



Dignified Opportunities Nurtured through Trade & Sustainability

Development cooperation programme
Fairtrade Finland 2022–2029

PHASE 2: 2026–2029



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Executive summary

Fairtrade aspires for a world where farmers and workers can enjoy secure and sustainable livelihoods while traders and consumers can trust that commodities are ethically and sustainably produced. However, certification and trade alone cannot fully address the socioeconomic and environmental shortfalls in global value chains.

Fairtrade Finland's "**Dignified Opportunities NUrtured through Trade and Sustainability**" (DONUTS) programme aims to complement Fairtrade's certification-based trading system by focusing on issues where support is needed **beyond certification**. Structural issues like discrimination, exploitation and climate change call for solutions that transcend market-based solutions.

The recently enacted European Union (EU) sustainability **regulations** bring opportunities and challenges for producers across Africa. The regulations on deforestation, forced labour and due diligence are designed to spur meaningful engagement and collaboration between European companies, their suppliers and rightsholders. However, support for rightsholders, crucial to realise such meaningful engagement, is still scarce. This programme supports the capacity, voice and coalitions of diverse farmers, agricultural workers and people in vulnerable situations to influence the implementation of these regulations in their own organisations and entire value chains. Suppliers' increased familiarity and alignment with the regulations will also indirectly benefit Finnish and other European companies.

Fairtrade Finland's development cooperation programme 2026–2029 applies Dr Kate Raworth's **Doughnut Economics Model** as a theoretical inspiration for the programme's Theory of Change (ToC). The Doughnut presents the boundaries for sustainable life on earth, **based on the social and economic foundation and the ecological ceiling**. Between the foundation and the ceiling lies the space where socially, economically, and ecologically sustainable life can thrive. Millions of producer families still live below the **social foundation**, deprived of life's essentials. The **economic foundation** is unstable due to price instabilities and disparities of power in global value chains. **Ecological overshoots** including climate change and environmental degradation hit hardest on smallholder farmers whose livelihoods are directly dependent on nature.

The interconnectedness of the social, economic and ecological challenges facing producers in global supply chains reflects the complexity of the socio-ecological system. As such, it is not efficient to focus on each challenge as a stand-alone item. Hence,

the programme's ToC includes three sustainability priority areas, each with a desired impact.

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

A long-term approach is required to attain the programme's overall development goal of "**Farmers and agricultural workers' right to sustainable livelihoods is realised**". Hence our programme is planned for 2022–2029, in keeping with the remaining **Agenda 2030** timeframe. Our programme is divided into phase one (2022–25) and phase two (2026–29). This document focuses on the second phase, building on the successes and learnings from the first phase.

Phase two of the DONUTS programme will bring **sharper focus and higher prioritization**. Our geographical focus will be on the African continent, targeting fewer countries in total. Going forward, 80 % of the programme countries are **Least Developed Countries (LDCs) or fragile states**, compared to 67 % in the first phase. The increased focus on Africa empowers our local implementing partner, Fairtrade Africa, to lead the implementation of the programme with their deep local knowledge, expert local staff, partner organisations, networks, and aligned priorities.

To maximize our impact and to ensure efficient use of resources, we prioritize the key supply chains of **cocoa, coffee, flowers and vanilla**. The programme adopts a more holistic approach, incorporating **stronger advocacy efforts** together with civil society both in Africa and in Europe. Engaging entire value chains in **Human Rights and Environmental Due Diligence (HREDD)** processes will be a central component of the programme, leveraging one of Fairtrade's unique areas of expertise.

In this new phase, we will continue to build on Fairtrade's core strengths, fostering **close collaboration with private sector partners**. Several Finnish and European companies have committed to co-financing and participating in the planning and implementation of our projects. By leveraging supply chain partnerships, local expertise, and a focused approach, the DONUTS programme is set to create lasting change, empowering farmers and workers to secure resilient livelihoods while cultivating wider holistic social, economic and environmental development.

The programme design:



Systemic

Fairtrade works with key actors from one end to the other in global value chains to overcome barriers that prevent producers from enjoying their right to a sustainable livelihood. Advocacy that engages corporate and political decisions, and development communications that raises awareness among Finnish consumers are both embedded and critical tools in all three priority areas of our programme ToC.



Transformative

The programme addresses power disparities and discriminatory norms, structures and legislation to transform societies and value chains. We support diverse groups of farmers and workers to gain a greater voice and influence in their civil society and their value chains, while urging duty-bearers to create inclusive spaces for all members of society.



Results-based

Our Results-based Management (RBM) is reflected across all steps of the project cycle. Project planning, implementation, monitoring, reporting, evaluation and learning all have integrated practices and tools geared for attaining outcome based and impact level results and verifying these through participatory and ongoing feedback mechanisms. The effectiveness of the programme is supported by robust Monitoring, Evaluation and Learning (MEL) and risk management systems.



Scalable

The programme pilots several activities that the global Fairtrade network is keen to learn about and apply across the world. These include human rights and environmental (HRE) risk assessments, facilitation of meaningful stakeholder dialogue and digital solutions for traceability. Our advocacy work seeks to ensure that programme learning is scaled through policy influencing for fairer value chains.



Leaving no one behind

80 % of the programme's targeted countries are either among the least developed countries (LDCs) or fragile states, reflecting our focus on the most disadvantaged countries in the global trade system. The programme emphasizes gender, youth and vulnerable groups as cross-cutting themes.



Multi-stakeholder-based

As part of Fairtrade's operational scope, we collaborate with the private sector, government authorities, universities/academic institutions, municipalities and civil society actors. With international companies as co-financers and key partners, we aim to encourage and assist the private sector in taking responsibility for addressing human and environmental right abuses within their supply chains.



Human rights based

Universally recognized human rights principles and frameworks guide our actions throughout the programme, and our ToC centres on the realisation of rightsholders' human and environmental rights. We support rightsholders, civil society and duty-bearers to address the root causes negatively affecting producers, their livelihoods and the environment.



Cost-effective

As part of the global Fairtrade network, Fairtrade Finland benefits from the network's expertise, resources and contacts. Our fundraising costs are non-existent and administrative costs well below the set limits, allowing us to allocate most of the programme's budget to the target countries, and to enable value for money.

Leveraging private funds



Our well-established relationships with companies and members of the Fairtrade network has enabled us to secure substantial match-funding. The possibility to apply for the **Ministry for Foreign Affairs (MFA) development cooperation funding has been a significant pull factor** to leverage resources. The main private-sector partners are the biggest grocery stores in Finland, **KESKO** and **SOK**, and several other companies like **Ben & Jerry's**, **Meira**, **Halba** and **Tony's Chocolonely**. Match-funding commitments for 2026-2029 are around 2.8 million euros.

Fostering fairer trade for all



Fairtrade bridges the private and civil society sectors, partnering with several companies who are key co-investors in the programme. Through joint interventions, we offer meaningful ways for companies to fulfil Human Rights and Environmental Due Diligence (HREDD), enhance supply chain sustainability and promote sustainable consumption patterns, all while promoting the well-being of producers and agricultural workers.

