 % farmers/worker households perceived that their health has improved and number of households with healthier energy access rose from the 729 to 2905 in 2023. Strengthening the protection of workers from exploitative behaviours also improved. The number and percentage of organizations (HLOs) with a pol-



icy to protect against sexually intimidating, abusive, and exploitative behaviours rose from 6 (25 %) to 20 (83 %) in 2023. In our advocacy work we raised awareness in corporate trainings and seminars, on how companies can assess these development challenges and risks in their value chains and make changes in their own practices to strengthen the sustainability and resilience of the POs in their value chains.

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

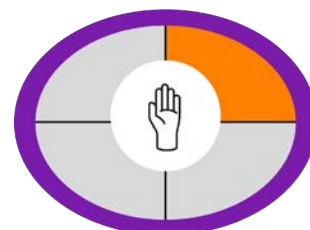
Achieving more democratic, inclusive and active POs is one of the most important long-term outcomes of DONUTS, to which all projects aim at in one way or another. However, supporting the inclusion of vulnerable groups, such as women, youth, PWDs and other minorities is a long-term process requiring local ownership. We expect that most of the impact will most likely be seen once the programme has ended as behavioural changes can take a long time to materialize.

The outcome of **POs effectively represent the interests of their members, including vulnerable groups** focuses on women, youth and PWDs in terms of how they are represented at their POs. In 2023, there were some signs of increased youth inclusion as more youth-targeted interventions were in place for instance in the Ghanaian Sankofa 2.0 project and the East African projects. There were also more implementation partnerships with different CSOs (38 new partnerships formed with CSOs), and significantly more POs were active in various advocacy campaigns during the past calendar year. As mentioned, the number of POs with disability inclusion analysis, action plans or activities rose from 9 to 30 in 2023. All of these results eventually support the inclusion of different groups of people, leading to a broader range of representation within the POs. Hence, this outcome is closely linked to the outcome of Diverse farmers and workers have greater voice and influence with POs.

Most notable contributions to the outcome of **Diverse farmers and workers have greater voice and influence within POs** originate from the projects in the supply chains of the Ethiopian flowers and the Bolivian coffee. For example, 2023 saw an increase in the number of women and youth as members of PO management or committees. The flower project in Ethiopia had a strong focus on inclusion in 2023. However, it takes time to achieve results in the context where gender equality remains a substantial challenge and the rights of PWDs still need a lot of support. The flower project was able to report, however, that the share of women in flower farms' premium committees rose to over 50 % in 2023. The number of PWDs working in flower farms increased, although modestly. The project has limited power to influence who flower farms hire but it conducted advocacy work to promote the inclusion of PWDs and, to support this, provided assistive devices for the hired PWDs. All flower farms adopted inclusion policies of women and vulnerable groups as part of their management policies in 2023.

In Bolivia, equality has been increasing in the producer organizations. The project's baseline indicated that most of the women did not feel that they could raise their opinions openly and that those would be respected. Based on the monitoring data, now the majority (65 %) of female farmers perceived that their different opinions can be raised and respected in their organization (baseline 27 %). Most of these Bolivian coffee-growing families belong to the Aymara indigenous group, with women and youth being the most vulnerable due to limited access to education and the lack of land ownership. In this sense, progress has been made in terms of leadership training in schools, which has allowed them to gain space on the POs' boards and recognition in the work of facilitators of good agricultural practices (GAPs). Despite the achievements obtained in terms of greater voice for women, there has not been any progress in SPO leadership's gender attitudes in Bolivia.

Similarly in **Côte d'Ivoire**, the project supporting women groups' income diversification efforts has raised the women's profile and to some degree, influence in the coopera-



tives. Through financial self-empowerment and collective power, some of the women have gained a better position in the cooperatives' decision-making processes.

Results towards the outcome of **Companies and authorities enable for diverse farmers' participation** in supply chains were still modest. However, some policy changes were made with the help of projects referencing to Fairtrade principles. Kenyan flower farms' management staff were trained on HREDD themes as part of the **HREDD-dialogue project** in 2023 but direct dialogue between companies and rightsholders has not been started yet.

Webnesh Tekele has worked six years in Sher flower farm in Ethiopia. After a measurement process by the local NGO preparing assistive devices for PWDs, she received a safety shoe and a leg support device for her injured leg in 2023. She described "Thanks to Fairtrade and the DONUTS-Flowers project, I am now more active and effective at my work."



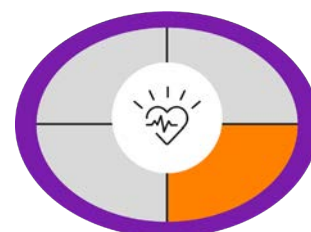
Long term outcome: Enhanced community resilience to risks

This outcome targets **communities' capacities to prevent and respond to different health and disaster risks, and hazardous forms of child labour, as well as forced labour**. Out of these, the topics of child labour and health risks have seen most improvements during the programme period due to the vast number of related activities such as supporting local structures for children's protection and the adoption of cleaner energy solutions.

In the South African wine project, health risks caused by alcohol abuse and drug use were identified as major risks for the project's outcomes. Hence, as a part of risk mitigation and youth inclusion, the project has engaged with social organisations and the local government to address substance abuse issues. The project has conducted awareness raising on these risks, but the problem is increasing. Currently, it is difficult to analyse how the health risk mitigation has succeeded. Another interesting trajectory we have noticed is that wineries have started to explore mechanisation opportunities partly to combat the absenteeism caused by substance abuse, which might result in negative consequences for the workers' livelihood.

The outcome of **POs have stronger resilience and adaptive capacity to disasters and risks** mainly focuses on different types of disaster risks affecting the local POs. Generally, the weight of the disaster risk reduction (DRR) has been slightly lighter in the programme than originally envisioned. The importance of the issue for the producers clearly depends on the context. In Bolivia for example, DRR has gained strong focus as the producers suffered from drought in 2023. The project supported the adoption of a tool used in gathering information on problems caused by the El Niño, which helped to identify potential risks and prevention measures. DRR development is also important for the vanilla SPOs in Madagascar which is frequently hit by disasters and risking the whole communities, not just their livelihoods. However, 2023 was still too early to analyze the success of these initiatives. Nevertheless, it is apparent that the cyclones which hit Madagascar in early 2024 caused serious destruction.

The outcome of **Decreased risk of child and forced labour** is targeted particularly in the West African cocoa sector, where these issues are rampant. Two projects in Ghana focus on strengthening the local capacities to identify, address and prevent child labour in the cocoa sector, as well as advocating for children's and vulnerable adults' rights at the local and national levels. Two companies, namely Tony's Chocology and HALBA, and one CSO (International Cocoa Initiative, ICI) closely support these projects. Up to



Ghana:
approximately
70
functional
community child
protection
committees
established

now, the projects have focused more on child rights but in 2024 they will expand their scope to also protect the rights of vulnerable adult workers against **forced or involuntary labour**.

Altogether these two Ghanaian projects have established approximately 70 functional Community Child Protection Committees mentioned earlier from which over 80 % of these committees perceived that their response capacities had improved. A majority of them are in a position to conduct their own monitoring of farms where children could be identified to be at risk of child labour. In 2023 the **KKCLMRS project** conducted large scale data collection and analysis assessing the risk and vulnerability of 2 445 households. A total of 9 870 children were covered by this study. The next steps in 2024 include direct interviews with vulnerable children to validate child labour cases, those at risk, and to determine the most appropriate remediation measures.

