FAIRTRADE FINLAND

Programme Results Report 2024

Development Cooperation Programme 2022–2025: "Dignified Opportunities NUrtured through Trade and Sustainability" (DONUTS)

Michael Boating at Sankofa Cocoa cooperative in Ghana ©Richard Ocloo

Contents

Acronyms and abbreviations

CBA	Collective bargaining agreement
CIRCLE	Children In Rural Cocoa communities are Learning and Empowered
CLAC	Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo
CLMRS	Child labour monitoring and remediation system
CR	Corporate responsibility
CSDDD	Corporate Sustainability Due Diligence Directive
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
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
NFO	National Fairtrade organization
PN	Producer network
PO	Producer organization
PWD	Person with a disability
RBM	results-based management
SPO	Small producer organization
ToC	Theory of Change
UN	The United Nations
VSLA	Village savings and loans association

Summary

The report summarizes the progress and key initiatives in the third 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 standards by addressing prevalent development challenges such as inequality, discrimination, and limited opportunities, with a focus on agricultural farmers and workers. Inspired by Dr Kate Raworth's Doughnut Economics model, the programme supports sustainable change in its rightsholders' lives, emphasizing sustainability in a holistic manner. It 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** on youth, vulnerable groups, and gender equality, are integrated into the programme.

Despite high inflation rates, climate change related effects and political tensions, the programme showed promising progress in all the three sustainability areas across outcome and impact levels. The main achievements in the **social sustainability priority area** consist of increased inclusion of PWDs and youth in the producer organizations (POs), signalling we are on the track towards inclusive and active POs as part of civil society. In West Africa, the local communities' capacities to manage hazardous child labour and mitigate the risk of forced labour strengthened showcasing improved risk resilience. Within the **economic sustainability area,** decent work and living income were supported through more diversified income sources for farmer households and more collective bargaining agreements (CBAs), as well as improved working conditions for workers. However, the sustainability of our progress relies on the **ecological sustainability area** which provides the basis for all agricultural activities. Within this area, the programme managed to increase the use of good agricultural practices (GAPs) among producers, enable access to cleaner energy solutions for more people, and scale up agroforestry systems supporting biodiversity and soil health, income diversification and climate change mitigation through carbon sequestration.

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 2024, our main political advocacy priority, the EU Corporate Sustainability Due Diligence Directive (CSDDD), was adopted in July 2024. While the scope was narrower than hoped, Fairtrade's core goal was achieved: an ambitious due diligence obligation, including requirements on living incomes and wages, responsible purchasing, producer support, and stakeholder dialogue. Fairtrade's advocacy work and expertise was recognised by Finnish authorities, who invited us to join the national transposition working group. We also helped steer corporate supply chain practices toward greater impact. Our trainings reached a record number of 700 corporate decision-makers, and 90 % of our advocacy target audience rated Fairtrade as very competent or competent in business and human rights. Our consumer campaign "Human Rights Are Not for Sale" reached around seven million views.

In 2024, two projects in Bolivia and in Côte d'Ivoire phased out effectively, while a new energy project started in Malawi with sugar producers. The programme team held a few workshops for the programme staff and partners to strengthen their capacities in project management, as well as for the whole Fairtrade system to increase cross-learning and awareness of the programme's progress. Project level collaboration was enhanced through multiple project visits and maintaining open and solution-oriented communication with partners.

The annual expenditure in 2024 was **3,53 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 administrational costs were kept low at 5,3 % of total expenses.

In conclusion, the third year of the DONUTS programme demonstrated a determined advancement towards 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, promote joint learning among its peers and importantly, create tangible results in its rightsholder lives.

Eunice Muthoni, a clerk at Kamurai Coffee Farmers Cooperative Society in Kenya. Kamurai decided to invest into propagating shade trees. @Fanny Nana Ampon

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 more 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 unjust global trade structures. The standards consist of social, economic, and environmental requirements. Standards and certifications are vital tools to enable empowerment, 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 the Dignified Opportunities NUrtured through Trade and Sustainability (DONUTS)** comes in to support that 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 **overreaching 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.

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.

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 companies and policymakers to influence wider change.

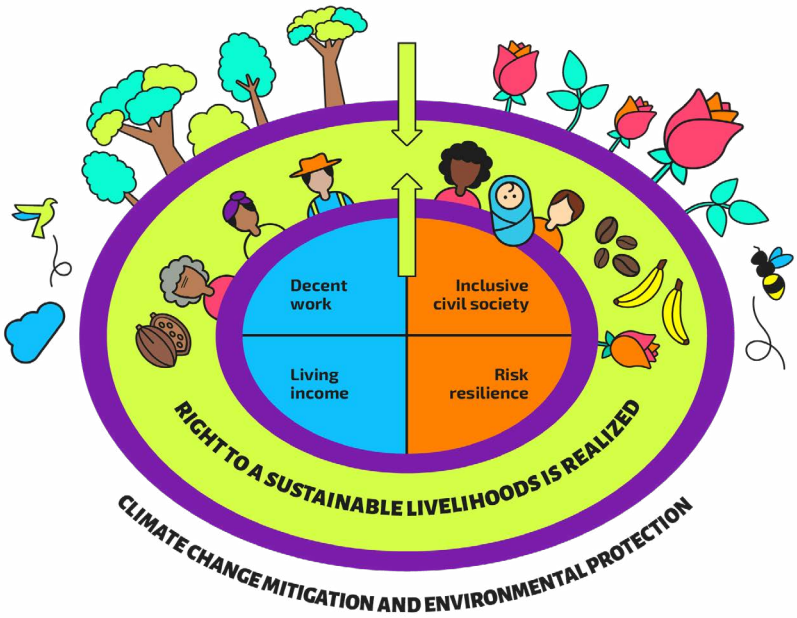


Figure 1. The Doughnut Economy is a model that seeks an environmentally safe and socially just space where humanity can thrive between social and planetary boundaries.

1.3. Rightsholders

The programme's direct rightsholders are Fairtrade small-scale farmers and agricultural workers whereas their families 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 2024. On average across all projects, almost 50 % of the direct rightsholders are women. Similarly, out of all direct rightsholders, almost 25 % are young people, which is encouraging. We generally use the United Nation definition of youth, meaning persons between 15–24 years of age. However, some programme regions consider youth up to 35 years old.

Project	Direct rightsholders			*of which*			Indirect	Total	POs	
	Male	Female	Total	Youth	PWDs	Children			SPOs	HLOs
Ethiopia: coffee climate academy	2 368	3 490	5 858	664	206	-	23 432	29 290	15	
Ethiopia: flowers, decent work	979	2 099	3 078	457	98	-	20 804	23 882		6
Kenya: roses, green energy	1 257	1 524	2 781	1 497	24	-	8 065	10 846		6
Kenya: coffee climate academy	628	594	1 222	184	29	-	3 544	4 766	4	
GHANA: cocoa, CIRCLE	1 363	1 031	2 394	195	2	560	9 576	11 970	2	
GHANA: cocoa, SANKOFA 2.0	5 726	3 117	8 843	3 355	3	-	35 372	44 215	1	
GHANA: cocoa, KKCLMRS	2 291	1 129	3 420	918	15	1 000	13 680	17 100	1	
CDI: cocoa, LIA/IDW	1	139	140	28	1	-	560	700	4	
CDI: cocoa, LEAP	8 646	718	9 364	705	-	-	37 456	46 820	4	
South Africa: wine, decent work	865	970	1 835	629	6	-	4 221	6 056		14
Madagascar: vanilla	75	50	125	3	5	-	463	588	5	
Malawi: sugar, energy	579	457	1 036	163	10	-	3 522	4 558	2	
HREDD dialogue (cocoa & flowers)	103	84	187	-	-	-	542	729		1
Bolivia: coffee, gender	220	114	334	30	-		1 002	1 336	6	
Total	**25 101**	**15 516**	**40 617**	**8 828**	**399**	**1 560**	**161 236**	**201 519**	**43**	**27**

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 Localization and ownership are core values in our programme, as well as in the global Fairtrade system. This is demonstrated for example by the Fairtrade General Assembly, where producers hold 50 % of the votes. Another important local decision-making opportunity is the use of the Fairtrade premium, of which producers hold authority over.

The DONUTS programme 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 approach promotes people-centred development in which the target populations become the agents of their own lives, participating in decision-making and implementation of project activities. During programme planning, farmers and agricultural workers defined the challenges and priority needs, stakeholders and project objectives. Rightsholders are consulted annually about the projects' progress and impacts in evaluation workshops.

Most of the projects' steering committees include **PO-members** alongside Fairtrade colleagues and commercial partners to guide effective implementation based on rightsholders' needs and interests. 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 projects' **rightsholders** play an important role in the regular monitoring and learning of the programme, enhancing their ownership of the projects. 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. The Project Officer in charge of the KKCLMRS 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 covers 20 % of the agroforestry field officers' costs – who are directly employed by the cooperative – which in the local context is a valuable contribution signaling the SPO's commitment and sense of ownership.

Yet, POs' capabilities to continue financing initiatives after the programme fade-out pose one of the key sustainability questions in many projects. While ownership and commitment are there, POs' budgetary limitations may hinder further investments, calling for creative and realistic solutions in exit planning.

Producer Networks (PNs), particularly Fairtrade Africa (FTA), play a central role in supporting project teams and monitoring programme level progress towards intended results. The Continental Programme Manager based in Nairobi is responsible for overall programme management in the field. The Programme's Monitoring, Learning and Evaluation (MEL) Manager at FTA handles programme level MEL and support projects to implement their MEL plans. The Communications Officer, based in Ghana, collects communication material, documents impact stories from the various projects, develops the programme's comms strategy, attracts both traditional and social media visibility at the local level and supports Fairtrade Finland's communications team. Regional and project level personnel oversee the day-to-day planning, implementation, budgeting and monitoring of the project activities. Fairtrade Finland's role is providing strategic support for project and programme teams in terms of results-based management (RBM), risk management and quality control as well as reporting to the MFA.