Abbreviations

CBA	Collective Bargaining Agreement	HRM	Human Resource Management
CL	Child Labour	ICI	International Cocoa Initiative
CLMRS	Child Labour Monitoring and Remediation System	ILO	International Labour Organization
CSDDD	The Corporate Sustainability Due Diligence Directive	ITC	International Trade Centre
CSO	Civil Society Organization	LDC	Least Developed Country
DAF	Dynamic Agroforestry	LMIC	Lower Middle-Income Country
ECDD	Ethiopian Centre for Disability and Development	LW	Living Wage
EUDR	The European Union Deforestation Regulation	MEL	Monitoring, Evaluation and Learning
FI	Fairtrade International	MFA	Ministry for Foreign Affairs of Finland
FL	Forced Labour	NFO	National Fairtrade Organisation
FTA	Fairtrade Africa	NGO	Non-governmental Organization
FTF	Fairtrade Foundation UK	OHS	Occupational Health and Safety
FTMHCH	Fairtrade Max Havelaar Switzerland	PN	Producer Network
FTNL	Fairtrade Netherlands	PO	Producer Organisation
GAPs	Good Agroecological Practices	PWDs	Persons With Disabilities
GBV	Gender Based Violence	RBM	Results Based Management
HLO	Hired Labour Organization	SDG	Sustainable Development Goal
HoR	Head of Region	SLM	Sustainable Land Management
HRBA	Human Rights Based Approach	SME	Small and Medium-sized Enterprise
HRE	Human Rights and Environment	SPO	Small-scale Producer Organisation
HREDD	Human Rights and Environmental Due Diligence	ToC	Theory of Change
		TU	Trade Union
		UNGP	The United Nations Guiding Principle
		VSLA	Village Saving and Loan Association

1. Introduction – The Fairtrade approach

Fairtrade was founded in the 1980s by a group of Mexican smallholder coffee farmers and a Dutch non-governmental organization (NGO) to empower farmers with a stronger negotiating position in the international markets. Since then, Fairtrade has evolved into a global network. It brings together millions of smallholder farmers, agricultural workers, traders, manufacturers, retailers and consumers to improve living and working conditions across supply chains..

Yet, deep inequalities and human rights abuses remain in most global value chains.

Trade can be an essential driver for sustainable development if it respects people and the planet. As seen with the rising global injustices, such as climate change, this is currently not the norm. Multi-stakeholder collaboration and action are needed from companies, governments and civil society, as prescribed under the United Nations Guiding Principles on Business and Human Rights (UNGPs, 2011).

On one hand, Fairtrade has a pivotal role to play in this equation. As a global multi-stakeholder, non-profit movement, it

supports smallholder farmers and workers in disadvantaged countries and fosters a fairer and more sustainable trading system. To achieve these goals, Fairtrade utilizes multiple tools from standards and certification to continuous producer technical and advisory support, targeted development projects, facilitation and participation in multistakeholder collaboration, evidence-based advocacy work and awareness raising. Fairtrade Finland works to engage key value chain actors to promote sustainable development and fairer trade

Fairtrade works with smallholder farmer and worker associations which serve as vital change agents within their communities and societies, functioning as localised civil society organizations (CSOs). As the production of agricultural products like cocoa and coffee often involves entire communities, these associations play a critical role in supporting many households' livelihoods, access to services (health, education, transport) and protection of ecosystems. They are crucial agents of change in rural areas in providing essential services, negotiating better terms with buyers, advocating towards duty-bearers, implementing infrastructure and development projects, and promoting diverse livelihood opportunities. In recent years, Fairtrade has increasingly promoted these local CSOs to take agency in influencing Human Rights and Environmental Due Diligence (HREDD) measures in their value chains.

On the other hand, Fairtrade alone has its limits too. While standards and certifications are vital tools to support sustainable development, their voluntary nature limits their ability to address persistent global challenges. Targeted and holistic support is needed in tackling deeply embedded and complex issues such as climate change, low incomes, exploitative work, child and forced labour, discrimination and the oppression of people. **Fairtrade Finland's programme embraces this challenge with ambition, striving to drive meaningful and lasting change**



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

Fairtrade Global Strategy 2021–2025



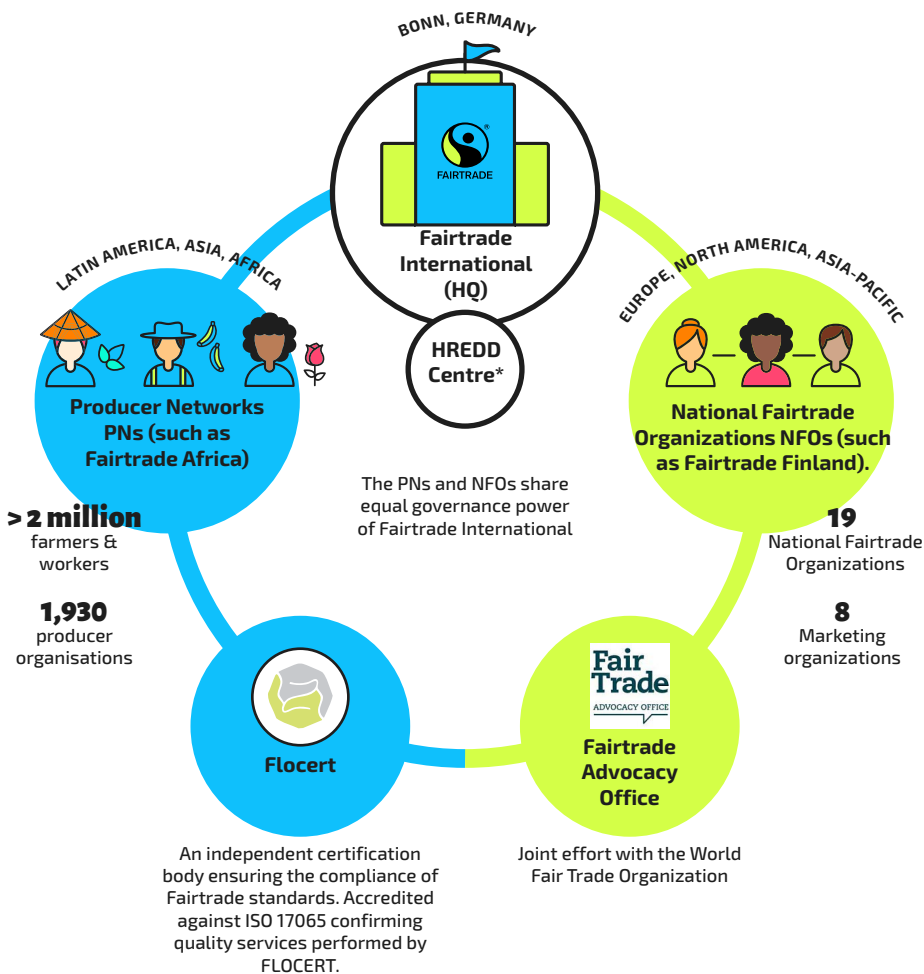
FAIRTRADE

Fairtrade

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

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

Fairtrade Standards form the cornerstone of Fairtrade's approach to advance sustainable development. The standards set environmental, social and economic sustainability requirements for Small-scale Producer Organisations (SPOs), Hired Labour Organisations (HLOs) and traders.