"I did not know much about child labour before participating in this exercise. With the knowledge acquired, I believe I am going back to my community with the skill to identify cases of child labour having learnt about the possible indicators to look out for." –

Richmond Tweneboah, community monitor from Buaban in Kukuom district, Ghana.



The second Ghanaian child protection project entered a new phase in 2023 and rebranded itself as the CIRCLE project (Children in Rural Cocoa communities are Learning and Empowered). The new phase focuses on building **children's resilience** to protect, report and advocate for their rights, empowering cooperatives to implement a renewed child labour monitoring and remediation system (CLMRS), and promoting **safe schools and communities**. In addition, it continues to **strengthen national systems to reach the most marginalized**, excluded children and communities.

Some of the notable results of the phase that ended in June 2023 include an increase in children who report feeling safe from violence, neglect, abuse, or exploitation (from 71 % of sampled children in 2018 to 85 % in 2023). The project has played a significant role on **influencing policy at national level** through participation in the revision process of a number of policy documents including Ghana's Hazardous Activity Framework (HAF) in the cocoa sector and the Child Labour Free Zone (CLFZ) policy document – contributing to the programme's outcome **Local authorities implement policies for improved social protection services and disaster preparedness**. At district level, the relationship with decentralized government agencies and departments have also been deepened. The municipal and district assemblies have shown commitment to continuously support the training of teachers and monitoring of schools. All the 48 targeted School Management Committees and Parent Teacher Associations reported improved capacities to promote child rights in their schools and communities at the end of the project phase. The CLMRS being implemented by the key project partner ICI continues to identify and support numerous children in and at risk of child labour.

Finally, one of the important achievements under this long-term outcome was an increase in organisations that have strengthened **policy to protect against sexually intimidating, abusive and exploitative behaviours**. This result stems particularly from efforts in the flower farms in Ethiopia, as well as vineyards in South Africa. Overall, in 2023 the priority area of social sustainability made some notable progress in terms of POs' inclusion aspects and the communities' resilience to hazardous child labour and health related risks.

"As a young farmer, I have become a child advocate in my community and wherever I find myself, this knowledge was acquired through various trainings I received from [the CIRCLE] project. Growing up, my parents engaged me in activities on farm sometimes when school was in session, which today, I would not like any child to go through. The project has helped my parents to understand the need to encourage children and so my younger siblings are now living a much better life."

Mabel Debrah, Cocoa farmer, Kwakuduakrom society, Asunafo cooperative, Ghana.



2.2. Economic sustainability

Social sustainability cannot be realized without considering the rightsholders' economic sustainability. This consists of for example living incomes, decent work, strong trade unions and improved negotiation positions for the POs to sell their products. The programme positions itself between commercial actors and CSOs to support various value chains to become fairer in terms of producers' voice and influence. By collaborating with trade unions, POs, commercial actors and CSOs, the programme can encourage structural change within various levels of society. It is important to note that many of the programme activities relating to economic sustainability support the programme ecological sustainability as well, for example through agroforestry systems.

The expected long-term impact of economic sustainability is that **farmers' and workers' economic rights are realized**. There are two expected long-term outcomes to be achieved before: **farmers' right to a living income is realized and agricultural workers' right to decent work is realized**. Moreover, there are several intermediate outcomes to be achieved in a shorter term.

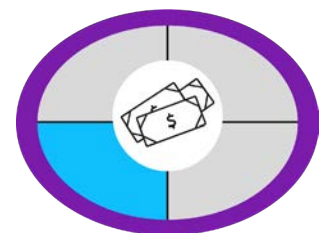
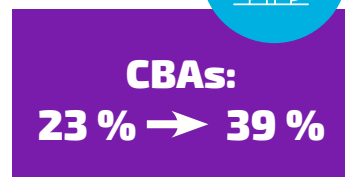
In 2023, DONUTS achieved progress particularly in **diversifying rightsholders' income sources and strengthening policies and structures for improved working conditions**. The share of households with minimum of three income sources contributing at least 15 % of household's annual income rose to 14% from 11%. Share of main cash crop of total earnings of the households was decreased to 59% from 85%. The number of households' various types of income diversification initiative supported by the programme rose from 26 to 30. However, there is still a long way to go to reach living wages and incomes for producers. Most of the countries suffered from high inflation rates in 2023, coupled with the increasing prices for energy, fertilizers and other agricultural inputs. At the same time, climate change makes agricultural production unpredictable and at worst, impossible due to prolonged drought, floods and other natural hazards. It is becoming increasingly difficult for producers to make profits of their produce while climate change poses risks for their entire livelihoods.

Efforts to enhance decent working conditions produced also some results in 2023. The earlier described increase of the number of organizations (6-20) with a policy to protect against sexually abusive behaviors was important achievement affecting working conditions. Structures to support improved working conditions were also strengthened when the percent of HLOs that have a collective bargaining agreement (CBA) in place rose from 23 % to 29 %. Moreover, the percentage of POs where there is a transparent and effective grievance procedure in place, and it is followed by the employer rose from 23 % to 29 %.

Long-term outcome: Farmers' right to living income is realized

Reaching living incomes for farmers is a long-term process requiring multifaceted collaboration between different value chain actors and duty-bearers. The programme presents two main pathways to support reaching living incomes in production countries' side: 1) getting more income from the current primary livelihood source such as coffee or cocoa production, and 2) diversifying income sources.

Increased productivity and quality are the key stepping blocks towards living income in the farmers' traditional livelihood source. In the programme, this outcome aims to improve producers' livelihoods by for example focusing on soil health, plant resilience and GAPs. For example, the Ghanaian Sankofa 2.0 project aims to improve cocoa farmers' **climate resilience and diversify their income** sources through **Dynamic Agroforestry (DAF)** and its variations, Food Agroforestry (FAS) and Successional Islands systems. In 2023, more than 500 farmers were supported in adopting and practicing agroforestry – majority of them choosing the most ambitious model, DAF. The Sankofa 2.0 project supports this outcome as the cocoa yields grown in agroforestry settings are expected



to be more resilient to pests, diseases and climate change, thus increasing the productivity and quality of produce. This became crucial in 2023 as several areas in West Africa witnessed an outbreak of cocoa swollen shoot disease (CSSD) spreading rapidly, particularly in monocultural cocoa farms. Unfortunately, there is little data available for the 2023 report as data gathering and analyzing regarding productivity has not yet been concluded. However, the POs have not reported any rejections from their buyers due to low product quality, which is promising.

The coffee sector project in **Bolivia** had good progress towards sustainable livelihood. The share of farmers who perceive that their livelihoods are on a sustainable basis has almost doubled from the baseline level of 15 % to 27 % although this is still very far from the target level of 60 %. The farmers' perception on the topic was affected by climate change. Serious drought affected the coffee sector in 2023 with a delay in the harvesting season, resulting in a reduction of production by up to 50 %. In addition to the drought, strong winds, high temperatures, and forest fires broke out in some of the coffee plantations in the project area (six hectares in total). Continuous road blockages also contributed to decreasing coffee exports. Despite the challenges, one third of the POs were able to increase their income by over 2 %. Also, the **quality** of the coffee has increased in one third of the SPOs. The majority (53 %) of the participants of the training of trainers -school consider that they have improved their abilities and capacities to lead the implementation of their organizations' climate change adaptation plans. However, this has not yet led to an increase in the amount of the plans as the share of organizations with climate change adaptation plans has stayed at the baseline level of 17 %. Unlike in the other programme countries, inflation did not hinder the livelihood development in Bolivia.