The DONUTS programme is based on existing local structures maintained by FTA and its various partners and stakeholders representing agricultural producers. FTA's regional networks and country offices help to ensure relevant and targeted support for rightsholders even after the programme has ended, hence providing a solid foundation for sustainability. As part of the programme, capacity building and awareness creation is also provided to FTA on topics they have identified, such as Human Rights Environmental Due Diligence (HREDD), human rights based approach (HRBA) and project management to enable the continuous utilization of the programme's learnings.

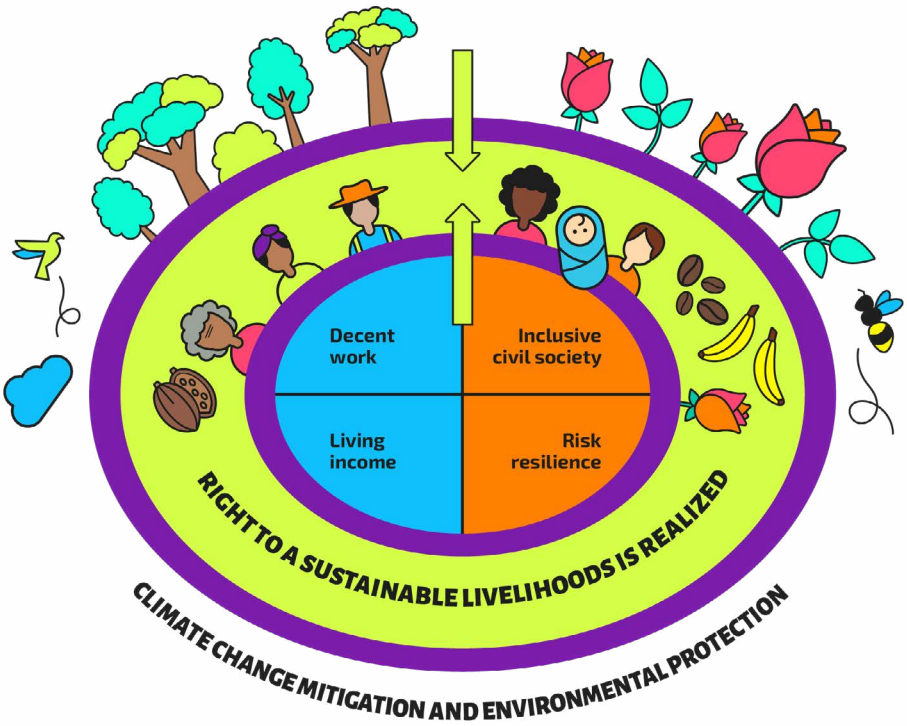
Zipporah Moraa Ombiro, Pack House Worker at Penta Flowers in Kenya © Vincent Owino / Fairtrade Finland

2 Progress and effectiveness

The third year of the programme consisted of localized project implementation with a focus on strengthening collaboration with various project partners to ensure efficient results-based management (RBM) of the programme. In terms of reaching the programme's goals, there were **promising signs across all three priority areas** (social, economic and ecological), highlighting our successes in project management, advocacy and communications. For instance, perceived inclusion and democracy are gradually rising within POs, notably among PWD members, together with increased CSO collaboration and local advocacy by POs. Productivity and farmer income diversification initiatives have increased, while HLOs are performing better and better on decent working conditions. Under ecological results, the land area under reforestation or afforestation is growing, largely thanks to vigilant efforts in setting up agroforestry systems and promotion of good agricultural practices (GAPs).

Nevertheless, work still remains to be done to reach all of our targets, including for example those on living income and productivity. Many programme countries still face high inflation rates while climate change related effects are becoming more unpredictable. Although this poses challenges for our work towards the different sustainability goals, the programme adopts a systemic approach to support producers through targeted trainings, advocacy, supporting companies in implementing their HREDD and raising awareness of the realities behind our everyday products through communications.

To strengthen programme wide RBM and foster joint learning, we organized the annual programme-wide workshop week in Nairobi early 2024 to cover key principles of the programme, such as the human rights -based approach (HRBA), RBM, sustainability, human rights and environmental due diligence (HREDD) as well as organizational policies on corruption and sexual harassment. The workshop enabled knowledge exchange and enhanced collaboration between different project teams in Africa, as well as European Fairtrade colleagues.



We also held two webinars in 2024, first among the programme team from different regions and key stakeholders to showcase 2023 key results, and later for the whole Fairtrade system to share learnings from the programme implementation. Both sessions were deemed useful and provided valuable feedback for project teams. Moreover, partner communication, project management and general partner relationships were improved through various project visits, supporting the adoption of more analytical reporting and open communication about challenges.

The programme's **advocacy and communications** components were rather active in 2024. 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 organising several trainings for corporate decision-makers and by further developing and promoting 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 coffee and cocoa.

Despite our efforts for increased collaboration with project partners, we encountered some **operational challenges** in 2024. There were some communication gaps and misunderstandings among the Sankofa 2.0 project team resulting from staff turnover which affected our cooperation in 2024. However, we managed to discuss and find solutions together with our Swiss colleagues, de-escalating the situation. This provided valuable learnings for us to improve our own communication about the programme principles towards partners in a continuous manner. Joint project visits, programme workshops and webinars fortunately also help to mitigate such risks in the future.

2024 marked the beginning of a project with Malawi sugar producers focusing on fuel saving cookers. Two projects phased out in 2024, namely the income diversification project for women in Côte d'Ivoire and the sustainable coffee project in Bolivia. As planned, we supported the project teams and their stakeholders to prepare and adopt efficient exit plans for the projects to maintain their results in the future. The exit plans were prepared in a participatory manner by including key rightsholders and POs in the process, and their implementation is on track.

As a result of our efforts together with FTA, the programme implementation rate has remained high in 2024, reaching a total of **97 % of the budget**. The quality of project level reporting has improved slightly after this has been emphasised in trainings and programme workshops. However, more analytical and critical reflection is still needed in data collection and reporting, which we will focus on in 2025. Other key topics for 2025 include focus on inclusion of people in vulnerable situations, HREDD and preparing for project exit-phases in a sustainable manner.

Rightsholders who perceive that their organization is inclusive and democratic

48 % → 77 %

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**.

POs with youth inclusion measures

0 → 38

2024 saw steady improvements in terms of PWDs', youth's and women's inclusion and influence in different governance structures, producers' health and wellbeing, and the protection of children and vulnerable adults from labour related risks. Particularly the number of young people represented in PO management and worker organisations increased, providing a good basis for intergenerational change. Progress in terms of women's inclusion has been slower, although positive when comparing to the baselines. There were also encouraging signs of increased disability awareness and action within our target POs. These results are explained more in the following chapters.

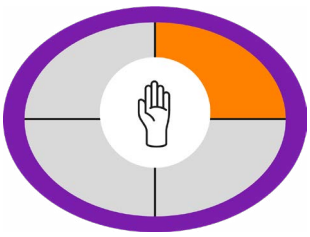
Recently, **the space for civil society has been narrowing on a global scale** which poses challenges to our work. For example, the civic space in East Africa is mostly repressed or completely closed as in Ethiopia (CIVICUS Monitor 2024). In Kenya, we saw countermeasures of younger generations who showcased determination in holding duty-bearers accountable for protecting and upholding their rights. Civil society's protests in summer 2024 achieved president's cancellation of "Finance Bill" law, which included raising taxes on essential goods and services. The protests were organized largely by young Kenyans, criticizing the president and government's policies - and particularly, corruption. The civil society activists faced, however, brutal reply from the police and other security forces abducting and killing activists during and after protests (Human Rights Watch 2024)[1].

There is still work to be done to reach the impact goal of inclusive and strengthened civil society. Despite the programme's encouraging progress in terms of increasing different vulnerable groups' influence and wellbeing, one of the **key lessons learned is to support multistakeholder collaboration in addressing challenges.** For example, addressing hazardous child labour requires investments and resources from farmer households, social services and schools without forgetting buyer companies which essentially need to pay enough for their suppliers to make a decent livelihood. Collaboration is also important to enhance POs influence and position in, for example, advocating for farmers' rights, climate change mitigation and regulation.

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.

When it comes to the performance of social sustainability as a part of the programme ToC, most indicators and outcomes are well in sync and complement each other. For example, addressing child and forced labour risks can reduce physical and mental health related problems in the long run while encouraging multistakeholder collaboration to exchange knowledge, resources and solutions. However, addressing health related risks particularly through energy solutions remains a bit separate from the other themes in the ToC. Nevertheless, we see it as a critical component to tackle climate change related risks, reduce firewood and harmful emissions, as well as to provide employment opportunities for younger people by encouraging them to offer maintenance and installation services.

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.

Nevertheless, there were positive developments supporting this outcome in 2024. For instance, the share of PO-members (farmers and workers) who perceive their organizations to be inclusive and democratic increased from 73 % in 2023 to 77 % with the baseline being only 48 %. Particularly the share of PWDs rose from 58 % to 78 % in 2024. This encouraging result can be explained by the several projects which provided support for PWD inclusion. Both Ethiopian and the Kenyan coffee projects continued to support the inclusion of PWDs particularly strongly. These projects have a specific outcome area committed solely to enhance inclusion with awareness raising activities as well as developing and implementing inclusion plans in POs.

[1] Human Rights Watch 2024: Kenya: Security Forced Abducted, Killed Protesters. https://www.hrw.org/news/2024/11/06/kenya-security-forces-abducted-killed-protesters

Similarly, the inclusion of women and youth among PO boards, management, Fairtrade premium committees and workers representatives has been steadily rising from its baseline, although there has been fluctuating progress in 2023–24. For example, the number of youths took a promising surge in PO management (from 9 % to 25 %) and worker representation (from 12 % to 21 %) but among PO boards and premium committees their share has lowered. For women, the progress has been slower in 2023–24 most likely due to traditional gender norms which pose barriers for women's participation, like household and childcare duties, negative prejudices against women and the lack of role models.

Gender committee representative Beredu Sitea from Herburg Roses Ethiopia participated in a peer-to-peer learning event in Kenya about best practices on gender and inclusion. Beredu shared, "I *had the opportunity to witness firsthand how prioritizing inclusion and gender matters significantly enhances the Kenyan farms I visited. The most impactful lesson was the importance of childcare facilities for women workers. I intend to present this to my PO management and advocate for the construction of childcare facilities in Ziway. This initiative will enhance productivity and improve the livelihoods of our women workers*."