* Fairtrade's HREDD Centre of Excellence is hosted by Fairtrade Finland and serves the whole Fairtrade system. It contributes to members' Human Rights and Environmental Due Diligence related work and ensures the utilisation of learnings throughout the system. Further information on Fairtrade's HREDD work is available on Fairtrade Risk Map (riskmap.fairtrade.det) and Fairtrade's Due Diligence Report 2023.

SPO STANDARDS

Social

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

Economic

- Minimum price
- Development premium
- Pre-financing

Environment

- Reduce use of pesticides
- Protect soil & water
- Waste management and recycling
- No GMOs
- Reduce CO2 emissions
- Biodiversity
- Encourage organic production

HLO STANDARDS

Social

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

Labour conditions

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

Environment

- Environmental management
- Integrated Pest Management
- Protect soil & water
- Waste management and recycling
- Reduce CO2 emissions
- Biodiversity

2. Shortfalls and overshoots in global supply chains

Fairtrade’s work is based on the attainment of Agenda 2030’s Sustainable Development Goals (SDGs). The latest SDG progress report (2024a, p. 4) shows only 17 % of the targets are on track. The greatest challenges in global supply chains revolve around the “trinity” of economic, social and ecological domains as these are deeply interconnected and dependent on each other.

The “**Dignified Opportunities Nurtured through Trade and Sustainability**” (DONUTS) programme acknowledges the complex web of interactions and the systemic nature of sustainability. DONUTS complements Fairtrade’s work by tackling issues that require interventions beyond certification. We draw on Dr Kate Raworth’s **Doughnut Economics Model** as theoretical inspiration for our problem analysis and Theory of Change (ToC). The model consists of two rings. The inner ring, **the social foundation**, ensures no one falls short on life’s essentials (sufficient incomes, nutrition, health and education) while the outer ring, **the ecological ceiling**, prevents crossing Earth’s planetary boundaries. **Between these two rings lies an ecologically safe and socially just space in which humanity can thrive** – the “doughnut’s sweet spot”. Exceeding these boundaries leads to **social shortfalls** or **ecological overshoots**. (Doughnut Economics Action Lab, 2024.)

The Doughnut Economics model, together with the Protect, Respect and Remedy concept (see UNGPs box), guided the DONUTS programme’s (2022–2029) initial problem analysis. The analysis was done with Producer Organisation (PO) representatives from Africa and Latin America, and included re-

views of FLOCERT’s audits monitoring data, Fairtrade research and evaluation studies and lessons learnt from our previous programme.

For **DONUTS phase two (2026–29)**, the drafted Problem Doughnut was updated with insights from the Fairtrade Risk Map. This unique online tool presents up-to-date information on the most severe human rights and environmental risks within Fairtrade product categories and regions. The map supports companies and POs in identifying and assessing the risks within their operations and supply chains. It uses an extensive set of data sources ranging from academic articles, news pieces, civil society reports and credible public reports. It stands out from similar initiatives by including direct feedback from Fairtrade producers, who have been consulted in workshops to validate the salient risks identified within their sectors.

In the revised Problem Doughnut, the “risk exposure” wedge was removed and child and forced labour issues were moved to the labour rights shortfalls wedge. The ToC was also refined to align with the salient issues identified in the Risk Map more comprehensively. The revised Problem Doughnut comprises of four key shortfall and overshoot “wedges”:

- **Exclusive civil society** (social sustainability),
- **insufficient incomes** (economic sustainability),
- **labour rights shortfalls** (economic sustainability),
- **climate change coupled with environmental degradation** (ecological sustainability).

UNGPs

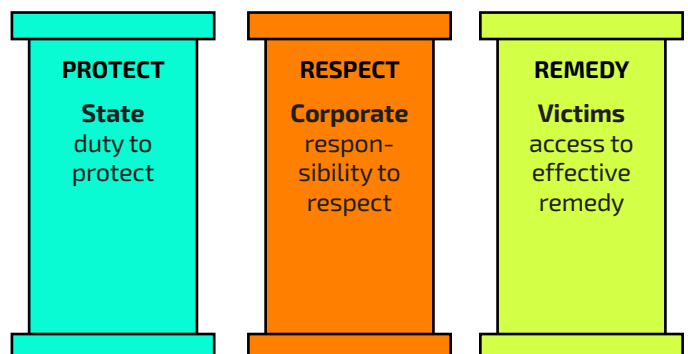
In our problem analysis and in our intervention design we built on the **Protect, Respect and Remedy Framework**, the three pillars of the UN Guiding Principles on Business and Human Rights (UNGPs):

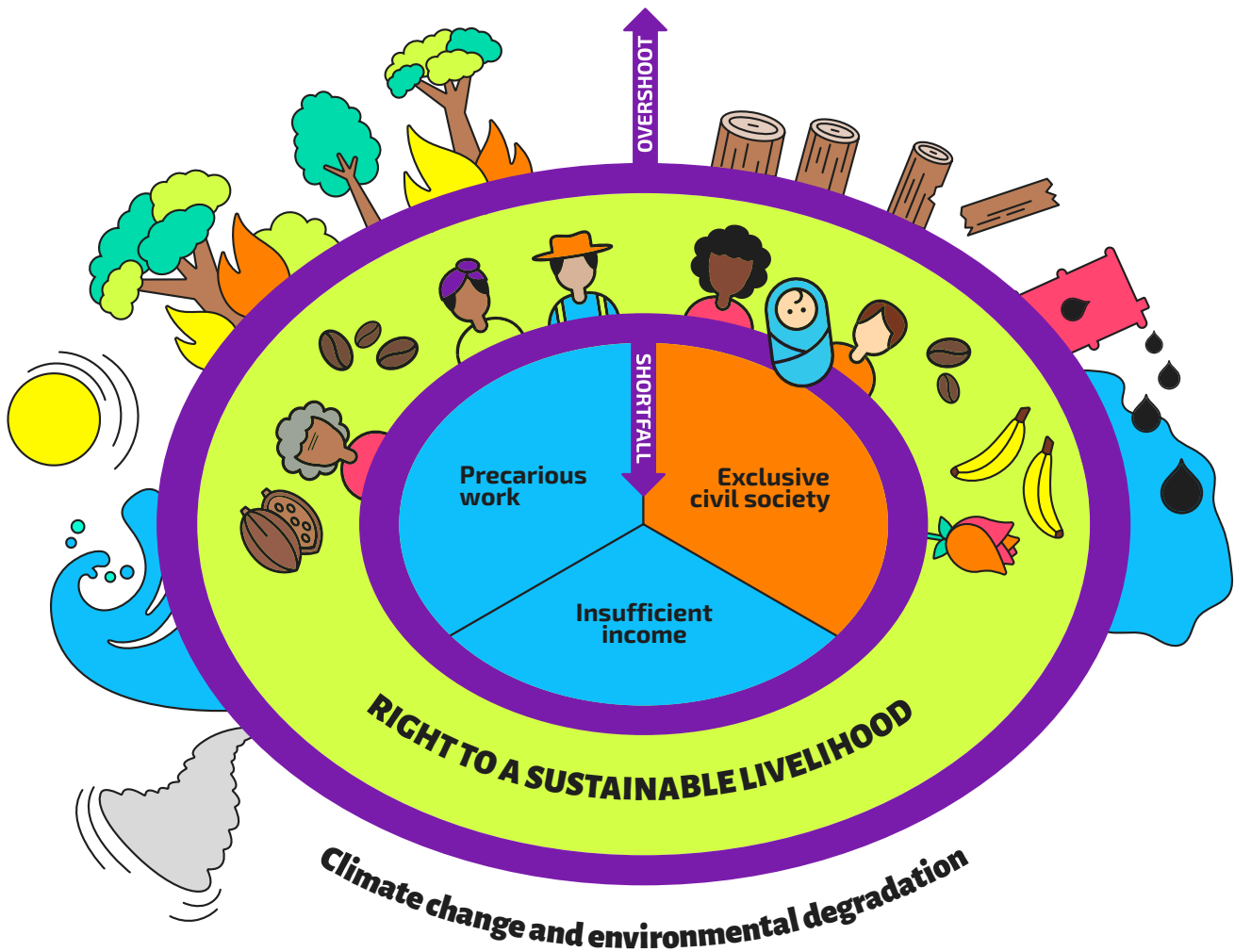
- States have a duty to **protect** people from human rights abuses, including abuses by business,
- companies have a responsibility to **respect** human rights and seek to avoid adverse impacts on people,
- both states and companies must participate in providing effective **remedy** to people who are adversely impacted by business.