In East Africa, there is a strong focus on improving rightsholders' income levels with the help of an environmental approach. **Adaptation** to climate change with improved coffee cultivation methods were expected to affect coffee farmers' income levels positively through more resilient coffee production. In Kenya, the coffee project supported the adoption of climate resilient coffee variety called "Ruiru 11" through distribution of coffee scions and grafted seedlings. However, these efforts were challenged by high inflation and increase in living costs, as well as fluctuating prices received from the products in 2023. The project also supported enhanced canopy management, nutrition, and pest management.

The project in **Madagascar**, which aims to improve productivity and widen livelihood options of local vanilla producers, was kicked off in the second half of the year. There were some challenges with stakeholder collaboration as it took time to achieve full alignment on the overlapping roles of FTA and the other key partner Virginia Dare Madagascar causing long delays in implementation. The project also suffered from several human resource challenges. The risky operating environment complicated the situation more as vanilla prices collapsed in 2023. The local government had set a minimum price at farmgate and export for vanilla in 2020 but this was liberalised in April 2023. With little income from vanilla, more farmers are increasingly turning to "slash and burn" methods to adopt hillside rice production and hence, are at high risk of food insecurity as the soil becomes more eroded. Madagascar is prone to experience tropical cyclones, and 2023 was no exception. As a result, vanilla farms, people's homes and roads were destroyed, and some people even lost their lives.

Meanwhile the outcome of **Farmers have diversified income** gained wide attention within the programme in 2023. In general, there was a modest increase in the number of farmer households who reported a net increase in their incomes as a result of diversification measures (only 1 565 households). In most of the **West African projects**, income diversification is in key position. Farmers in Sankofa 2.0 communities were supported to manage their finances sustainably through the introduction of self-managed micro-credit schemes or VSLAs. To date, 30 VSLAs are established and operational, making loans accessible to 870 people, of which 60 % are female. In addition, the project's commercial partner HALBA has committed to paying the Fairtrade Living Income Reference Price (FLIRP) to project farmers through a mobile payment system. In 2023 a total of 340 farmers benefitted from this. Similarly, the CIRCLE project partner Tony's Chocolonely pays its farmers an additional premium to reach living income.

Following a market systems approach, the LEAP project in Côte d'Ivoire has set up critical **private sector partnerships** to support cocoa farmers in diversifying their income sources. The projected income sources include for instance the agripreneur model, where young entrepreneurs are capacitated to provide tailored services to cocoa farmers, as well as income generation from voluntary carbon markets through agroforestry systems. LEAP has mapped Village Savings and Loan Associations (VSLAs) in the targeted communities and assessed their maturity and appetite to take up new market linkages and financing opportunities.

The **Income Diversification for Women** project in Côte d'Ivoire is ending in the first half of 2024, and it had already achieved many of its objectives by the end of 2023. The project capacitated the women groups to generate additional income, particularly through processing and sales of cassava and eggs. As a result, **all of the targeted members of the women groups reported increased financial security and economic resilience.** Three of the four women groups already have the capacity to operate their businesses sustainably. Overall, the women have gained increased knowledge on food hygiene and safety, environmentally sustainable practices and financial management. However, the women groups also experienced challenges such as high costs of production and raw materials, as well as management issues at the cooperatives, which negatively affected their businesses in 2023. The women groups' example has, however, inspired others in their communities and similar women's businesses are beginning to multiply.

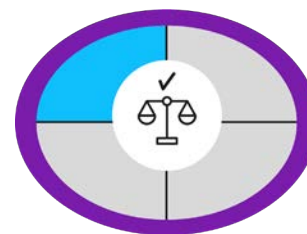
In the Kenyan and Ethiopian coffee projects, producers were supported to earn additional income by **carbon credit production.** The credits are produced when farmers use improved cookstoves. In 2023, two big Ethiopian coffee unions and one Kenyan coffee cooperative had carbon credit projects approved by Gold Standard. Additionally, youth groups receive income from installing and making the stoves. In Ethiopia, the coffee project distributed various tree seedlings for income diversification and cultivation of coffee under tree canopy in agroforestry systems. The project also trained some farmers for honey production to support their income. The coffee projects and Kenya flower project helped rightsholders to save money, since they all supported introduction of the more efficient stoves.

Long-term outcome: Agricultural workers' right to decent work is realized.

This outcome focuses on workers' rights, living wage and increasing workers' influence in different supply chains. In 2023, the percentage of HLOs that had a good compliance score in terms of decent working conditions increased from 37 % to 46 %. When it comes to reaching living wages for workers, the context is similar as for living incomes – long-term multifaceted collaboration is needed to make sector-wide changes. Only few percentages of the total number of workers within the programme's scope are currently earning a living wage.

The outcome of **Workers have greater voice and influence in supply chains** is a key theme in the South African wine and Ethiopian flower projects as they focus on workers' rights and decent work themes. For example in South Africa, 80 % (baseline 72 %) of the total workers interviewed reported being aware of their rights and responsibilities. However, most of the workers are in a vulnerable position as they do not often dare to speak out if their rights are violated. Workers are scared to lose their jobs and their on-farm accommodation which is why they prefer to remain quiet in most cases. Nevertheless, good progress has been made to improve the skills of the trade unions by training them in digital marketing, negotiation skills, advocacy and policy. Although the year started off with divisions between the workers committee and trade unions, this gap narrowed as they worked together in various workshops during the year. Both parties realised they have different roles to play to voice workers' rights and to represent, as well as support workers. There is still a long way to go as only 11 % (2 out of 18) of the wine companies indicated positive perception of trade unions. However, the baseline level was pure zero. Also, most of the winery management still prefer to attend sessions remotely due the volatile approach of some trade unions.

Under the intermediate outcome of **More favourable Collective Bargaining Agreements (CBAs) or working conditions for workers,** there was an improvement in terms of how many HLOs have a CBA or policy in place to protect vulnerable groups of people from harm. Moreover, for example in Ethiopia, the flowers project's capacity development and lobbying work resulted in achievements towards having sector-wide CBAs in the future, instead of farm level agreements. After the project had created platforms



Good compliance score in decent working conditions
37 % → 54 %



**Awareness of
grievance handling
procedures
+150%**

for peer-to-peer learning, basic trade unions at the farms expressed their interest in adopting sector-level CBAs. The project also engaged with the national trade union and the sectoral union who agreed to work closely with the Ethiopian Horticulture Producer and Exporter Association to have sectoral level flower CBAs. Similarly, there were some promising signs of more favourable CBAs and working conditions for the workers in South African wine sector despite being still in early stages in the long process. The number of agricultural workers with access to decent working conditions almost doubled (from 13 % to 22 %) but with the baseline being so low, we are still quite far away from the target level (60 %).