The outcome of **POs effectively represent the interests of their members, including vulnerable groups** focuses particularly on youth and PWDs representation in POs as well as advocacy and CSO collaboration. In 2024, we reached our targets in terms of the number of POs with youth inclusion interventions in place (from 32 in 2023 to 38 POs in 2024), and the share of POs involved in advocacy campaigns (from 28 % in 2023 to 35 %). Combined efforts of program team and Fairtrade gender and youth desks enhanced the need and benefits of involving the youth in product supply chain activities and leadership. POs integrate advocacy for youth and women with existing established structures for sustainable inclusion in their value chains. For instance, our community-level training on human and labour rights have resulted in grassroots level advocacy in many contexts. Additionally, the number of POs with disability inclusion analysis, action plans or activities rose slightly from 30 in 2023 to 33 in 2024, with the baseline being 9. All 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 **Diverse farmers and workers have greater voice and influence with POs.**

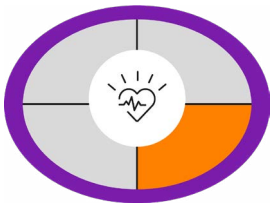
Bolivia: 67 %
of female SPO members feel their diverse opinions can be elevated and respected in their farming organization (baseline: 27 % target level: 65 %)

There were encouraging developments under the outcome of Diverse farmers and workers have greater voice and influence within POs. For example, the share of youth among PO management or committees has increased from 13 % in 2023 to 18 % in 2024 with the baseline being 9 %. The share of PO members who have participated or voted in the general assembly on premium decisions has climbed very high across different groups of people, including PWDs, reaching an average of 100 % across all PO members. Additionally, there has been a growing number of POs with more PWDs as their members (from the baseline of 10 POs with roughly 230 PWDs to current 38 POs with around 600 PWDs). Importantly, the share of producers who feel they can influence policies and regulations in their POs or communities has increased from its baseline of 41 % to 61 % in 2024. However, there was a notable decrease between 2023–24 in this indicator which can be partly explained by economic pressures and other emerging challenges faced by POs. For instance, some countries and regions have had changes in political leadership affecting PO management and the operating environment.

Bolivia: 95 %
of SPO leaders express a positive attitude towards gender equity (baseline: 75 %)

Results towards the outcome of **Companies and authorities enable for diverse farmers' participation in supply chains** were a bit slower than the other components. However, some policy changes were passed with the help of projects referencing to Fairtrade principles, like community by-laws and action plans focusing on child protection in Ghana, and gender and inclusion policies in the Ethiopian coffee project. Moreover, the **HREDD dialogue project** accelerated its work in the Kenyan flower sector by conducting a rightsholder driven risk assessment at two flower farms as part of the dialogue process, trained flower farms staff of HREDD, and conducted a maturity assessment of the partner company's HREDD level. These essentially lay the groundwork for the actual

dialogue to take place in 2025. **All outcomes contribute to the long-term outcome of more inclusive, democratic and active POs as members of civil society.**



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, forced labour and health risks have seen most progress in 2024 due to the continuous support to local structures for children's protection and the adoption of cleaner energy solutions.

According to our programme data, 74 % of sampled rightsholders (producer households) perceive their health has improved in 2024 (in 2023 the response was 71 %). There was a notable change in how PWDs have responded to the question as their responses have increased from 72 % in 2023 to 91 % in 2024. This can be explained largely by the support of the Ethiopian flower project, which provided assistive devices for almost 200 PWDs and helped to adopt safer working conditions at the target flower farms. The clean energy activities implemented in the East African projects and in Malawi contribute to this outcome by replacing traditional firewood stoves with improved cookstoves which reduce smoke and other particulates. For example, the number of households with healthier energy access increased by 70 % in 2024 (from roughly 2 900 in 2023 to over 4 900 households, with the baseline being around 700). The programme's interventions on child labour and forced labour support children's and vulnerable adults' wellbeing by capacitating them to voice their rights and by supporting parents and schools to find alternatives for physical punishments.

The outcome of **Decreased risk of child and forced labour** is targeted particularly in the West African cocoa sector, where these issues are considered as a high risk. 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 Chocolonely and HALBA, and one CSO (International Cocoa Initiative, ICI) closely support these projects. In 2024 these projects expanded their scope from their primary target of child protection to also protect the rights of vulnerable adult workers against **forced or involuntary labour**. However, exact data on forced labour cases is extremely difficult to obtain due to the sensitivity of the issue, lack of locally accepted survey tools and weak public recognition of the issue. Therefore, efforts have so far focused on awareness raising, capacity building of community committees, and the rollout of tenancy agreements between farmers and sharecroppers.

Last year saw a promising step towards the programme level outcome. All targeted Ghanaian POs now have a **policy or an internal management system to protect vulnerable adults** (baseline is zero) while 88 % of them have a **policy against abusive, exploitative or intimidating behaviour** (baseline is 25 %). The number of high-risk communities running self-governing systems to monitor and address child labour has increased notably from its baseline (from 23 to 68) but the progress in 2023–24 was minimal, mostly due to the increased focus on forced labour themes in 2024.

Importantly, the projects addressing child labour and forced labour, namely **the KKCLMRS and CIRCLE projects in Ghana**, contribute to community well-being in ways that go beyond of what is captured in the programme results matrix. The projects' key commercial partners, Tony's Chocolonely and HALBA, enable living incomes for cocoa farmers by paying the Fairtrade Living Income Reference Price (FLIRP), as well as additional support for POs through various development projects and continuous stakeholder dialogue as part of their purchasing practices and HREDD. Active involvement from buyer companies to engage with their suppliers is a critical success factor on the road towards eliminating child labour and forced labour in the West African cocoa sector.

In the CIRCLE project for example, 89 new cases of child labour were identified while 772 children left the monitoring system after having received remediation and two follow up visits in 2024. The 89 cases identified were part of the 772 children that received remediation. There were 25 child advocacy clubs raising awareness on child rights and protection established by 2024 as compared to one club as baseline. The project has also established parent-teacher associations in all its target schools which help to enhance communication between schools and communities around child wellbeing. Addressing child labour requires multi-stakeholder collaboration, which the project is supporting by engaging with parents,

teachers, community leaders, municipal assemblies, social workers, without forgetting children themselves. Moreover, the existing community protection committees resolved 85 % of the labour related grievances they received while referring the rest of the cases to the relevant authorities in 2024. This showcases the importance of local community structures to protect children's rights, as well as adults in vulnerable situations, like sharecroppers coming from other regions.

Whereas the CIRCLE project has been monitoring cases in its target areas since 2018, the KKCLMRS project conducted its first large scale data collection and analysis in 2024. Covering 40 communities and nearly 4 400 households, the project identified over 2 850 cases where children were involved in child labour at some level. It is noteworthy that only 3 % of these cases were in farmer households that are members of the Fairtrade certified KKFU cooperative. A vast majority of cases were identified in the surrounding communities, highlighting the strong positive effect that Fairtrade standards have on the occurrence of child labour. By the end of 2024, 1 000 children had received remedial measures, while the rest will be supported in 2025. The affected children have received school supplies (such as school bags, exercise books, pens, uniforms) with the aim of reintegrating them into schools. The families are then visited three times to check the effectiveness of the measures. If the child is still not attending school, further measures are implemented to support the child (like provision of transportation such as bicycles). Children over the age of 15 are given access to vocational training as a remedial measure.

Another accomplishment in 2024 was the participatory development and validation of **community by-laws** in all 40 communities targeted by the KKCLMRS project. These planning processes attracted community members in the thousands, with particular interest from women. The by-laws, such as community rules and regulations that outline the community's commitments to protect children and vulnerable adults, were distributed across communities using information communication and education materials such as stickers and posters. All 40 communities also co-created **Community Action Plans (CAPs)** outlining their prioritised infrastructure needs to adequately protect children and vulnerable people. The main gaps included boreholes, school blocks, health care facilities, libraries, and day care centres. As a **local advocacy effort**, the CAPs were then presented to relevant municipal and district assemblies to be considered in their medium- and long-term planning.

"Monitoring in Asunafo North schools shows that eliminating corporal punishment leads to happier and more confident students. Positive discipline improves behavior and learning. Education officers are committed to promoting safe school environments and engaging parents in supporting this approach". Mr. Owusu Korankye (right) addressing students during one of the school visits in Asunafo North, Ghana.

Overall, in 2024 the priority area of social sustainability made promising progress in terms of POs' inclusion aspects and the communities' resilience to hazardous child labour and health related risks.

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. Most of the target POs in Africa do not frequently experience serious environmental hazards apart from floods, drought or pests. In Bolivia for example, DRR has gained strong focus as the producers suffered from drought and El Niño. DRR development is also important for the vanilla SPOs in Madagascar which were hit several times by cyclones in 2024, risking whole communities and their livelihoods. After two destructive cyclones, producers in Madagascar got more interested

in DRR and requested more training sessions regarding anti-erosive soil management measures, such as reduction of runoff speed through plot evacuation canals, soil bunds, infiltration holes, wind breaks and living hedges. Nevertheless, in most POs, DRR risks are considered as part of their organizational risks and action plans, as well as project risk management.

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 2024, DONUTS achieved encouraging progress particularly in **diversifying rightsholders' income sources** and s**trengthening policies and structures for improved working conditions**. However, there is still a long way to go to reach living wages and incomes for producers, requiring the joint effort of multiple stakeholders, like companies, consumers buying agricultural products, governments, CSOs and producers themselves. Most of the programme countries continued to be affected by high inflation rates in 2024, coupled with the increasing prices of agricultural inputs and basic necessities.

When it comes to labour rights, in many cases awareness about decent work and particularly HREDD themes remains quite low. For example, the recent policy engagements around Corporate Sustainability Due Diligence Directive (CSDDD) and other EU-regulation have raised concerns among POs about possible cut-and-run, where companies stop sourcing from certain regions due to non-compliance concerns. In 2024, we reached a significant advocacy target when due diligence obligation for living incomes and living wages in supply chains were included in the final EU CSDDD.