This framework helps to analyse the roots causes of identified problems, and which parties carry the duty to address each challenge.

Three pillars of the UN Guiding Principles

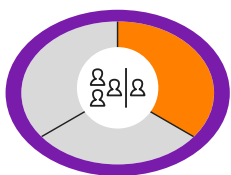
HUMAN RIGHTS





In addition, we identified three critical cross-cutting challenges: **gender inequality**, **youth exclusion**, and **discrimination against people in vulnerable situations**, with a direct effect on each wedge. The programme acknowledges that many of the global supply chains' shortfalls and overshoots are structural challenges, maintained by deeply rooted norms, beliefs and asymmetrical power relations.

2.1. Social shortfalls



Social shortfalls, like deprivation, have negative intergenerational consequences such as lack of opportunities for younger generations, physical and mental problems, as well as exploitation of resources and labour. It **fuels destructive behaviour and human rights violations such as** gender-based violence and discrimination against certain groups of people, like women, youth and persons with disabilities (PWDs). These have adverse effects on human wellbeing and overall **civic participation**. The primary social challenge this programme addresses are undemocratic,

exclusive and passive civil societies in the programme countries.

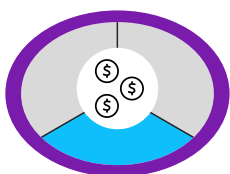
Undemocratic, exclusive and passive civil society

An active civil society is an efficient change agent that enables rightsholders' collective voice and hold decision-makers accountable. Therefore, supporting civil society to expand and thrive is a pre-condition to get in the "doughnut's sweet spot" and to achieve the SDGs. However, **majority (73 %) of the people in the world live in countries where the civic space is either closed, repressed or obstructed** (CIVICUS, 2025). Many stakeholders from the programme countries we have engaged with have highlighted signs of a shrinking space for civil society.

Discrimination is a central challenge impeding the development of a vibrant civil society. Age, gender, sexual orientation, ethnicity, religion or disability-based discrimination, including multiple (additive and intersectional) discrimination, is common around the world. Within POs, women, youth, and PWDs are often underrepresented in decision-making and membership, and those that are discriminated against on several grounds – such as disabled young women – face severe cumulative disadvantages. For example, a Fairtrade baseline study in Côte d'Ivoire's cocoa-growing communities found that in most

cocoa cooperatives, women's membership was only between 1–2 % even though many women participate in cocoa farming. Conflicts often exacerbate existing inequalities, making discrimination more severe and pervasive. Already marginalized groups may face increased scapegoating or targeted violence during periods of unrest.

2.2. Economic shortfalls



Today's economies can be characterized with deeply **unequal distribution of power and value**. The Fairtrade Risk Map identifies the lack of **living income or living wage** as the most salient issue across key Fairtrade products, trapping many producers in a cycle of dependency and multifaceted poverty. Living income is "The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household." while living wage is "The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family." (GLWC, n.d.), aligned with the Declaration of Human Rights article 23.

Producers' insufficient income fuels several other human rights deprivations like poor nutrition and health, human rights violations such as hazardous child labour and forced labour, as well as environmental degradation. It deters unionization and collective bargaining. The situation is most severe for those who do not own the land they work on, such as sharecroppers, women and low-income plantation and estate workers. Therefore, the key economic shortfalls addressed by this programme are **gaps in living income and living wage and labour rights violations**.

Farmers' insufficient income to achieve a decent standard of living

The factors behind living income gaps are numerous, ranging from insufficient producer prices to lack of business skills or market access, limited resources, monoculture, climate change

and conflicts.

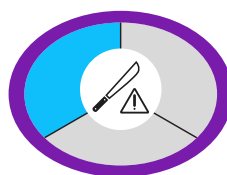
Incomes are curbed by **low productivity, quality and knowledge of resilient agricultural practices**. Without the skills and capital to invest in their farms and agricultural technology, farmers get stuck in a loop of low production volumes and low quality, leading to consistently low incomes. This exacerbates smallholder farmers' vulnerability to climate change related impacts, particularly soil degradation and loss and damages to harvest due to droughts or floods.

In addition, farmer cooperatives often suffer from **limited capacity to access and evaluate information and lack of business skills**. Most cooperative leaders are farmers themselves with extensive intergenerational knowledge and expertise on traditional production methods. However, most cooperatives would benefit from stronger skills in financial management and digitalisation. For example, many cooperatives still lack the digital skills and tools to comply with upcoming EU regulations, such as the Deforestation Regulation (EUDR).