The outcome of **Companies co-invest in addressing workers' rights violations** covers various aspects, like grievance mechanisms, living wage, HREDD processes and direct dialogue between stakeholders. In Ethiopia, flower farms evaluated and revised their grievance-handling mechanisms and revised some other policy procedures. In South Africa, awareness of grievance handling procedure increased by 150 % from the baseline level of 22 %. Some worker rights issues, such as overtime and forced labour, were also effectively investigated and addressed. This outcome is a key component of the HREDD dialogue project which, however, does not have results yet as the project began its implementation late 2023.

The South African wine project worked towards the intermediate outcome of **policy-makers enact HREDD regulation to benefit vulnerable workers** by establishing a working group in collaboration with the Wine and Agricultural Trade Association (WIETA), Stronger Together (S2G) and the local government that specifically look at the challenges faced by workers in the wine sector. The working group established a protected environment where workers, trade unions and POs meet on a quarterly basis and highlight labour concerns without fear of reprisal. In South Africa, daily power cuts (load shedding) put pressure on both wine companies as well as workers. Moreover, the already high unemployment rate increased even more to 32 %, and resulted in increased crime and substance abuse spilling over into the wine farms. The local household finances remained under pressure from higher consumer prices and interest rates, resulting in a negative effect on the health and well-being of workers, including farm workers. Overall, economic sustainability is mutually reinforcing with the social sustainability area of the programme. However, these cannot be achieved without considering the planetary boundaries and climate change. Hence, adopting a holistic approach with environmental aspects in mind, is integral.

2.3. Ecological sustainability

Ecological sustainability is crucial for preserving biodiversity, maintaining ecosystem stability, and mitigating climate change. By prioritizing sustainable production and consumption practices and taking collective action, we can ensure a healthier planet for current and future generations. Thus, ecological sustainability is a necessity for social and economic sustainability, as climate change and environmental degradation pose an existential threat to producers' livelihoods, as well as to the global food system. Therefore, we emphasize the linkage between humans and ecosystems by providing support for producers in making their livelihoods more ecologically sustainable.

The expected long-term impact of the ecological sustainability is that farmers and agricultural workers live in harmony with the environment and climate. The long-term outcome, to be achieved before the long-term impact, is that actors in value chains mitigate climate change and protect nature. Moreover, there are several intermediate outcomes that are expected to materialize in shorter term with programme's support. They are explained below.

Environmental themes are present in most projects as they are dealing with agricultural products and livelihoods, and hence, are affected by climate change. Ecological

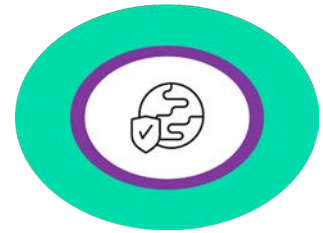
sustainability is, however, the key theme in most of the East African projects and the Sankofa 2.0 project in Ghana. With the support of DONUTS, several **specific achievements** benefitted environment in 2023. In total 28 825 **seedlings** were **planted, increase** of the percentage of **farmers applying good agricultural practices** and/or environmentally sustainable practices from 21% to 54 %, 14 of **POs invested in improving ecological efficiency** (eg. water resource management, agroforestry, energy efficiency) and number of **households having enhanced access to clean/sustainable energy rose** from 729 to 2905. Moreover, already three SPOs **started to produce carbon credits** and eight **POs mapped** their **carbon footprint** in production.



28 825
seedlings planted

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

Increasing tree coverage is a vital step to support soil health and to create microclimates enhancing water cycles and carbon sequestration. To support this, DONUTS was able to report high numbers of planted tree seedlings in 2023. Some of them were planted outside farming systems, but most of the tree planting was done in agroforestry systems. Even though agroforestry systems cannot substitute natural forests, their presence is of great value particularly in the West African cocoa sector, which suffers from aging trees, monoculture and the spread of cocoa related diseases. Cocoa grown in agroforestry settings mimics the natural growing environment for cocoa. In East Africa, the coffee project in Ethiopia supported development of agroforestry systems by providing 1 785 tree seedlings amongst other activities. The flower project in Kenya supported the planting of over 15 000 seedlings in the community schools and the flower farms. Moreover, the youth groups of the coffee projects in Ethiopia and Kenya installed fuel saving stoves to over 1 900 households (1 700 in Ethiopia, 200 in Kenya) to support **climate change mitigation**. With the help of a loan, roughly 1 000 flower workers in Kenya Roses project received clean energy solutions such as fuel saving stoves, pressure cookers and gas cylinders for preparing food and solar panels for providing light.



GAPs
21% → 27%

In **Ghana and Côte d'Ivoire**, where cocoa is a crucial source of livelihood, climate change poses a detrimental risk for the numerous local small-scale cocoa farmers and entire value chains. Especially erosion caused by loss of forestry cover as well as the recent waves of droughts, heavy rains and the spread of diseases have posed significant challenges across our cocoa projects. Within DONUTS, the **Sankofa 2.0** project provides the most holistic approach to address the complex social, economic and ecological challenges related to cocoa and climate. The project's rightsholders have been sensitized to **DAF systems** and its variations, with a focus on promoting **biodiversity** and integration of food and tree crops in the cocoa system. This aims to enhance the quality of produce while improving soil conditions and providing a fruitful environment for insects, flora and fauna to coexist. With various species growing between cocoa trees, the crops are less prone to catch diseases as compared to monoculture. In 2023, over 500 farmers in the project took up one of these agroforestry approaches, most of them going for the most ambitious DAF system. The project established 150 hectares of DAF or FAS plots and rehabilitated 70 hectares of old cocoa plots, surpassing its annual targets.

Sankofa 2.0 is a joint initiative between multiple partners collaborating closely with the Cocoa Research Institute of Ghana (CRIG) and the Cocoa Health and Extension Division (CHED), both divisions of the Ghana Cocoa Board. The team's expertise on DAF has gained recognition and key Sankofa partners have supported these institutions with training and research on the benefits and replication of DAF. Even the highest leadership of the Cocoa Board have expressed interest in **scaling up the DAF approach in the cocoa landscape** after their involvement in Sankofa 2.0.

The achievements towards the outcome of **Carbon credit projects to inset/offset greenhouse gas (GHG) emissions are in operation** started with Gold Standard registration of three cooperatives in the East African coffee projects and with farmers starting to use fuel saving stoves. However, the results of the **outcome of Companies commit**

to **GHG reduction and environmental protection**, was not yet achieved apart from the contributions of HALBA in the Sankofa project.

"The 'Slash and burn' method is not as capital intensive as compared to DAF but with DAF, mortality rate for the cocoa plants is lower. DAF is worth it because I can harvest the shade crops intermittently and sell them to make money for my home upkeep while my family of four children and my wife benefit from the food".

Cocoa farmer Kofi Nkrumah from Dadiesoaba community, Asufiti South district, Ghana.



Image on the left. A conventional cocoa plot in Goaso, Ghana, with dry trees.

Image on the right. A forest-like DAF plot next to the conventional plot on the left, established in similar soil conditions, Goaso, Ghana

2.4. Cross-cutting objectives

Cross-cutting objectives of **gender, youth and vulnerable groups** are considered from the planning of the projects to their final evaluations. Also, climate and environment are cross-cutting as the third component of our DONUTS programme's ToC focuses on these themes alone. We recognize that **in addition to cross-cutting approach, targeted measures** are sometimes needed to strengthen the positions of women, youth and vulnerable persons.