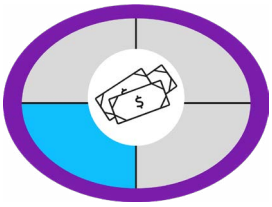
HREDD can also seem an additional burden to POs, requiring investments and resources. Fairtrade promotes the concept of shared responsibility, highlighting the need to share knowledge and resources particularly with producers in disadvantaged positions. Our projects also support awareness raising by offering trainings on various decent work themes and supporting companies to implement their HREDD processes in a meaningful way – and not as a box ticking exercise.

Supporting farmers' and workers' path to living income is at the heart of all Fairtrade work. Our TOC's economic priority area is comprehensive, including goals related to both improving the livelihoods of farmers and workers and promoting corporate responsibility. The results in this priority area are particularly strongly influenced by many powerful and complex factors external to the programme. When collecting and analyzing data, understanding the impact of our work and trying to maximize it by working with many, different kinds of actors is extremely important. The logical pathway and its desired goals are practical, covering small-scale farmers, workers, consumers, buyer-companies and duty-bearers, as well as CSOs. Although achieving the desired goals of living income and decent work for producers is a slow and complex process, the recent public calls for HREDD and climate justice provide good opportunities to amplify

Estimated yield (kg/ha) growth in 2024:
Cocoa: +5 %
Coffee: Kenya +5%

the programme's messages. Multi-stakeholder collaboration and dialogue is needed to reach living incomes and living wages for producers in the long-term, with emphasis on adopting meaningful HREDD processes across business operations in Africa and Europe.

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.

Data on producers' access to living income results was not collected in 2024 due to the complexity of conducting accurate household income surveys. Instead, these results will be thoroughly reported at the end of the programme (2025). However, the programme partners with two pioneer companies, HALBA and Tony's Chocolonely, both pay the Fairtrade Living Income Reference Price for the cocoa they source. For example, a total of 520 farmers benefitted from this in HALBA's partner SPO (KKFU) in 2024. Importantly, several projects support the journey towards living incomes in ways that complement the programme level data.

The prices of cocoa and coffee were exceptionally high in 2024 due to reduced yields and uncertainties in production. For instance, the Ghanaian regulatory body COCOBOD increased the farmgate prices for cocoa in 2024, resulting in an 129 % increase to the price as compared to 2023 (Modern Ghana 2024). Similarly, coffee prices have surged over 50 % in 2024 (Trading Economics 2025). Although this is positive for producers, the situation is not expected to last due to the volatility of cocoa and coffee prices. In many programme countries, production costs and general living costs have also increased which eat away the possible benefits from price hikes.

Although Ethiopia and Kenya have suffered from high inflation strongly affecting people's lives, most interviewed farmers in coffee projects replied that their socioeconomic situation has improved in 2024. The received high price of coffee in Bolivia, Kenya and Ethiopia was caused mainly by the adverse weather conditions in the main producer countries Brazil and Vietnam decreasing their coffee production. The weather in most parts of Bolivia, Kenya and Ethiopia was in turn more favourable to the coffee production than in 2023, although flooding affected the quality of coffee beans Kenya. Hence, weather played a key role in supporting farmers' increased incomes from coffee. At the same time, improvements in farming methods, supported by our projects, contributed to the increased coffee yields and increased incomes as well.

The highly volatile vanilla markets saw deep downturn in 2024 after liberalization of vanilla sector in Madagascar in 2023. The result was high oversupply as over 4 000 tons (for example the quantity of an average of two years) were exported at low prices between January and June 2024.

High coffee and cocoa prices are also felt in the wallets of Finnish consumers. Statistics Finland (Tilastokeskus) has estimated that the price for coffee and chocolate have increased 31 % and 26 % respectively in Finland between 2024–25, which can be expected to reduce the consumption of these products (MTV News 2025). As climate change continues to pose serious risks for both sectors, systemic change is needed. While our projects support small scale farmers and SPOs, our communications and advocacy work improve the understanding of companies, public procurers, and consumers about the impacts of their choices and promote more sustainable alternatives for conventional coffee and cocoa to both mitigate and support the adaption to climate change.

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. Some positive steps in productivity have been witnessed across product groups by 2024. For example, the estimated yields (kg/ha) for cocoa and coffee have increased slightly in 2024 from their baselines as a result of training and the wider adoption of GAPs. For example, cocoa yields increased by 5,1 % while coffee yields in Kenya grew 5,2 %.

In East Africa, our efforts to support adaptation to climate change with agroforestry-based coffee cultivation methods affected coffee farmers' income levels positively in 2024. In Kenya, floods slowed berry ripening and reduced overall quality of coffee beans produced with a traditionally used coffee variety. With the support of our project, many farms have set up improved coffee varieties such as Ruiru 11. These were not affected by the reduction of quality to a similar degree. In Ethiopia, the enhanced use of organic fertilizers, planting of more trees in the farms, improved crop rotation practices and application of water conservation techniques contributed to the increased production and adaptation. In Bolivia, one third of the SPOs improved their coffee quality and reached the excellent quality range (the rest stayed on the very good range in their coffee quality). 58% of participants in the farmers' school in Bolivia considered that they have improved their skills and abilities to lead the implementation of their organizations' climate change adaptation plans.

Bolivia:

67 %

of SPOs increase their annual profitability by over 2 %

The outcome of **Farmers have diversified income** is the second pathway towards reaching living incomes in the programme. There were some challenges in the programme-wide data collection on this theme in 2024, but fortunately some of our projects, like Sankofa 2.0, Income Diversification for Women and LEAP, complement the data gap with their own results. Particularly obtaining data on producer household income levels in relation to diversified incomes proved to be difficult, hence steering us to improve our data collection in 2025. On a positive note, there were 11 new income diversification initiatives adopted in 2024, bringing the total number of initiatives to 37 across the programme. These include agroforestry systems, livestock and poultry management and small-scale enterprises like repairing and/or selling cleaner energy solutions.

Income diversification is important for most of the **West African projects**. 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. By 2024, 870 farmers were directly supported in adopting and practicing agroforestry across 430 hectares – majority of them opting for the most ambitious model, DAF. In addition, over 2 550 farmers from the project's previous phase received follow-up support in maintaining their climate smart agricultural practices.

The cocoa yields grown in agroforestry settings are expected to be more resilient to pests, diseases and climate change, thus increasing productivity and quality of produce. Cocoa trees take several years to yield, so significant results on productivity of cocoa are only expected at the end of the programme and beyond. However, on average a DAF farmer involved in the Sankofa 2.0 project made approximately 21 650 GHS (1800 EUR) per farmer from associated crops planted alongside cocoa trees. Furthermore, on an institutional level the project has also attributed to significant transformations, as Ghana's governmental cocoa regulator COCOBOD has taken an interest in DAF and is now conducting its own research on the methodology.

Farmers in Sankofa 2.0 communities were further supported to manage their finances sustainably through self-managed Village Savings and Loan Associations (VSLAs). In 2024, over 800 people — nearly 65 % of whom are female — were active members of the 30 operational VSLA groups. To date, the total value of loans accessed and disbursed by Sankofa's VSLAs adds up to 87 000 USD, with another disbursement cycle coming up in 2025.

Following a market systems approach, in 2024 the LEAP project in Côte d'Ivoire facilitated the setup of eight valuable partnerships between cocoa cooperatives and **private sector partners** such as buyers and input suppliers, supporting cocoa farmers to diversify their income sources. One of the income diversification strategies is the agripreneur model, which has capacitated 80 – typically young – entrepreneurs to provide tailored services to cocoa farmers. In 2024, agripreneurs began to successfully carry out pruning and weeding to farmers that were willing to pay for this service. LEAP

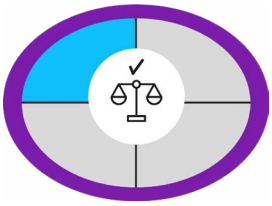
also developed farmers' economic resilience by helping 200 farmers subscribe to crop insurance. Many of them have already received compensation, which has spurred more interest in insurance in their communities.

The **Income Diversification for Women** project in Côte d'Ivoire ended in July 2024. The project capacitated women groups from four cocoa cooperatives to generate additional income through processing and sales of cassava and eggs. By the end of the project, three out of four women's businesses had the capacity to operate sustainably. The women's businesses generated on average 42 200 Franc CFA (approximately 65 EUR) per household per year, enabling 98 % of them to engage in at least one additional income-generating activity, such as market gardening, peanut production and sales, or food and beverage sales. Although the additional income is still modest, it has allowed the women to make important investments. This also reflects the early stages of these businesses while greater revenues are expected in subsequent years, now that robust financial management practices, including opening bank accounts in their associations' names has been adopted. The project faced some challenges with internal conflicts, particularly between native and non-native members. Facilitation and training on good governance and transparency in financial management have had a real impact on the behaviour of the organisation's managers and members, and the social situation improved significantly by the end of the project.

Awareness of grievance handling procedures
+150%

In the Kenyan and Ethiopian coffee projects, producers were supported to earn additional income by **carbon credit production** in the future. The credits can be earned when farmers use improved, fuel saving cookstoves. In 2024, the cooperative in Kenya and the two coffee Unions in Ethiopia did not earn carbon credits yet. However, particularly the youth groups in Ethiopia, who made the stoves themselves, received a significant amount o**f income from selling stoves** to farmers (30 000 EUR). It is noteworthy that the households using fuel saving stoves also save money, since they require much less firewood than traditional 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. Promising results were reached in terms of HLOs' compliance on decent work themes and in supporting full-time jobs in 2024. For instance, the percentage of HLOs with consistent performance on decent working conditions increased from 46 % to 52 % with the baseline being 37 %. For example in South African wine sector, there was encouraging development towards decent work. About 86 % of 334 respondents in 2024 annual survey reported of Improved wages, safety working conditions, adequate breaks during workday and harmony at workplace.

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 as wages tend to be generally low for agricultural workers. We will collect more detailed data on living wages in 2025.

The outcome of **Workers have greater voice and influence in supply chains** showed modest improvements in terms of the share of workers who are members of trade unions (from 69 % in 2023 to 72 % in 2024). This outcome is a key theme in the South African wine and Ethiopian flower projects as they focus on workers' rights and decent work themes.