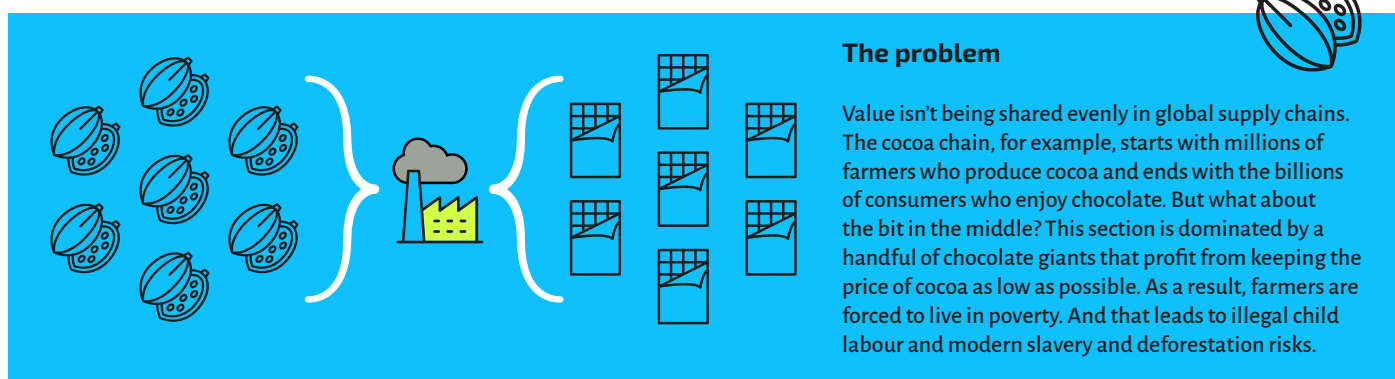
Coffee, cocoa and vanilla are mainly grown as a single cash crop. The income gained from cash crops is usually cyclical in nature, leading to periods with little income. Most coffee, cocoa and vanilla farmers sell their crop as basic raw material without any value addition or processing. Relying on a single cash crop can be disastrous for farmers, as these sectors have experienced endemic crop diseases like the cocoa swollen shoot disease and the coffee rust fungus. Climate change and subsequent changes to weather patterns poses additional risks, as these crops are sensitive to temperature changes and drought.

Sustainability regulations and trade rules are insufficient to tackle the unequal distribution of value and insufficient farmer incomes in global supply chains.

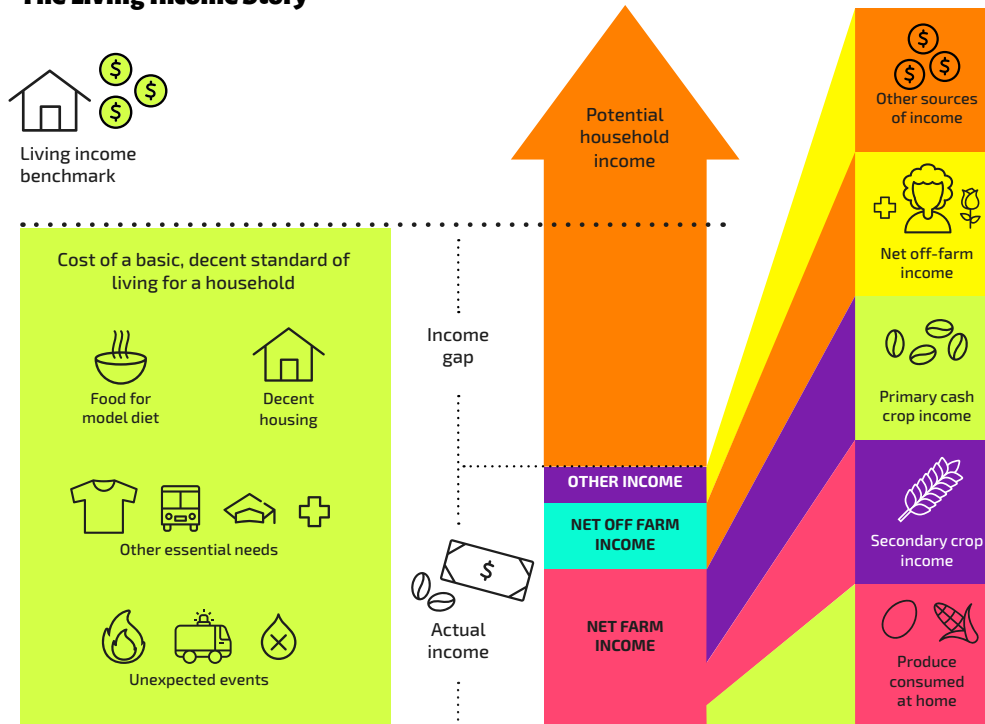
Labour rights violations



Many sectors pose risks to the realization of **labour rights**. A large number of workers in global supply chains are in vulnerable situations due to insufficient resources, limited awareness or ability to exercise their rights or deeply rooted dis-



The Living Income Story



criminatory norms, practices and beliefs.

In many countries the human right of freedom to join associations is limited. International Labour Organization (ILO, 2024a) estimates that freedom of association and the effective recognition of the right to collective bargaining have reduced globally. In many cases, trade unions and employers have a history of antagonistic relations. Governments may limit trade unions' civic space and may even arrest trade union activists, and security forces may target workers' representatives who campaign for better wages, rights and conditions. Many trade unions are still weak due to low membership and, in some cases, are hampered further due to duplication or efforts/lack of coordination caused by the high number of unions operating in the same sector and region. Some unions, like in the Ethiopian flower sector, are closely tied to the companies and thus lack sectoral bargaining power.

Hazardous child and forced labour are among the most blatant labour rights abuses. It is estimated that 160 million children worldwide are currently in **child labour (ILO, 2021) while 27 million people are in forced labour** (Fairtrade Risk Map, 2025). Agriculture is notorious for its high numbers of child and forced labour cases (US Department of Labor 2024, p. 15). For example, it is estimated that over 1.5 million children are working in child labour in cocoa production in Côte d'Ivoire and Ghana. A large majority of these children were estimated to be in hazardous child labour. (NORC 2020)

These labour rights violations have many root causes, but discrimination and multifaceted poverty are the most prevalent. Child labour and forced labour risks are elevated due to weak

enforcement of labour laws and unfair purchasing practices that exert downward pressure on the prices paid for raw commodities. Other context-specific contributing aspects are local labour markets, ethnic tensions, political instabilities, barriers to school attendance, and norms and beliefs when it comes to social identities and roles in society.

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

Not all work done by children is defined as child labour. Informed by ILO conventions on child labour, children are allowed to support their own family's farm if this work is supervised, age appropriate, not exploitative or abusive, and does not affect their schooling.

Examples on non-hazardous work in cocoa:

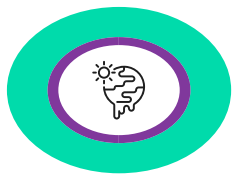
- Gathering, drying and breaking cocoa pods (without sharp tools)
- Weeding (without sharp tools)
- Fermentation of cocoa pods
- Preparing seedlings
- Watering and packing

Examples of hazardous work in cocoa:

- Land clearing
- Carrying heavy loads
- Exposure to agrochemicals
- Handling sharp tools
- Undertaking night work
- Working for long hours

2.3. Ecological overshoots

Maintaining biodiversity and ecosystem health is the precondition to ensure humans, animals and other living beings can thrive within the doughnut.



The window of opportunity to ensure this is narrowing. 2024 was the hottest year on record so far (WMO, 2025). We are experiencing the sixth mass extinction of species and diminishing global forest area (Weisse & Goldman, 2024; WWF, 2024). Agriculture has

significant implications on biodiversity and the biosphere. Agriculture, forestry and other land use are responsible for approximately 22 % of global greenhouse gas emissions with agriculture consisting of the biggest share of emitters (UNEP, 2022). Global food systems account for approximately 80 % of deforestation and 70 % of freshwater use (UNCCD 2022, p. x).