In general, gender aspects have showcased promising signs as the inclusion of women has risen steadily over the course of the programme. **In 2023, the share of women as direct rightsholders surpassed men in Africa signaling their steady participation in key activities.** However, in many cases there still are challenges with the inclusion of youth and PWDs as they rarely own the land in the SPO case or they are not employed in the HLO settings. These challenges we have struck with targeted measures and for the mainstreaming the projects have considered barriers for their inclusion and how to lower them, for example, by choosing accessible venues for workshops and trainings. Similarly, there are several points where progress has been made in terms of environmental sustainability, but these are best characterized by targeted activities as showcased in the previous chapter.

Therefore, in 2023, most progress was achieved in terms of supporting **targeted activities aimed at women and vulnerable groups**, including children and PWDs to increase their awareness of their rights and to realize those rights as well. Environmental aspects, such as the use of GAPS, also progressed. In general, different project-level vulnerabilities were identified during the inception phases for the specific context. The approach for vulnerability mainstreaming varies as does the level of success in this mainstreaming. For instance, **gender** related topics and activities often focus on women and girls as they are

often identified as a key target group within projects while other genders, such as non-binaries may be very sensitive topics in the programme countries. Nevertheless, all of the programme regions showcased some progress in terms of supporting either women or vulnerable groups in 2023. In Bolivia for example, there has been a focus to ensure the participation of widows. Besides accommodating schedules, days and place accordingly, this has been facilitated in terms of learning methodology and by tackling language barriers with the use of didactic methodologies and dynamic learning.



In 2023, **most notable results in East Africa were achieved in Ethiopia**. For example, in the flower project, six out of seven flower farms decided to integrate gender and vulnerable group policies in their management policies. Targeted activities resulted in better working conditions and greater independence for 128 PWDs, who received assistive devices. Moreover, addressing sexual harassment was improved by capacity building and developing grievance handling processes in the farms. In the coffee project, the primary cooperatives adopted inclusion policies, which have been earlier adopted by their unions. Targeted capacity building and material support to youth made it possible for them to receive significant income from selling and installing fuel saving stoves. In Kenya, all the four cooperatives of the coffee project designed gender and inclusion policies with the help of the project. Training of youth for income generation also started and they already received some income.



In **Ghana**, the CIRCLE project focusing on child rights continued deliberate efforts to include **persons with disability** in its targeted trainings in cooperation with the Ghana Federation of Persons with Disability. In undertaking remediation activities under the CLMRS, the project identified five children with various forms of disability and referred to the appropriate government department. Additionally, the project leverages its community meetings for awareness creation on child protection to also include **gender-based messaging**. Topics such as risks of forced marriages, sexual harassment, teen pregnancies, violence and forced abortion have been discussed, yielding increasing interest and concern on these topics among community members.



The Ghanaian Sankofa 2.0 project experienced a notable increase in **youth involvement** as 117 youth registered for training in the DAF approach to farm establishment. The youth form an active component of the demography in the cocoa farming communities but have remained largely uninterested in the sector. The outlook of cocoa production in Ghana is grim as the average cocoa farmer is over 55 years old in a country where the average life expectancy is 66 years. Involving the youth in the Sankofa project is increasing their interest in cocoa farming through opportunities in various functions of the value chain. Some notable positive results can already be seen as some of the targeted youth workers have procured farmland and some have voluntarily established cocoa farms using the dynamic agroforestry principles. Some have gone on to teach their peers about the DAF principles.



Furthermore, our wine project enhanced its focus on youth by inviting them in training sessions. In South Africa, the situation is challenging as youth unemployment, school dropouts, crime and substance use add the pressure on youth inclusion. The project collaborated with government and the South African Police Service, as well as the Department of Social Development to tackle these challenges. In the South African wine farm context, workers and their families usually live on the farms while the youth, who might be unemployed, are required to pay rent or leave the farm. This has resulted in challenges between the farms and the worker families.

For **low-emission development**, we encouraged partners to coordinate activities to reduce the unnecessary travelling by participants. Although this resulted in a reduction of carbon emissions as well as time savings, in some cases local venues closer to rightsholders were inappropriate due to hot temperature and heavy rains. Workshop materials were mostly shared in soft copy to minimize the use of paper. We also encouraged partners to select venues with renewable energy to reduce the carbon footprint – in case of South Africa this was essential to prevent challenges during daily electricity cuts. We also utilized technological solutions across the programme to for example, gather feedback and other data.

2.5. Advocacy and development communications

Our communication and advocacy work are closely intertwined supporting the programme's all three sustainability areas. Our advocacy work and development communication target the following groups to spread awareness of sustainability themes and to influence consumers, decision-makers and other members of civil society: **sustainability seeking consumers, active citizens, corporate decision-makers, politicians and civil servants working on corporate responsibility (CR) issues, and media.**

2.5.1. Advocacy

The programme's advocacy is integral part of the ToC pushing political and business leaders to take bold steps in advancing **respect for human rights and the environment in global value chains**. Overall, the programme's advocacy component was active in bringing more awareness around the CR themes to different levels of society, namely decision-makers, private sector entities and Finnish consumers. We focused on both national and international level policies and by advocating on public procurement, a theme which can be often overlooked in the context of global value chains.

The main priority of our political advocacy was the **Corporate Sustainability Due Diligence Directive (CSDDD)**, where we exerted influence both at the Finnish and EU levels. We succeeded particularly in influencing the European Parliament's stance, which defined the due diligence obligation. This considered the impacts on the livelihoods of farmers and workers in developing countries. We also briefed Finnish negotiators at the Ministry of Economic Affairs and Employment and Finland's Permanent Representation to the EU on these issues. In late 2023, EU institutions reached a groundbreaking consensus on the legislation and our positions are reflected in the directive text, particularly in sections concerning living wages and living income, assessing the impacts of companies' purchasing practices, engaging in dialogue with vulnerable stakeholders and ending business relationships responsibly, only as last resort, avoiding cut and run.

Fairtrade advocacy had an impact on the inclusion of adequate living income for smallholders in the CSDDD:

"The right to enjoy just and favourable conditions of work, including a fair wage and an adequate living wage for employed workers and an adequate living income for self-employed workers and smallholders, which they earn in return from their work and production, a decent living, safe and healthy working conditions and reasonable limitation of working hours, interpreted in line with Article 7 and 11 of the International Covenant on Economic, Social and Cultural Rights" (CSDDD Annex I:7)



To support our advocacy efforts, we conducted a **survey** with Finnish CR-network FIBS, examining the state of human rights impact management in Finnish companies. The survey revealed that while companies in Finland have many intentions to respect human rights, practical measures are still in the early stages. Only six out of 32 companies surveyed had a due diligence process covering their entire operations. Eleven companies reported committing to living wages in supply chains, but only two provided concrete targets and timelines for promoting adequate wages/income. Additionally, most companies face challenges in identifying the human rights impacts of their operations. Companies reported using codes of conduct and audits as tools for managing human rights risks in supply chains. Only a few leading companies reported engaging in more long-term and in-depth collaboration with various stakeholders to prevent and mitigate adverse impacts. According to the study, companies that have integrated the due diligence process into their operations are further along in promoting living wages, dialogue, and the effects of their purchasing practices than companies without such a process.