Good compliance score in decent working conditions
37 % → 52 %

For example in South Africa, 98 % (baseline 72 %) of the 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. Workers' affiliation with trade unions increased and their perception of the unions improved but levels of both are still relatively low by international standards. The same improvement did not materialize on the employer side 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.

% of POs with an effective grievance mechanism

23 % → 38 %

"We managed to resolve our disagreements with supervisor through the workers' rights and negotiations training offered" Female worker, Stellenrust Wine Estate, South Africa.

Under the intermediate outcome of **More favourable Collective Bargaining Agreements (CBAs) or working conditions for workers**, there were modest but promising developments. For example, the share of HLOs with a CBA increased from 29 % in 2023 to 37 % with the baseline being 23 %. There were 26 organizations with a policy to protect against abusive, exploitative and intimidating behaviour (20 organizations in 2023). However, the share of organizations with an actual management system to address such behaviours was rather limited (only six out of 19 organizations), showcasing the need for further capacity building. Additionally, the reported difference between the highest and lowest wages paid showcased a positive downward trend in 2022–24 for the Ethiopian flowers and South African wine sectors. Nevertheless, there are still quite notable gaps between the lowest wages and living wage estimations.

The Ethiopian flower project has continuously supported workers' rights already from the previous programme. The project has, for instance, trained trade union personnel's negotiation skills and supported formerly flower farm specific trade unions to form clusters to strengthen their negotiation power. The target flower farms also continued to develop grievance-handling mechanisms and specific grievance handling committees were established. In 2024, a remarkable achievement was witnessed when a large cluster of trade unions negotiated **43 % wage increase** in the CBAs of five flower farms. However, Ethiopia has experienced an annual inflation rate of almost 30 % which has increased workers' living costs dramatically in 2022–23 (The World Bank 2025). The inflation has slowed a bit: for example, the International Monetary Fund (IMF) estimates roughly 21,5 % for 2024. Although inflation has affected workers' purchasing power, the fact that the trade union cluster successfully negotiated such a significant wage increase well over high inflation level is an amazing accomplishment.

43 %

wage increase in Ethiopian flower farms

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 2024, there were four partner companies implementing HREDD processes with our support, more than 20 HLOs were trained on decent work standards across East Africa and South Africa and the share of POs with an effective grievance mechanism increased from 29 % in 2023 to 38 % with the baseline being 23 %. We anticipate that more companies will amp up their HREDD processes and take initiative on living wages after we have concluded the HREDD dialogues in the Kenyan flower and Ghanaian cocoa sectors in 2025.

Additionally, in South Africa, 45 % of POs had transparent and effective grievance handling procedure in place (baseline was zero). Awareness of these procedures skyrocketed as 99 % of workers surveyed in 2024 reported having awareness of existing grievance handling procedures through fellow workers, trainings and policy manuals. Some worker rights issues, such as overtime and forced labour, were also effectively investigated and addressed. Moreover, 98 % of 334 workers interviewed reported awareness

of their rights and responsibilities attributed to improved relations with management while 59 % of workers reported enhanced socioeconomic status due to improved industrial relations in South Africa.

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. We emphasize the linkage between humans and ecosystems by providing support for producers in making their livelihoods more ecologically sustainable.

Farmers applying GAPs

21% → 94%

The expected long-term impact of this priority area is **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 the shorter term with the programme's support. They are explained below together with their achieved results.

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 themes are nevertheless most comprehensively addressed by the East African coffee projects, the Sankofa 2.0 project in Ghana and vanilla production project in Madagascar. In 2024, we reached significant results in particular among small scale farmers and their SPOs which can be seen as increased adoption of more environmentally friendly farming practices.

However, climate change mitigation requires the joint effort of companies, duty-bearers and consumers to effectively reduce the burden on the planet. Our most notable impacts originate from mainly two partner companies, HALBA and Tony's Chocolonely, which consistently outperform other chocolate brands in the sector when it comes to corporate social responsibility (Chocolate Scorecard 2024). Therefore, their position, learnings and achievements could be utilised more to inspire other companies in the programme to take up such efforts through, for example, collaboration or knowledge exchange between other companies.

In our communications and advocacy work in 2024 we focused especially on the impacts of Finnish coffee consumption on environment and climate, increasing both consumers and decision-makers awareness of the impacts of their choices and provided practical advice on how to reduce the negative impacts.

The logic of our ecological sustainability priority area remains sufficient in covering the different value chain actors with responsibility to protect the environment and mitigate climate change. However, there is a slight gap when linking the long-term outcome with the impact goal of **Farmers and workers live in harmony with environment and climate** as it only includes the direct assumption of farmers and workers, and not other value chain actors. However, we perceive that in order to enable the long-term impact goal, other actors in global value chains need to invest and commit to environmental protection beyond the scope of their direct business operations. This means for example allocating resources towards agricultural suppliers in the programme countries, incorporating rightsholders in companies' HREDD processes and advocating towards sector-wide transformations with other businesses and consumers – all of which are integrated into the programme's ToC.

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

This outcome includes the combined effort of producers, consumers, companies, CSOs and duty-bearers in addressing climate change mitigation and adaptation. There were encouraging changes in 2024 particularly among small scale farmers and our target POs. For instance, we surpassed our target (27 000 trees) with 38 000 tree seedlings planted by 2024. The total land area under reforestation or afforestation climbed to 560 hectares from 280 in 2023, almost reaching the goal of 600 ha. **Increasing tree coverage** is a vital step to support soil health and to create microclimates enhancing water cycles and carbon sequestration. Most of the tree planting was done in agroforestry systems, which are deemed to be of particular importance 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.

One of the most promising signs of increased ecological sustainability was of the surge in farmers applying GAPs rose from 54 % in 2023 to 94 % with the baseline being 21 %. This is mostly due to the programme's extensive work on agroforestry systems, training on how to reduce agrochemical use and how to use more environmentally friendly alternatives. Thus, many farmers associate GAPs with potential economic benefits as they help to adapt to and mitigate climate change related effects which are currently posing a burden on cocoa and coffee production.

The number of POs that have invested in ecological efficiency, like agroforestry or water management, rose from 14 to 21 thanks to our training and capacity building on technical support and improved agricultural practices. These have in turn shown the economic advantages for POs and their members which essentially help to mainstream the practices outside the project areas. However, many POs still need support in sustaining these results as they often have limited capital for investments. This is partly tackled with supporting POs to identify and implement alternative income-generating activities, like establishing a poultry business, clean water programmes or renting venues. There were slight increases in the POs that have mapped their carbon footprint (from 8 to 9) and in the number of people with cleaner energy access. These results advance the programme's intermediate outcome of **Producers use natural resources more sustainably.**

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. 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. The strength of DAF lies in its ability to deliver diverse yields that enhance food security, to improve resource use efficiency, and to increase long-term farm resilience compared to conventional monoculture systems – all while improving soil conditions and providing a fruitful environment for insects, flora and fauna to coexist. By 2024, 870 farmers in the project have taken up one of the promoted agroforestry approaches, most of them going for the most ambitious DAF system. To date, the project has established 430 hectares under DAF systems (DAF, Food Agroforestry Systems or Successional Islands systems). Agroforestry and regenerative farming are central to our vanilla production project in fragile environments in Madagascar. 92 % of trained Lead farmers (ToT) reported a knowledge increase and were able to score 80-100% in the training evaluations regarding Rehabilitation of Degraded Fields via Regenerative Agroforestry.

"*Through the payment of Living Income Differential under the project, I purchased three pumping machines and dug two wells for irrigation in the dry season. My crops are now thriving even during the toughest drought seasons, and my cocoa farm is now a model farm in my community. Other farmers are now coming to me to seek advice on how to maintain their farms during the dry season. Very soon, I will harvest my maize, banana and cassava which I will sell to support my family.*" - Cocoa farmer Stephen Agyei from Nyankomago village, Kasapin, Ahafo Region in Ghana.

The achievements towards the outcome of **Carbon credit projects to inset/offset greenhouse gas (GHG) emissions are in operation** advanced with continued Gold Standard process in the two coffee projects in East Africa. In 2024, the achievement of fuel saving stove use was particularly impressive in Ethiopian coffee project where 1 900 farmers purchased and started use the stoves.

This outcome is complemented by the outcome **Companies commit to GHG reduction and environmental protection** which is mainly upheld by our key partner companies, HALBA and Tony's Chocolonely which have both began to offset their carbon emissions. Tony's Chocolonely also aims to reduce their emissions altogether from 2025 onwards. Besides these two companies, we have Ben & Jerry's and Virginia Dare which have also invested in biodiversity of conservation initiatives within their value chains.

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 objectives 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 people in vulnerable positions.

When it comes to **social aspects**, there were encouraging results in terms of young people's and PWDs' inclusion in 2024 which can be seen through their increased involvement in governance bodies, as well as their perceptions towards their POs. Around 25 % of the programme's direct rightsholders were young people in 2024, highlighting our success in reaching and targeting activities for them. Although the inclusion of women has risen over the programme period, 2024 saw a slight downward trend as compared to 2023 when looking at their share of direct rightsholders. This is because some projects focus on women more specifically while others target farmer households more broadly. However, on average women made up almost 50 % of the direct rightsholders across all projects.

Women's SPO membership in the West African cocoa sector is ultimately quite low due to many traditional gender roles, land ownership structures and lack of opportunities. In many cocoa growing communities, men are often responsible for cocoa farms and the income related to them while women take care of food crops and household chores. It can also be difficult for women and young people to own land, unless they inherit some of it from their family members. Our projects aim to identify people in excluded or vulnerable positions, including women who could otherwise be left out of the project's reach. For instance, the Sankofa project targets some widows and women to manage DAF, and particularly Food Agroforestry System (FAS) plots, which focus on growing annual crops such as vegetables and fruit. These are culturally more accepted activities for women, while men traditionally manage the cash crop (cocoa). Attracting women to agroforestry at scale has been challenging, but with targeted efforts and adjustments such as the provision of play mats and toys for kids during trainings, currently over 35 % of farmers involved in Sankofa are women. According to personal interviews with these women during projects visits, they have been able to spread awareness of agroforestry systems to other farmers in their communities and take leadership.