Climate change and environmental degradation

Climate change and environmental degradation highlight the disparities in the global economy: Africa produces only 2–3 % of global emissions but is the continent most prone to the effects of climate change (UNEP, 2024).

Over the last four years, Eastern Africa has faced severe droughts, acute food insecurity, serious floods and landslides (UN, 2024b; UNDRR, n.d.). West Africa has faced fluctuating rains, extreme heat and violent conflicts (Tarif, 2023). Many farmers consulted for the Fairtrade Risk Map highlight climate change as a central root cause of insufficient and insecure livelihoods.

Agricultural land use has a direct impact on climate and biodiversity. Degrading agricultural land, illegal mining and logging pose risks for the programme's key products of cocoa, coffee and vanilla. More than half of the global agricultural land is degraded, diminishing yields for 500 million small-scale farms (Elba, 2021). In West Africa, illegal logging and the expansion of cocoa farms have all contributed to deforestation and a quarter of Côte d'Ivoire's forest area was lost in 2001–2015 (Schneider et al. 2024).

Besides companies, consumers and duty-bearers, small-

Environmental rights as human rights

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

scale producers also have a role to play in addressing these risks. Neuville et al. (2017) argue “Unlike other tropical regions, **deforestation and forest degradation in Africa are mainly caused by small-scale processes** rather than large-scale agriculture ... [including] subsistence farmers, small-scale charcoal producers and the gatherers of wood for fuel.” Without knowledge on alternative solutions, farmers are prone to use harmful agrochemicals.

International and local **regulations** are crucial to protect climate and environment. However, at present, farmers in our programme countries are in urgent need of awareness and support to comply with new EU regulations.

No certification standard alone can comprehensively solve what is perhaps the most defining human rights challenge of our time. Therefore, holistic development cooperation, which engages duty-bearers and companies to play their part, is needed to complement this work of certification in driving responsible business practices that safeguard people and planet.

2.4. Other challenges

Several factors were identified in the programme's problem analysis that influence cross-cuttingly. **Firstly, gender inequality** is a salient issue across all three sustainability challenges. Women often remain excluded from management positions within co-operatives, trade unions, and farms. This is partially due to ownership-based restrictions, coupled up with local customs and traditions on gender roles. Women workers risk gender-based discrimination in the workplace because of gender roles in the societies and communities and equal pay for equal work is still challenge across the board.

Women often lack the documentation needed to participate in decision-making, such as birth or marriage certificates or land title deeds. This reduces their access to finance, property rights, information and training. Lack of recognition and safety makes women workers vulnerable to other threats such as **gender-based violence (GBV)**.

Secondly, youth exclusion is a challenge partially overlapping with gender inequality. In many countries, young people see the struggles of small-scale farming and opt for a different future, often migrating to cities or other countries. Youth face difficulties in finding decent work. Alarmingly, over 70 % of working youth in Sub-Saharan Africa are in a form of work deemed “insecure” (ILO, 2024c) and in fact, many of them continue to live in poverty despite working (UN, 2016). Young people rarely own factors of production (land) unless through inheritance, which mostly happens upon the death of parents. This limits their membership and participation in POs.

In 2023, 53 million youth in Sub-Saharan Africa were not in employment, education or training. Roughly 60 % of them are women. (ILO, 2024c).

Coffee

Global coffee trade has a significant disparity in terms of value accumulation and power dynamics. Most coffee is grown by numerous smallholders. However, five companies account for over 50 % of the global coffee trade. Despite over half of global coffee being grown under certified standards, farmers have to sell around 40–70 % of their coffee under conventional terms. In other words, coffee farmers often lack **negotiation power, resulting in low incomes**. Women face additional challenges despite doing over 70 % of the work related to coffee production. They often have limited access to land, finance and agricultural inputs. Moreover, coffee is a significant contributor to deforestation. Currently, it is the leading cause of tropical **deforestation** driven by Finnish consumption habits. (Reilu kauppa ry 2024.)



Cocoa

Around 50 million people depend on global cocoa supply chains for their income or employment while only nine companies manage 75 % of the world's cocoa trade. Cocoa production has several implications on social, economic and ecological sustainability. Cocoa farmers in West Africa typically do not earn a **living income** from their produce which can spur the **exploitation of child or forced labour**, while farmers tend their land with cheaper and harmful agrochemicals. In West Africa, cocoa is often grown in monocultural settings which are poorer in terms of **biodiversity and soil health**. This is often burdensome for the soil, as weeds and pests are managed with chemicals. To expand production, some cocoa farmers clear lands by using a “slash-and-burn” method, contributing to **deforestation**. (Fairtrade Risk Map, 2025.)



Flowers

Cut flower sector is an important provider of employment for many in East Africa. For example, an estimated 150,000 people work in the flower sector in Kenya alone. However, flower workers in the region face several challenges. Wages tend to be far from **living wage** estimates. **Working conditions** may vary, but peak seasons like Valentine's Day often mean long working hours. Most of the workforce consists of **women**, who are usually assigned to do more simple tasks in flower production while men occupy higher paying jobs. **Sexual harassment** and lack of services to support for instance nursing mothers create barriers for women's inclusion in decision-making. Moreover, **trade union restrictions** have been reported, and workers can be discriminated against for joining unions. (Fairtrade Risk Map, 2025.)



Vanilla

Madagascar's vanilla farmers struggle with climate-related **disasters** and **child labour**. Vanilla cultivation has a harmful impact on Madagascar's **biodiversity**. An alarming 47 % drop in local species has been observed when this pricey spice is grown in forests. Danwatch's investigation (2016) shows that many of the country's vanilla farmers use their children as help in the vanilla fields due to low incomes. This finding is supported by the ILO, which estimates that nearly a third of the work force in Madagascar's vanilla industry consists of children between the ages of 12 and 17. Madagascar is one of the African countries most severely affected by the impacts of climate change (The World Bank, 2021). In particular, it is prone to cyclones.



Thirdly, the exclusion of certain groups like PWDs, migrants and landless people was evident in our problem analysis. Disability and poverty are often interlinked. Based on Fairtrade Finland's study conducted by Abilis Foundation on disability inclusion in Ethiopia, PWDs face discrimination from their communities due to negative perceptions and lack of knowledge. Usually, Ethiopian SPOs have no guidelines on disability, infrastructure is poor, and there are no assistive devices or sign language interpreters to maintain disability-inclusive workplaces.

Fourthly, weak advocacy capacity was mentioned in several consultations with programme stakeholders. Many producers feel that although they are aware of their governments' duties on human rights issues, they cannot find efficient ways to hold the politicians and authorities to account. According to a study commissioned by Fairtrade International, Fairtrade Producer Networks (PNs) reported insufficient resources and capacity for advocacy to: 1. map opportunities, 2. develop and implement an advocacy strategy, and 3. engage and communicate externally about living income.