The survey provided valuable information to companies, decision-makers, and authorities, helping them promote corporate responsibility for human rights. It also received considerable visibility in Finland and Europe, enhancing Fairtrade's thought leadership on key themes. We presented the study's findings and recommendations at various events, including the EU Due Diligence Legislation, Achieving Impact event held at the European Parliament and the Corporate Human Rights Responsibility in Finland event held at the Finnish Parliament. Moreover, the United Nations (UN) highlighted our study as an example of the slow progress in CR in its report monitoring Finland's recommendations and actions to address the hu-

man rights impacts of business under the International Covenant on the Economic, Social and Cultural Rights. Several organizations, including UNICEF and Amnesty, used the study as a source.



We also monitored and commented on the progress of the **EU deforestation regulation, the corporate sustainability reporting directive, and the forced labour regulation**. Additionally, we urged Finnish political decision-makers and authorities to initiate preparations for the **national implementation of the CSDDD**.

In addition to the human rights study, we influenced companies by giving concrete guidance and tools for risk assessment in supply chains. Together with FIBS, we organized a webinar on mapping human rights risks. The **international risk map** published by Fairtrade at the beginning of the year generated significant interest and received positive feedback from companies, honorary partners, and other stakeholders. Company representatives reported that the map helps them assess human rights and environmental risks in supply chains extending to developing countries and provides valuable information on mitigating adverse impacts. The map has been adopted by companies as a tool for planning operations and learning practical examples of how to build a due diligence process for human rights.



We intensified our cooperation with towns and local businesses, as we participated in events organized by Fairtrade towns. In SuomiAreena 2023, Pori's booth provided information about Fairtrade Risk Map to businesses while visitors could send their greetings to local businesses and encourage them to make more responsible purchases.



In 2023, we continued our collaboration with The Finnish Organic Food Association Pro Luomu, The Nordic Swan Ecolabel (Joutsenmerkki) and EU Ecolabel to promote responsible public procurement.

Fairtrade university students participated actively in our biggest youth-targeted campaign, Good Clothes Fair Pay, organized by Fashion Revolution and Fair Wear Foundation. The campaign successfully managed to bring the issue of living wages to public awareness and onto the political agenda.



2.5.2. Development communications

The development communications support the programme ToC by promoting **sustainable consumption** and **increasing Finnish consumers' awareness** on how different consuming habits intertwine with human rights and with various development challenges faced in the producing countries.

During the reporting year, we made significant investments in to increase our **digital visibility** by producing more online content and by developing the usability and search engine visibility of the website. We invested in content production which was reflected in the increase in the **number of website visitors (+37 %) compared to 2022**, as well as a significant increase in new visitors (+41 %), sessions (+25 %) and views (+30 %). In contrast, there was a slight dip in engagement (-5 %).

Our main social media channels were **LinkedIn, Instagram, Facebook** and **X** (formerly Twitter). In addition, we reached new younger audiences through **TikTok** with the help from social media influencers. The increase in resources spent on content production on social media channels was particularly evident in the **increase in engagement and link clicks**. Followers also increased on the main social media channels LinkedIn and Instagram. On LinkedIn, followers increased by 15 %, engagement by 9 % and link clicks by as much as 46 % compared to 2022. In contrast, impressions were down 25 %. On Instagram, followers increased by 5 %, engagement by 17 % and impressions by 19 %. The Facebook community remained at the same level as previous years, but growth came in engagement (13 %), video content views (26 %) and link clicks (97 %). On messaging service X, we made fewer upticks than before as the channel lost many users due to a change in its strategy. Fairtrade's X account also saw a small dip (-4 %) in followers and a dramatic drop in engagement (-69 %).

At the end of the year, we launched an external newsletter aimed at Finnish citizens interested in Fairtrade's themes. The newsletter is published four times a year and offers a curated look at current issues, with a focus on thought leadership, corporate responsibility, advocacy and development cooperation. The first newsletter had a staggering 55 % open rate.

We continued to grow earned media by strengthening relations with Finnish journalists and producing more actively contents targeted for media. For example, we produced a poll on Finnish attitudes towards child labour exploitation in cocoa production to support our media communications, pitched the media on a human rights survey implemented with Finnish corporate responsibility network FIBS and FTA's leadership's visit to Helsinki, and successfully managed visits and interviews to Fairtrade flower farms by a YLE correspondent in Kenya. These generated coverage in publications such as Helsingin Sanomat, MTV3, Kauppapolitiikka and YLE News. The flower story to YLE was our biggest media success and according to the journalist himself, the story was the one that interested Finns the most during his whole time as an African correspondent (Journalisti, 26.3.2024).

In addition, we produced media releases, opinions and responses, which received coverage in major regional and national newspapers. In addition, more in-depth coverage of our advocacy and development cooperation themes were covered publications such as Kehittyvä elintarvike, Viini, Osuuskunta and Suomen Luonto. Moreover, we organised a Fairtrade after-work event for summer journalists, with participants from Kauppalehti, Helsingin Sanomat and YLE. Journalists were trained on topics such as deforestation, child labour and human rights and supply chains.

In advocacy communication, the focus was on influencing the CSDDD and the human rights work of companies. We produced content on the Fairtrade risk map and participated in joint advocacy campaigns with development organisations. Climate and environmental issues were addressed in the context of the COP28 in Dubai by raising Fairtrade's demands with the climate conference decision-makers.



Recognition:
+1 %, 91 %
among
students:
96 %

Trust:
+2 %, 72 %

New visitors
+41 %

Views
+30 %

reilukauppa.fi

Number of visitors
+37 %

Engagement
-5 %

Sessions
+25 %



Case cocoa

In 2023, the cocoa projects in Ghana and Côte d'Ivoire were in the spotlight when Finnish broadcasting company YLE's reality series *Verta, hikeä ja luksusta* (Blood, sweat and luxury), brought Ghana's cocoa production to the attention of the Finnish public. We responded to the growing information demand by rapidly producing a wide range of cocoa content for online and social media channels. We highlighted the human rights and environmental challenges of cocoa in our communication channels in the run-up to Easter time and Fairtrade Week in autumn, when we published a survey on Finnish attitudes to child labour exploitation, which also generated media visibility. In addition, we highlighted the human rights risks in cocoa production supply chain in our Fairtrade Week's *Yksi merkki riittää* (One label is enough) campaign, produced communication content from our project monitoring trip to Ghana and a new deforestation theme page on our website. We also used popular social media influencers to raise awareness of the challenges of cocoa production for younger audiences on Instagram and TikTok.

Even though the sale value of Fairtrade brand decreased, **consumers' recognition of the Fairtrade mark rose once again to record levels**. The Fairtrade mark was recognised by 91 % of Finns (+1 %) (Verian 10/2023). Trust towards Fairtrade increased by 2 % (72 %). The net recommendation index rose from -15 to -12. Consumers' uncertainty and decreasing household budgets plays a big role for the increase being only quite modest.