In East Africa, traditional gender roles and land use policies still affect the coffee production. Still, in 2024 clear majority of the direct rightsholders in our coffee project in Ethiopia were women. In Ethiopia, the government owns all land, but the traditional land user rights are strong, and landowners are normally men. Women who own their farmlands are mostly widows. Gender roles favour elderly men, when women and youth are less powerful. However, it seems that if enough time and resources are allocated to support women's inclusion, it can be successful even in rather traditional contexts. Both coffee projects have outcome areas solely committed to inclusion, and they have been also supported by FTA's gender officer. Coffee project in Kenya has not been as successful in women's inclusion, but the efforts to strengthen women's inclusion continue there as well.

Moreover, our efforts to increase the participation of **young people and PWDs** were successful. For example, in the Sankofa 2.0 project, the youth workers' capacity has been enhanced through various agronomic practices and seedling cultivation techniques. Consequently, these young individuals have for example successfully supplied approximately 60 % of the plantain suckers required for plot establishment in the

2024 planting season. The youth have formed organised groups called "pruning gangs" which offer specialised pruning services to farmers for a fee. In East Africa, coffee projects have included income generation activities of selling and making fuelwood saving stoves, which have been targeted particularly to youth.

However, PWD inclusion is more complex in small scale farmer settings where disabilities can be challenging to detect. Cultivation, harvesting and weeding require physical agility and strength, and combined with difficult terrain, many PWDs might look for other options as livelihoods. In addition, despite our sensitisation efforts, disability remains a sensitive issue in many of our operational contexts. Several producers are reluctant to self-identify or disclose a disability, often due to fear of stigma or being perceived as less capable within their communities. Particularly aging cocoa farmers can also utilize their family members or hire caretakers to manage their farms, which ultimately poses risks for hazardous child labour and possibly forced labour in case caretakers are misled or coerced. Importantly, we have learned during the programme cycle that more training and awareness creation needs to be focused on understanding different forms of disabilities, particularly latent ones. This affects both rightsholders and the programme staff.

Challenges for inclusion remain in the HLO settings as well. Our Ethiopian flower project has provided targeted support for HLOs on how to increase their accessibility for PWDs and thus, how to encourage and employ them more. Similarly, all projects consider and report on accessibility and potential barriers for the participation of women, PWDs and other people in vulnerable situations in their key activities. This is done for example by choosing appropriate and physically accessible venues close to the rightsholders, offering food and beverages, and organizing events during times which are suitable for different groups of rightsholders.

Regarding **environmental sustainability**, there were positive developments among small scale farmers and SPOs that have clearly started to use natural resources more sustainably. This includes for example using left over organic material as a fertilizer, planting shade trees, diversifying crops, enhancing wastewater management and revitalizing monoculture plots with dynamic agroforestry. Within the programme context, we continued to promote the use of virtual materials in trainings to avoid printing and to reach wider audiences, as well as to limit travel related emissions by planning project visits efficiently with partners and utilizing virtual sessions. We also try to choose environmentally conscious accommodations and services when travelling or organizing events in Finland or abroad.

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.

Our main political advocacy priority, the EU Corporate Sustainability Due Diligence Directive (CSDDD), was adopted in July 2024 after a series of colourful developments and intensive campaigning. The directive introduces a due diligence obligation for companies regarding human rights and environmental impacts throughout their entire supply chain. It is therefore a historic step forward and an opportunity to bring about change in the position and lives of primary producers in supply chains.

The scope of the directive was limited to only the largest companies, but what matters most is that Fairtrade's key objective was achieved: an ambitious due diligence obligation. This includes, among other things, our requirements related to living incomes and wages, responsible purchasing practices, support for producers, and meaningful stakeholder dialogue.

The transposition of the directive into Finnish law begun in autumn 2024. Fairtrade Finland is participating in the process as a member of the Ministry of Economic Affairs and Employment's (TEM) preparatory working group and by engaging in advocacy together with civil society organizations and companies, both in Finland and at the EU level.

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)

In 2024, there was a significant increase in corporate interest in human rights issues related to supply chains. Key drivers behind the growing corporate interest have been the increasing corporate sustainability legislation, investor expectations, and the advocacy work of civil society organizations, such as Fairtrade.

In partnership with the corporate responsibility network FIBS, we organized a series of three webinars and one training session under the title "Human Rights in Supply Chains – Prepare for CSDDD Requirements." The events attracted a record number of company decision-makers and experts from a wide range of industries and corporate functions, with nearly 700 participants in total. The average participant rating for the usefulness of the events was 4,7 on a scale from 1-5. According to feedback from corporate experts, the events helped increase companies' knowledge and encouraged more ambitious action on the following topics: implementing HREDD processes, managing risks of forced and child labour, ensuring living incomes and decent working conditions, and using multi-stakeholder initiatives and certification systems as tools for HREDD.

We also strengthened our cooperation with the key industry organizations in our sectors by organizing, together with the Finnish Commerce Federation, the Finnish Food and Drink Industries Federation, and the Ministry for Foreign Affairs, a seminar on the CSDDD and due diligence obligations. The event brought together over 100 participants.

In organizing the events, we collaborated closely with e.g. Aalto University, the European Institute for Crime Prevention and Control HEUNI, Coop Switzerland, SOK, Kesko, Paulig, Alko, Orion and Nokia.
This was the first year in which large companies were required to conduct a new type of sustainability reporting under the CSRD. We observed that reporting took up significant corporate resources — without the pressure of reporting obligations, companies might have allocated more resources to deeper supply chain collaboration. However, the reporting requirements clearly have their benefits: many companies have now conducted double materiality assessments and are more systematically identifying their most significant impacts on people across their value chains. This lays the groundwork for more determined action to address the most severe human rights impacts.

Through our advocacy work, we have succeeded in bringing greater visibility to the realities faced by supply chain workers and farmers, helping companies better understand what they need to focus on in their impact assessments.

To promote more responsible coffee choices in coffee value chains, we organized a coffee-break seminar for MPs in the parliament and a roundtable discussion on the future of coffee for stakeholders in bever-

age, horeca and retail sectors. In our advocacy work, we focused especially on solutions within the retail sector in all events and developed these further in collaboration with retail chains. Together with Alko, we continued our advocacy for living wages, including by participating as a speaker in an event organized for the suppliers of the Nordic alcohol monopolies.

We placed a strong emphasis on communication targeted at companies and strengthened our thought leadership as experts in the practical implementation of corporate sustainability regulations. Topics such as achieving living incomes in supply chains, reducing deforestation, improving the rights of women and children, and other HREDD-related themes were in high demand.

In our communications, we made effective use of the Fairtrade Risk Map, which received abundant praise and positive feedback from stakeholders. Both food manufacturers and companies in the retail and HoReCa sectors reported that they had explored the map and used it in their sustainability work.

In October, we measured the awareness of our advocacy work through a survey conducted together with Save the Children and Eetti. The previous survey was carried out two and a half years ago. The number of respondents increased, and the results were a pleasant surprise — we exceeded the goals set for monitoring our strategy period. Among our target audience for advocacy, 90% rated Fairtrade Finland as either Very competent or Competent on the topic of corporate human rights responsibility.

Fairtrade & FIBS training series "Human Rights in Supply Chains – Prepare for Corporate Sustainability Due Diligence Requirements", Examples of feedback:

- "The events are timely, informative, and sufficiently concrete."
- "The examples of actions taken by different companies are clear and help us reflect on our own activities in the right direction"

One of our key communication and advocacy themes for the year was the future of coffee. Coffee production is under threat both because of the effects of climate change and because young people do not want to continue their parents' occupation as poor farmers. This was shown in a report we published on the impact of Finnish coffee drinking on the people and environment of the farmlands.

We organised an event for MPs, used our partners' media and brought together businesses, ministries and unions around a round table. Kelvin Muhia, who is responsible for our coffee projects in East Africa, and Kenyan farmer Hope Muriuki brought a farmers' perspective to the discussions, including how Fairtrade promotes youth and women's empowerment, biodiversity and resilience in a changing climate. The report, together with a visit by Kenyan coffee experts, received widespread attention in stakeholder media, including Kirkko & Kaupunki magazine and the publications of trade unions such as PAM and JHL.

In 2024, our focus was particularly on reaching and activating young people. We visited several schools and colleges to explain Fairtrade and stimulate debate on responsible consumption. Through events and lectures, we reached hundreds of young people across Finland. Fairtrade activists from universities launched, among other things, two petitions for Fairtrade bananas. We organised sustainability seminars for university students, including two corporate responsibility seminars for CEMS students at Aalto University. Together with our member organisation Eetti, we held a workshop at the University of Eastern Finland. We also continued our collaboration with The Finnish Organic Food Association Pro Luomu, The Nordic Swan Ecolabel (Joutsenmerkki) and EU Ecolabel to promote responsible public procurement.

The recommendations proposed by the Fairtrade Network were included in the EU CSDDD law:

Invest in and share the cost of compliance proportionally and fairly along the entire supply chain, not putting more pressure on farmers and workers without the resources to improve the situation and take necessary actions.

Assess existing business practices and shift to fair **trading and purchasing practices**, such as long-term commitments and fair pricing policies that enable living incomes and wages and greater predictability for producer organizations.

Address the most serious human rights and environmental issues rather than abandon or avoid high-risk sourcing areas (**'cut and run'**) as soon as their suppliers face human rights or environmental protection and promotion.

Recognize and act on **living wages, living incomes**, freedom of association and collective bargaining as invisible human rights which are indispensable steps in human rights and environmental protection and promotion.

Have **meaningful dialogue** with farmers and other rights holders at every step of their due diligence process, working together in a participatory and bottom-up approach.

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.

Our main communications campaign, Human Rights Are Not for Sale, reached nearly one million people on social media. Its digital outdoor advertising gathered 232,000 impressions and reached 6.3 million views. The campaign highlighted positive examples of Fairtrade partners, such as retail chains and cities human rights work in global supply chains.