Finally, limited consumer demand for sustainably produced products hinders farmers' and agricultural workers' ability to sell products on fair terms. Many Fairtrade producers are forced to sell part of their volumes at lower prices as non-Fairtrade produce due to insufficient demand. In Finland, 71 % of consumers feel that information about the origin and responsibility of food and textiles is important. Yet, 42 % report that their purchasing decisions is affected little or not at all by sustainability. (Verian, 2024) These findings underscore the need for greater consumer awareness to increase the demand for sustainable products.

2.5. Enabling environment: Regulations and due diligence

There is a growing expectation for companies to conduct **HREDD** within their operations and value chains. Rooted in the UNGPs (2011) and the OECD Due Diligence Guidance for Responsible Business Conduct (2018), the essence of HREDD is that **companies have the responsibility to respect human rights and the environment and to address any negative impacts in or linked to their operations, business relationships and value chains**. In practice, companies are expected to identify, address and account for their most serious human rights and environmental problems in meaningful **dialogue with rightsholders**.

With due diligence -based regulations enacted by governments around the world, sustainability work is no longer voluntary for corporations. The EU is a frontrunner, with rules on deforestation (EUDR), forced labour, wider due diligence (CSDDD) and sustainability reporting.

HREDD can help to build trust, collaboration and fairness within value chains. As a result of these regulations, Fairtrade has witnessed a significant upturn in corporate sustainability work. Large companies operating in Finland and throughout the EU are currently strengthening their capacity for operational plans

and reporting of sustainability work.

Many business associations and corporations also see these regulations as steps forward in improving the stability and viability of supply chains. They create an increasingly level playing field where all companies need to respect people and the planet and invest in reducing the most serious risks. For example, amfori and Finland Chamber of Commerce have consistently advocated in favour of the CSDDD. In 2024-2025, when the EU debated various limitations to the EUDR, many of the world's largest cocoa and forestry companies called for the EU to maintain the contents of this regulation intact.

However, in many industries, agricultural farmer cooperatives and plantations in EU supply chains are expressing an urgent need for support to understand the new regulations, strengthen their due diligence measures to maintain their EU sales, and engage in meaningful dialogue with their European buyers to influence the due diligence practices in their value chains. **The producers in our programme areas still have very**

low awareness of due diligence principles and laws. Unfortunately, most due diligence guidance is targeted at large corporations while SMEs, such as POs, struggle to find guidance, tools and examples that suit their resources, organisational structures and leverage.

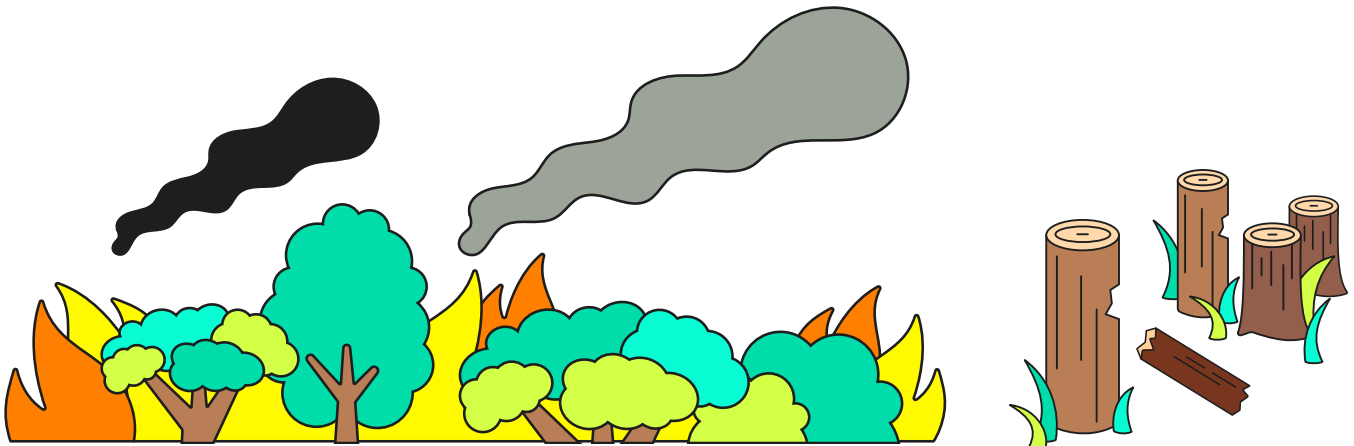
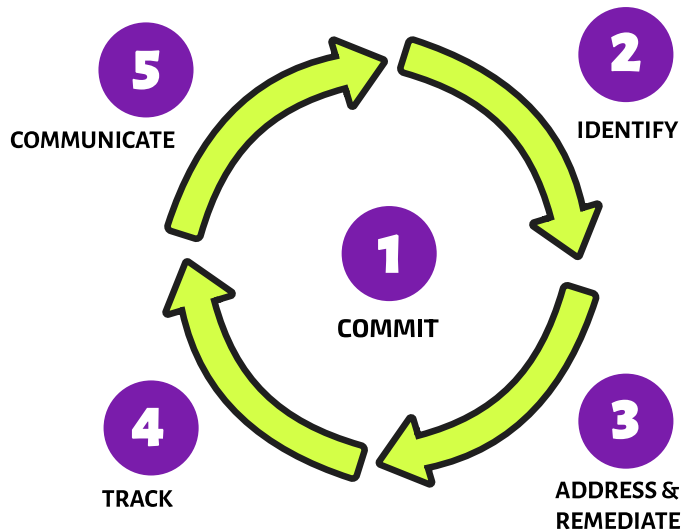
Without increased and improved support for POs, HREDD norms and regulations can even aggravate poverty and deepen human rights and environmental challenges. If buyers push the costs of due diligence onto these producers, or turn away altogether from poor, "high-risk" sourcing areas, HREDD ends up deepening global inequalities.

Building on our trustful relationships with both rightsholders and companies and our 25 years of experience of advancing human rights and sustainability in global supply chains, Fairtrade is uniquely positioned to support Finnish and European companies and advance effective implementation of the new EU sustainability regulations.

HREDD

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

1. **Commit** to respecting human rights and environment
2. **Identify** the most serious human rights and environmental problems
3. Implement concrete measures to **address** and **remediate** those harms
4. **Track** the effectiveness of your measures
5. **Communicate** about this work to key stakeholders



3. Theory of Change

The DONUTS programme aims to reach the **ecologically safe and socially just space within the sustainability doughnut**.