2.6. Other: DONUTS support to country programmes

DONUTS complements Finland's country program for development cooperation in Ethiopia and Kenya. Finland's country program in Ethiopia supports rural economic development, improves water services and develops the quality of inclusive, basic education. Our projects in Ethiopia concentrate on environment and sustainable income (coffee project) and workers' rights (flower project). **Similarly to the Ethiopia country program, the coffee project in supports the goals of the Finland's development policy's priority area of "climate change and natural resources"**, since one of the main desired outcomes of the project is farmers' enhanced climate change mitigation and adaptation. The **flower project enhances particularly Finnish development policy priorities of rights or women and girls and decent work**. Finnish development cooperation program in Kenya improves the position of women in society and promotes youth employment when DONUTS projects contribute particularly to the priority area of "climate change and natural resources". However, in both countries, youth groups in rural areas earn money from selling and installing energy saving stoves. So, **in Kenya promoting employment and decent work for youth is a shared goal with the country program**.



Coffee farmer Rolando Guierrez Viscarra at APROCAFE cooperative, Bolivia ©Dennis Salazar Gonzales

3 Process development



The programme's process development concentrated in 2023 on capacity building for improving programme management skills in all levels, improving monitoring, evaluation and learning (MEL) and strengthening the risk management. Moreover, transparency and accountability were further reinforced particularly by increased communication and cooperation between Fairtrade Finland and Fairtrade Africa and with the key funding partners.

3.1. Capacity building for programme management

Capacity building of the programme partners is an important part of DONUTS to ensure ownership of the projects and their goals. Since the year 2023 was the first full year of implementation for most of the projects, programme management was developed by establishing of functioning steering committees with regular meetings and by providing support for quality and analytical reporting. With projects that have several partners, some expectation management was conducted to keep the focus in the project's goals.

The DONUTS programme reporting consists of activity-based quarterly reports and the results-based annual reports. Particularly the result reporting was difficult for the implementing parties partly because 2022 was mostly used for detailed planning of the projects. Hence, for many projects it was too early to report the actual results of 2023. At the same time, the need for continuous capacity building for result based management (RBM) is clearly needed, and it was also conducted during 2023. For example, RBM was one of the main topics of the DONUTS annual workshop held in Nairobi early 2023. It brought together the whole DONUTS programme team, from program managers in the field to the Nairobi management team and team members in Helsinki. Other topics of the workshop included for instance risk management, cross-cutting themes and HREDD. The regional HREDD dialogue project's HREDD specialist did not only coordinate the dialogue project, but also supported other projects with their HREDD aspects, providing advice particularly on human rights issues.

3.2. Monitoring, evaluation and learning (MEL)

In DONUTS, each project has a result matrix and / or logical framework with indicators. The joint indicator values in the project level feed into the programme level result matrix. The projects' result matrixes include common indicators from the DONUTS result matrix and their own specific indicators, allowing the programme to gather wider data. In 2023, we continued to improve the programme MEL by refining the programme level results matrix together with FTA's DONUTS MEL Manager. To make it more systematic, we also revised the Fairtrade International's (FI) key performance indicators as per to FI's feedback. The DONUTS MEL Manager at FTA oversees and leads the programme's general MEL system and supports the projects' staff in data collection and annual reporting. At the Fairtrade system level, FTA's DONUTS MEL manager and Fairtrade Finland's representative participated in the work of FI's MEL Task Force. As part of this, they joined in the FI's global MEL event later in the year where lessons learnt from DONUTS MEL system was shared and discussed with others Fairtrade colleagues. In 2023, FI's previous digital tool to register all programmes and projects' results was replaced by a system called TolaData to which data from DONUTS projects were filled in.

However, strengthening the programme MEL is a process that continues until the end of the programme cycle. One of the key activities is to support the data collection in the field. In 2023, project managers' data collection was supported and many of them collected indicator data for their projects, which they later analysed in their annual reports. At the same time, there is still room for improvement in terms of strengthening the results-based and analytical thinking when planning and reporting outcomes or impacts. It is a work in progress not only for the field managers, but for all supporting DONUTS implementation. Analysing and measuring results is demanding and needs extensive attention from all of us.

3.3. Risks and their management

DONUTS' risk management was developed further in early 2023 to become more systematic and involving staff at grass-root level more comprehensively. Risks and their effects to implementation were also discussed in the projects' steering committees and all projects updated their risk management plans for their annual reports of 2023. Similarly to the previous year, the Programme Manager at FTA then compiled

an overall analysis of different project risks and their management. The risks can be divided into following main types: climate change or environmental risks, risks related to project management, political risks, staff turnover, financial risks, risk of limited participation of rightsholders (particularly of vulnerable groups), risks with implementing partners and the risk of decertification.

Decertification, meaning that POs do not remain compliant to Fairtrade Standards, is a general risk affecting all the programme's projects. In East Africa, the risk materialized in 2023 for example in the coffee project in Kenya, affecting one of its five cooperatives. Consequently, the cooperative was excluded from the project. Certain **financial risks** connected to the operating environment, **like inflation and currency fluctuations materialized in most counties**. For example, the inflation rate skyrocketed to over 40 % in Ghana. There were also heavy fluctuations in the local currency when the cedi devaluated by over 30 per cent after previously gaining strength before a freefall in late 2022. This uncertain currency situation complicated the projects' budgeting process and expense monitoring. In the Ethiopian flower project, **lack of hard currency's availability** continues to pose risk that may in the worst scenario cause some flower farms to leave Ethiopia. Moreover, **environmental risks were present in the most programme countries** such as droughts, erosion, deforestation, and irregular weather patterns affecting project implementation. In West Africa, the cocoa related disease (CSSD) began to spread as a consequence of heavy rainfalls in a time when it should have been rather dry. Currently, there is no cure for the CSSD, meaning farmers are forced to cut down all the ill trees. Agroforestry helps to decrease the risk of catching the disease, as having different plant and tree species together slows the spread of CSSD. Nevertheless, the projects conducted several measures to address the challenges, such as planting trees or training on soil and water conservation.

The **risk of political riots and instability** had a limited effect to the programme implementation. In Ethiopia, politically motivated riots and road blockages had to be considered particularly when travelling to flower project's main site. The project advanced, however, according to the plans. Political and environmental risks are contextual, external risks that projects cannot prevent, but they are aware of them and have committed to address them the best they can. Additionally, the projects in Ethiopia continued to raise the risk of **low level of participation of the most vulnerable**, owing to the social norms. However, support to the inclusion is strongly included in the Ethiopian projects to try to push their increased participation.

The main risks that materialized and affected the programme implementation the most, were connected to staff turnover in the LEAP project. Both Fairtrade Foundation (FTF) and Fairtrade Finland experienced staff turnover which caused some gaps in communications when it comes to managing the project. There were also misunderstandings regarding the different roles and responsibilities which eventually culminated into three-party discussions between us, FTA and FTF. We were able to clarify our roles and responsibilities and agree on next steps on how to improve our collaboration. As a concrete step, we agreed to hold a physical meeting between us in early 2024 as part of the annual DONUTS workshop. Nevertheless, similar challenges began to appear in the Sankofa 2.0 project where there was ambiguity about the roles in the project. We managed to tackle some of these issues while visiting the project in September 2023. However, due to the KKFU-related challenges causing delays in the implementation, coupled with the currency fluctuations and high inflation, it became evident that the project would not be able to cover for all of the intended activities. The project team revised some of their budgets and workplans to be more realistic.