We continued to invest in content production which was reflected in the increase in the **number of active website visitors (+17 %) compared to 2023.** Our main social media channels were **LinkedIn, Instagram and Facebook**. The interactions seemed to increase in all channels, but impressions went down.

The newsletter for the general public was published four times in 2024 and it offered a curated look at current issues. The newsletters had a staggering 55 % open rate on average. The newsletter for our civil society partners (e.g. municipalities and universities) had a smaller open rate of 33 %.

The development of our communications and thought leadership was somewhat affected by staff changes within our organization, but we still nearly reached the targets set for our media work, with media coverage increasing by 18%. The media reported on the development of the Corporate Sustainability Due Diligence Directive and related practices, as well as issues related to the reduced supply of bananas, the impacts of coffee consumption, and rising coffee prices.

2.6. Other: DONUTS support to country programmes

DONUTS continued to complement Finland's country program for development cooperation in Ethiopia and Kenya in 2024. 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 concentrated on environment and sustainable income (coffee project) and workers' rights (flower project). Our coffee project aims to achieve farmers' enhanced climate change mitigation and adaptation. Hence, **both the Finland's bilateral country programme and our coffee project in Ethiopia supported the goals of the Finland's development policy's priority area of "climate change and natural resources**". The **flower project in Ethiopia enhanced particularly Finnish development policy priorities of rights or women and girls and decent work.**

Finnish development cooperation program in Kenya improved the position of women in society and promoted youth employment when DONUTS projects contributed particularly to the priority area of "climate change and natural resources". However, in our coffee projects in both countries, youth groups in rural areas earned money from selling and installing energy-saving stoves. So, in **Kenya promoting employment and decent work for youth was a shared goal with the country program**.

Finda Koudio Théodore, his wife Konan Amalan Cécile and Kouamé Kouadio Valentin collect and break the cocoa beans in Ivory Coast ©Mohamed Aly Diabaté

3 Process development

In 2024, the programme's process development concentrated on capacity building for improving programme management skills in all levels, improving monitoring, evaluation and learning (MEL) and strengthening risk management. Transparency and accountability were further reinforced particularly through increased communication and cooperation between Fairtrade Finland and Fairtrade Africa and with the key funding partners.

3.1. Capacity building for programme management

Building the capacity of the programme partners is an important part of DONUTS to ensure ownership of the projects and their goals. The main capacity building efforts in 2024 included the annual physical workshop in Nairobi, the online DONUTS webinars, feedback cycles through regular reporting, joint strategic discussions in project steering committees, and other tailored interventions.

The annual workshop held in Nairobi in January 2024 brought together the whole DONUTS programme team, from programme managers in the field to the Nairobi management team, team members in Helsinki, as well as key National Fairtrade Organisations such as Fairtrade Foundation UK and Fairtrade Switzerland. FTA's internal analysis on capacity gaps and needs guided the selection of main topics, which included Results Based Management (RBM) and reporting, MEL, risk management, cross-cutting objectives, and analysing programme progress so far. Cross-learning between different projects is always one of the most valuable takeaways from these physical programme-wide gatherings.

Another important cross-learning opportunity was organised in May 2024 in the form of a virtual webinar, allowing project managers from different regions to share learnings and success points from their respective projects. This also served as an opportunity to jointly review programme level results from the past calendar year and analyse where particular focus was needed during the rest of the year. Some of the conclusions included a need for better work planning and communication about significant challenges well in advance. We also organized a Fairtrade wide webinar on the DONUTS programme to share its learnings, key successes and challenges with the whole Fairtrade system to promote joint learning and knowledge exchange. The webinar included contributions from key programme regions and results, and it was deemed useful as per to the participants. Currently, the DONUTS programme is the biggest programme within whole Fairtrade.

Project level steering committees consisting of key project partner representatives met at least once per quarter to review progress, discuss major risks and guide project managers at a strategic level. These interactive meetings are valuable in strengthening FTA colleagues' capacity through feedback, joint reflection and problem solving. At the same time, they offer learning opportunities to European partners, particularly on risks and realities at the local level.

The DONUTS programme reporting consists of activity-based quarterly reports and the results-based annual reports. Project staff receive feedback on reports from FTA Nairobi colleagues, Fairtrade Finland team and in some cases, other Fairtrade organisations as well as commercial partners. These feedback rounds aim to improve both project implementation and reporting going forward.

Besides these structured capacity building opportunities, informal communication, sparring, quality assurance and mutual learning between the Fairtrade Finland, Nairobi and field-based FTA teams occurs on an ongoing basis. In addition, in 2024 FTA organised several internal trainings to its staff as well as local partner organisations on topics such as financial management and reporting.

3.2. Monitoring, evaluation and learning (MEL)

In DONUTS, each project has a result matrix and / or logical framework with indicators as well as a monitoring plan. 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. 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.

In 2024, at the Fairtrade system level, FTA's DONUTS MEL manager and Fairtrade Finland's representative continued participate in the work of FI's MEL Task Force. Moreover, the above-mentioned annual programme workshop in Nairobi and the annual webinar provided important forums for the DONUTS team to discuss about the programme and learn together from the experiences. Project level annual review workshops were also central learning forums in our programme. They are organized towards the end of each year in all projects. Again in 2024, the workshops brought together rightsholders, duty-bearers and project implementers. The participants discussed projects' achievements and challenges, identifying lessons learnt. Moreover, the workshops provided an opportunity to discuss together, from different points of view, important themes of the projects such as sustainable use of the environment and children's rights.

At the same time, strengthening MEL is a process that we need to continue until the end of the programme cycle. Although the data collection in the field has improved since the programme has started, there are still some gaps when it comes to collecting data from the projects. The programme and many project results matrixes contain several indicators, outcomes and outputs which complement each other. This can also mean several data sources which need to be followed, hence requiring a lot of time and focus for monitoring. A key lesson is to allocate enough time for thorough data collection during project monitoring and analysis within project teams, so that the data can be further reflected to the programme indicators. One important lesson for future programmes is simplifying project results matrixes.

In 2024, the programme's MEL manager continued his support to many projects managers, so that they could improve their data collection. There is also 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.

3.3. Risks and their management

Last year, we applied DONUTS' risk management system comprehensively from grass-root level to the programme management activities. The programme teams in FTA made independent decisions on some matters such as travelling to project areas with security concerns. At the same time, risks and their effects to implementation were discussed regularly in the projects' steering committees. All projects also updated their risk management plans for their annual reports of 2024. The Programme Manager at FTA then compiled an overall analysis of different project risks and their management. The risks were then further analysed by the team in Helsinki.

Most of the risks identified in 2023 annual report's result matrix remain valid in 2024. Similarly to our previous annual report, we can divide them under following main types or themes: 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 2024 five from 69 POs of the programme chose to exit the Fairtrade system.

Certain **financial risks** connected to the operating environment materialised. For example, in the Ethiopian flower project, **lack of hard currency's availability** continues to pose risks that may in the worst scenario cause some flower farms to leave Ethiopia. Ethiopia devalued the birr in late July 2024 following the switch from a rigidly managed regime to a flexible, market-determined rate. This did not directly cause even higher inflation because many companies have, for several years, relied on the weak parallel exchange rate to access foreign currency to pay for imports. Inflation remained high also in Ghana in 2024, fluctuating between 20–25 %. This, together with the Ghanaian currency depreciating steadily during most of the year, posed some challenges for budgeting, but the project teams nevertheless have managed to conduct careful estimation of their expenses and activities.

Moreover, **environmental risks were present in the most programme countries** such as droughts, floods, soil erosion, deforestation, and irregular weather patterns affecting project implementation. Kenya experienced severe floods in March-June 2024 as a result of prolonged droughts and intense rainfalls, affecting nearly 300 000 families across the country (OCHA 2024a). In West Africa, the cocoa related disease

caused significant losses for farmers in 2023/24 season. Reuters reported in July 2024 that around 80 % of Ghana's major cocoa producing region is infected with the virus. Currently there is no other treatment for the virus other than cutting down the infected trees, which – together with adverse weather patterns – resulted in reduced yields and global price hikes for cocoa.

Madagascar declared a state of emergency when the cyclone Gamane hit in March 2024, leaving around 22 000 people displaced (OCHA 2024b) and causing a loss of on average of 35 % of vanilla harvest in the project's cooperatives in 2024. Due to the cyclone's destruction, several vanilla vines were also affected by root diseases. Some of the planned project activities were postponed and changed, such as re-building and repairing farms instead of installing more agroforestry and/or regenerative farming demo plots. Unfortunately, a second cyclone Chido struck Northern Madagascar in late 2024. However, these disasters strengthened the relevance of trainings on regenerative agriculture as the already trained farmers had no major loss of demo plot land in terms of inundation or landslides following the cyclones. This experience increased farmers' motivation to test and apply agricultural innovations of plot design and diversified cropping in a dense agroforestry plot.

The **risk of political riots and instability** had a limited effect to the programme implementation. In Kenya there were large protests led by younger generations towards the government's proposed financial bill in May 2024. This caused unrest, conflicts between protestors and government forces and police brutality. Safety measures were taken in project activities, such as avoiding potential hotspots, using virtual methods for training and communication and reprioritizing activities. CIVICUS downgraded Kenya's civic space from Obstructed to Repressed in 2024 as a result of the widespread protests and their suppression in the country (CIVICUS 2025). The projects in Ghana also expected some political unrest due to the presidential elections towards the end of the year 2024. Most project activities were completed before the elections to avoid any delays.

In Ethiopia, politically motivated riots and road blockages had to be considered particularly when travelling to the flower project's main site. Both projects in Ethiopia advanced, however, according to the plans. Additionally, the projects in Ethiopia continued to raise the risk of l**ow level of participation of the most vulnerable,** owing to the social norms. The number of PWDs remains rather limited in flower farms and coffee cooperatives. Moreover, although small increase has occurred in the numbers of women and youth in coffee cooperatives, their numbers are still limited. Hence, it is important to continue our efforts to push the most vulnerable persons' increased participation and strengthen their voice.

The risk of **differing interests between partners** materialised in the LEAP project in Côte D'Ivoire, after a change in the commercial partner Mars' strategic interests. In the third quarter of 2024, Mars expressed its wish for the project to change its focus to conditional cash transfers to farmers, thus aligning better with the company's new global strategy. After joint discussions and planning, it was decided for LEAP to continue with two tracks: a separate cash transfer track operating without DONUTS funding, and a simplified "LEAP Standard" track, with slightly reduced funding from DONUTS. It was also decided that LEAP was not going to remain a part of the next phase of DONUTS programme due to different interests and priorities.

As explained in the previous annual report, **staff turnover** both at Fairtrade Finland and in partner organisations caused some issues in 2023 — some of its effects rippling over to 2024. In the Ghanaian multi-stakeholder project Sankofa 2.0, some communication gaps had occurred between partners and project sub-committees in 2023, resulting in certain misunderstandings regarding the volumes and conditions of available DONUTS funding. These misunderstandings became apparent in early 2024, causing a need for careful stakeholder management. Through the facilitation of constructive discussions between partners and a joint field visit later in 2024, these partner relationships were successfully restored, and solutions were found — together with important learnings for the future.

Finally, **weak monitoring** of results is still an ongoing risk, as explained in the above section on MEL. While processes have improved, managing data collection and analysis between many projects still requires further attention. In some cases, the roles and responsibilities on MEL between local country teams, the Nairobi secretariat and other partners have been unclear, causing confusion and data gaps. These challenges have been addressed with support from Fairtrade Finland, and more attention on MEL will be placed going forward. Importantly, lessons on developing realistic and meaningful MEL plans in the next programme phase have been obtained at all levels of programme management.

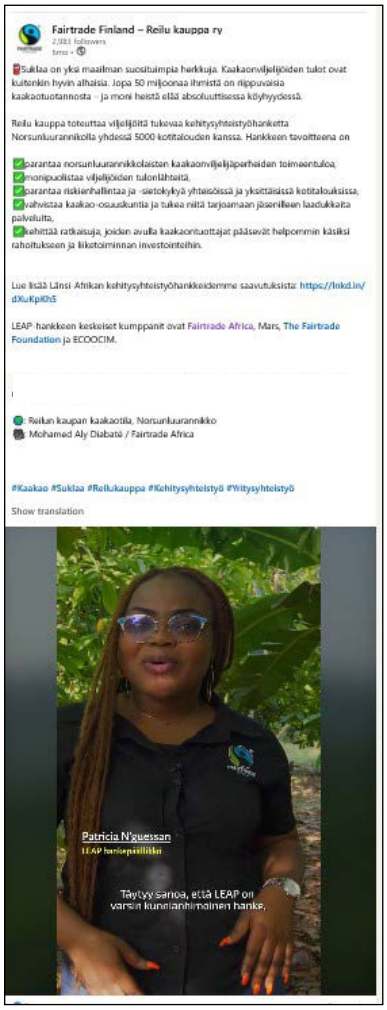
In sum, 2024 offered some valuable learnings for us in terms of project management and particularly, collaboration with multiple project partners. Open and timely communication is vital to avoid misunderstandings. Fortunately, the programme team across Finland and Africa has been active in the quarterly 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

Accountability and transparency were promoted by ensuring the involvement of rightsholders and stakeholders, maintaining close contact with the main partner FTA, monitoring and evaluating activities and managing risks, and communicating continuously and openly about activities and results in Finland and the programme countries.

DONUTS projects are accountable to their rightsholders, so ensuring as full transparency as possible is an integral part of its implementation. Already in the planning phases, projects' activities were conducted with thorough local participation. This has continued during implementation paying specific attention to transparency and openness. For instance, most of our project steering committees include staff or members of the target POs, enabling them to guide decision making and strategic planning. Transparency is also a central theme in the HREDD dialogue project, which brings together suppliers and buyers to align on their needs, interests and central human rights and environmental challenges, as well as to identify solutions for them. Trust building and thorough preparation are key steps in having dialogue, which essentially requires transparency and accountability from all stakeholders. These are fostered in our several workshops together with the participating POs and companies.

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 FTA was particularly important as 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.



Another mechanism the programme implements to engage with rightsholders is through the annual review workshops mentioned earlier in the MEL chapter. 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 local stakeholders in project management processes by providing an opportunity to review activities and results for the year, as well as contribute to planning processes for the upcoming implementation period.

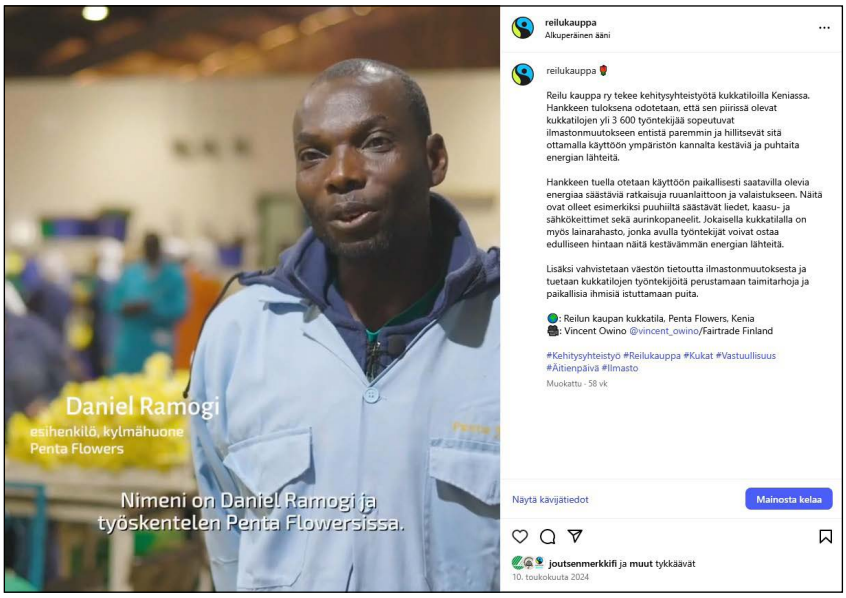
However, there are lessons learned for us too as seen with the risk management chapter above. Communicating with programme partners more clearly about the programme's funding processes and other relevant principles is in key position to avoid misunderstandings and potential changes in project approaches in the future. In the beginning of the programme, we acknowledged that managing several partners and aligning on different interests can be a challenge which has then manifested. At the same time, finding solutions together with partners has also provided valuable lessons for us which we can consider in our work from now on.

The programme communications component focuses on **raising awareness of the programme** and **its impact.** The results of the programme were communicated to different target groups through a variety of channels, including the Fairtrade Finland, FTA and Fairtrade International websites, newsletters, social media channels, guides and the influencer partnership. Communication also took place through project partner channels and internal Fairtrade Network channels.

In Finland, we communicated about the programme and projects through our various channels, sharing, for example, ongoing work and impact of projects from flower, coffee, and cocoa farms. Topics included diversifying livelihoods, strengthening the position of women, workers' rights, children's rights, living wages and incomes, more diverse farming practices, and climate change mitigation. In addition to coffee, our social media channels highlighted cocoa and flower projects in particular. Cocoa projects in West Africa highlighted gender equality and diversified incomes as themes. The role of children and youth was also discussed. In the case of flower projects, gender equality and climate change emerged as key themes.

An important target group for communication about the DONUTS programme were companies whose human rights and environmental practices we aim to influence. The concrete experiences, lessons learned, and insights gained from the projects serve as excellent examples for companies that are still considering how to advance respect for human rights in their supply chains. We highlighted the projects in trainings, events, meetings, newsletters, and other communications targeted at companies, both in Finland and internationally.

The DONUTS programme is widely presented on our website, both in text and visual maps, in Finnish and in English. In addition, as Fairtrade Finland is committed to transparency, accountability and creating a safe environment for everyone we work with there is a "report a concern" digital button for anyone suspecting any misconduct by our staff or partners.



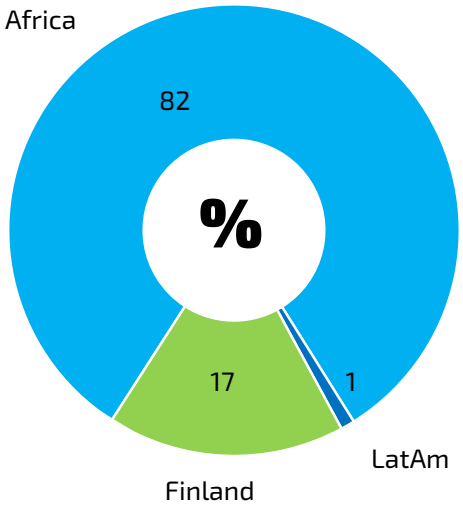
Coffee farmer : Elias Fikere from Sidama Coffee Cooperativein Ethiopia ©Fanny Nana Ampon / Fairtrade Africa

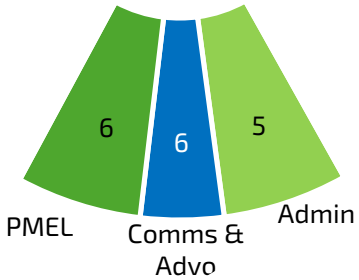
4 Administration and finance

In 2024, the programme showcased very stable practice of financial management with nearly all projects exhausting their budgets. The programme's total **expenditure** in 2024 was 3,53 million euros. The programme's overall implementation rate in terms of budgeting and finance managed to reach 97 %. Most of the projects were well on track (over 90 % rate) on budget expenditure, averaging 97,4 % budget expenditure. The only exception was the regional HREDD dialogue with 81 % implementation rate compared to the budget. The project was affected by staff turnover at FTA and the delayed process of finding a commercial partner for the project's dialogue. Fairtrade Finland's administrational expenses were kept low at 5,3 % (flat rate) of total costs. Roughly 83 % of the programme budget was used in the projects' field implementation.

When it comes to **funding**, 2,2 million euros of the programme expenses were financed by the MFA, forming the majority – almost 60 % – of the funding. The programme had a solid foundation with slightly over 40 % of funding coming from various companies and Fairtrade organizations in 2024. The main co-financing companies in 2024 were Mars, Tony's Chocolonely, Systembolaget, Vinmonopolet, and several Aldi branches (UK, Germany and Switzerland).

Expenses 2024





Finance 2024