In sum, 2023 offered some valuable learnings for us in terms of project management and particularly, collaboration with multiple project partners. Similarly, open and timely communication is vital to avoid misunderstandings. Fortunately, the programme team across Finland and Africa has been active in the quarterly steering committee meetings to raise urgent concerns – and this is something we intend to continue during the rest of the programme cycle as well.

3.4. Accountability and transparency

DONUTS projects are accountable for their rightsholders, so ensuring as full transparency as possible, is integral part of its implementation. Already in the planning phases of the projects activities were conducted with thorough local participation. This practice continued in 2023 during implementation. Specific attention was paid to transparency and openness.

Fairtrade Finland also communicated actively with the implementing partners FTA and CLAC through quarterly steering committee meetings and more urgent day-to-day chatting. The active, daily-based communication with our cooperation with FTA were particularly important for the programme since the most of DONUTS' projects are in Africa. The programme team in Finland also holds bi-weekly meetings with the Programme Manager at FTA to discuss project updates and pending items. We also discussed with other NFOs to support transparency and enhance our joint commitments to the accountability to the rightsholders. As seen with the risks that materialized in 2023 in partner collaboration, this became a vital tool to de-escalate problems and challenges. Nevertheless, transparency is an issue that needs to be addressed thoroughly by all the parties involved in the programme, and we will raise its importance and monitor it also in future.

Another mechanism the program implements to engage with rightsholders is through the annual review workshops. These are conducted at the project level and allow the implementation teams at FTA, and other project stakeholders to engage in participatory planning, communication and decision-making. These workshops aim to meaningfully involve stakeholders in the project management processes by providing an opportunity to review activities, and results for the year. The annual workshops also allow these stakeholders to contribute to planning processes for the upcoming implementation period.



Foreman Michael Willemse at wine farm Journey's End in South Africa © Fairtrade/Fairpicture

4 Programme communications



The programme communications component focuses on **raising awareness of the programme and its impact**. In 2023, the programme communications continued its' impactful multichannel communication through our website, social media and partners' communication channels.

Our digital communication focused on showcasing DONUTS project launches and the impact of ongoing projects. We focused on digital communication content production and produced online articles and social media content for example of the launch of the coffee and flower projects in Ethiopia, Tony's Chocolonely's collaboration in Ghana and business-to-business partnership work in the wine project in South Africa. Moreover, we produced multiple video clips (producer stories and impact stories) gathered throughout the programme which led for impressive growth of social media reach and impressions.

Thematically, we highlighted issues related to harmful child labour, climate change, corporate responsibility and gender equality. In content production, we worked closely with the global Fairtrade teams and strengthened relations, particularly with FTA and their DONUTS programme Communication Officer, with whom we could plan our communications cooperation more strategically. Moreover, the FTA's DONUTS Communication Officer provided us with content from her field trips and assisted us with producer stories, photos and impact.

Our Advocacy Director visited Ghana in September during the launch of the child rights project in partnership with Tony's Chocolonely. As a result, we wrote online news about the project, an advocacy blog post and got the MTV3 Huomenta Suomi program interested in harmful child labour in cocoa production. We were able to talk live about child labour risks in both cocoa and coffee with Fairtrade Finland's commercial partner Paulig.

The biggest single success for the visibility of the programme was in May when the YLE African correspondent visited our flower project in Kenya. The story about the young flower worker was featured extensively on the YLE's website and in news broadcasts. The journalist was also live on the morning show to talk about the daily life of flower workers in Kenya. The visibility generated a lot of discussion on social media which allowed the theme to be discussed with a Finnish audience.

The DONUTS programme is widely presented on our website, both in text and visual maps. In 2023, we made a much-needed addition to our online visibility by launching an English-language page on our development work for all non-Finnish speaking audiences. In addition, as Fairtrade Finland is committed to transparency, accountability and creating a safe environment for everyone we work with we launched a "report a concern" digital button for anyone suspecting any misconduct by our staff or partners.



5 Administration and finance

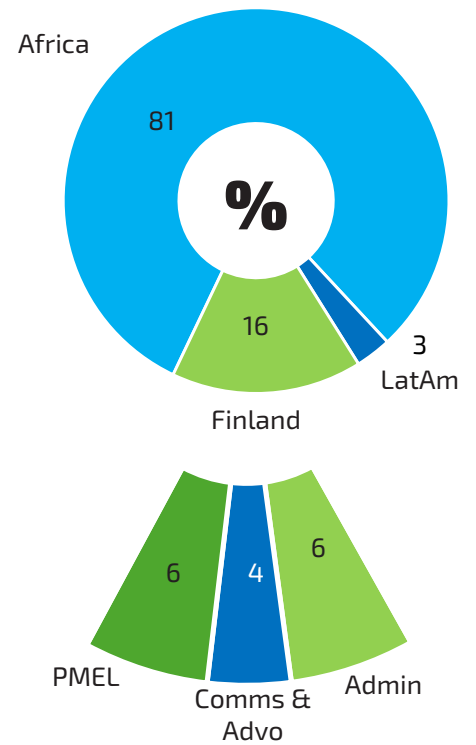


Fairtrade Finland obligates its partners to follow good accounting practices, governance principles and to abide by its policies. With various partners and fundings sources, Fairtrade Finland team adopted stricter administrative measures in 2022 to monitor the various funding streams, and this practice was mostly abided to in 2023. For example, financial documents are checked at least by two employees and fund request can only be paid by the Finance and Administration Director. Additionally, FTA continued their collaboration with the auditing company Ernest & Martin Associates.

In 2023, the programme showcased mostly stable practice of financial management with nearly all projects exhausting their budgets. The programme's total **expenditure** in 2023 was 3.18 million euros. The programme's overall implementation rate in terms of budgeting and finance managed to reach 96 %. Most of the projects were well on track (over 90 % rate) on budget expenditure. The only major exception was the KKCLMRS project in Ghana with 70 % implementation rate compared to the budget. The project was affected by the internal management challenges at KKFU, which caused delays in implementation during the first half of 2023. However, the project was able to catch up with activities, resulting in an improved expenditure rate in the second half of the year. The other minor deviation was the LEAP project in Côte d'Ivoire which was able to speed up its implementation from the delays in the previous year, and eventually reaching 87 % of the budget in 2023. To balance programme level implementation, we directed slightly more resources to couple projects with urgent needs and limited budgets. This transfer led to a slight budget overrun in the Ethiopian coffee and South African wine projects. Main delays and challenges are explained in chapter two. Fairtrade Finland's administrative expenses were kept low at 5.7 % (flat rate). Roughly 84 % of the programme budget was used in the projects' field implementation.

When it comes to **funding**, 1.9 million euros of the programme expenses were financed by the MFA, forming the majority – 60 % – of the funding. The programme had a solid foundation with 40 % of funding coming from various companies and Fairtrade organizations in 2023. The main co-financing companies in 2023 were Mars, Tony's Chocolonely, Alko, Lidl and several Aldi branches (UK, Germany and Switzerland).

Expenses 2023



Finance 2023

Fairtrade Finland