Therefore, the overarching development goal for our 2022–2029 programme is that **farmers' and agricultural workers' right to sustainable livelihoods is realized**. Fairtrade Finland pursues this goal through three interconnected and mutually supportive priority areas listed below with their impact level outcomes:

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

Additionally, the programme promotes three cross-cutting objectives based on the values of the Fairtrade movement: **gender equity, youth inclusion (18–35 years old as per Fairtrade Africa's definition), and realizing the rights of people in vulnerable situations**. Universally recognized human rights form the basis of our work, and we aim for the highest level of the human rights based approach (HRBA), namely to make a **transformative change** in the programme. To reach these goals, the programme aims that **no one is left behind** by focusing on those in disadvantaged situations and by addressing the barriers for their inclusion. The programme approach addresses the roots causes on non-enjoyment of human rights and discrimination. Human rights standards guide the planning and implementation of the programme. We aim to **do no harm** or exacerbate any human rights or environmental abuses by conducting basic human rights and environmental (HRE) risk assessments in all projects' planning phases. This enables us to understand challenges, power dynamics and to map all relevant stakeholders. Throughout project implementation, we rely on participatory methods, results-based management (RBM) and adaptive strategies, as well as rigorous risk management to continuously observe, learn and change our approach when needed to steer projects towards results.

Assumptions

Our programme's ToC is derived from several causality, implementation and context related assumptions. Some assumptions concern all priority areas while others are rather priority area specific. The latter are presented in the annexed result matrix. The assumed risks and their management can be found in the annexed risk management plan.

Assumptions affecting all sustainability areas of the programme:

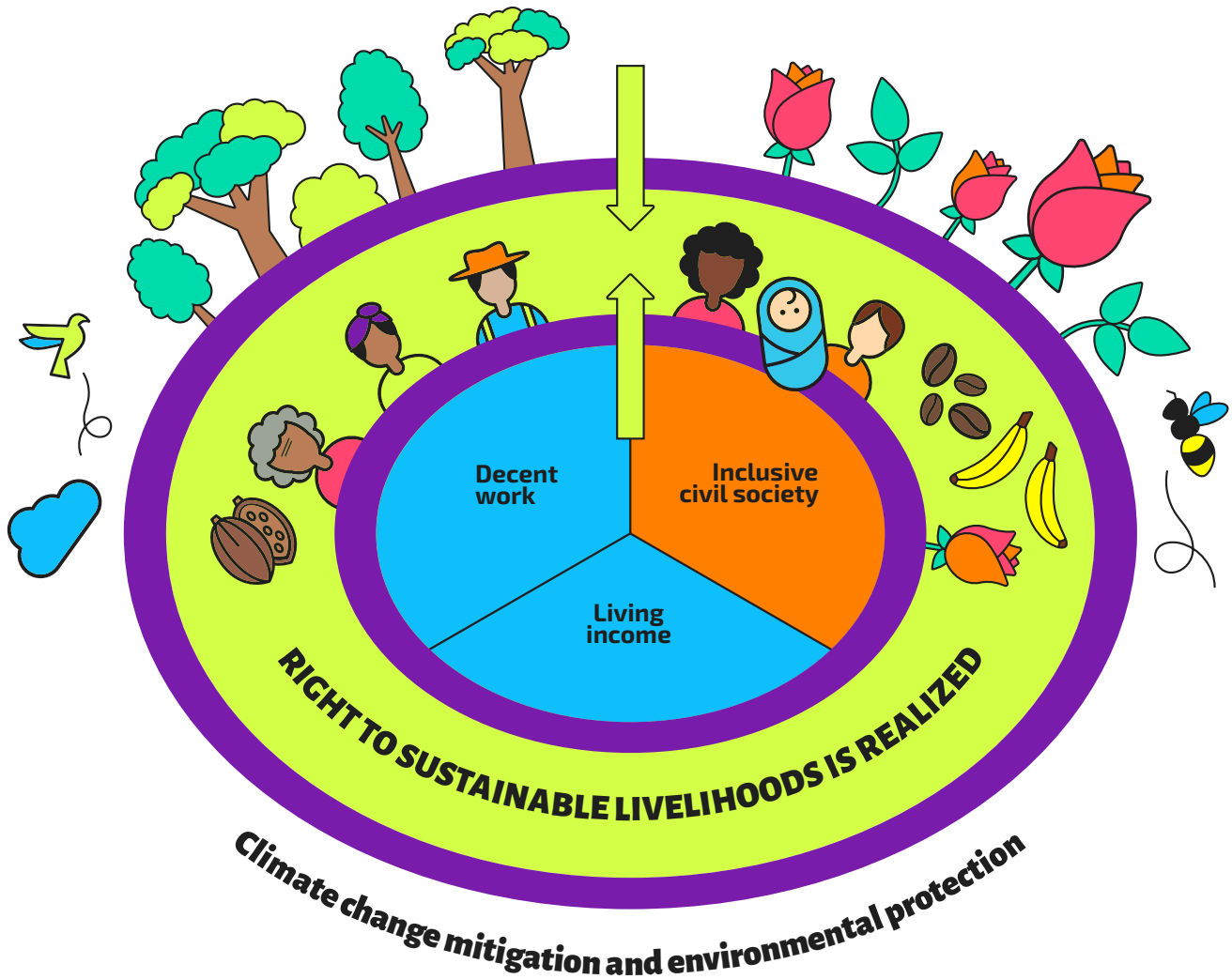
- Informed consumers have the money and willingness to pay for sustainable products.
- Incentivised by consumer demand and EU legislation, Finnish and European companies continue investing in sustainability and HREDD and remain receptive to our advocacy work.
- The frontrunner companies participating in the programme commit to an open HREDD process with rightsholders, including having meaningful dialogue on how to address human rights abuses and environmental risks.
- Targeted farmers, workers and POs are receptive to new ideas, policies and methodologies that affect their livelihoods. They see the value in addressing discriminatory and undemocratic practices, and the long-term positive implications of realizing human rights.
- Local trade unions, community-based organisations and other interest groups are supportive of the programme initiatives and no conflicting interests block implementation.
- Fairtrade is regarded as a relevant actor capable of working as a convener and facilitator of dialogue and collaboration between POs, companies and policymakers.

3.1. Doughnut economics: the building blocks of our ToC

The DONUTS programme's ToC comprises of the programme's three sustainability priority areas, presented in a circular shape, building on **Dr Raworth's Doughnut Economics' model**. Instead of a linear mechanism, we recognise that change and development have more complex dynamics, requiring a holistic approach.

The three priority areas have their own intervention logics and ToCs, that reinforce each other. The social and economic priority areas are strongly interconnected and make up the foundation of the programme, while the ecological ceiling forms the outer boundary. The programme's target is to reach the doughnut-shaped space between the socioeconomic foundation and the ecological ceiling. It represents the ecologically safe and socially and economically just space for farmers and agricultural workers, and where inclusive and sustainable development thrives. **Within the doughnut lies the desired sweet spot where humanity can prosper alongside the planet.**

Within each priority area, we focus on 1–2 thematic areas or "**wedges**", with a designated results chain from activities to outputs, immediate outcomes, intermediate outcomes and expected long-term outcomes. Most projects in this programme have elements of all three priority areas.



The results logic in each wedge:

- ↗ Impact
- ↗ Long-term outcome: Improved wellbeing
- ↗ Intermediate outcome: Direct benefit
- ↗ Immediate outcome: Behavioural change
- ↗ Output: Skills and capacities
- ↗ Activities

Aspiring for holistic and transformative change

By addressing the three areas of sustainability, the programme aims for a holistic change in global supply chains. This entails analysing the different causes and effects, as well as the different ways economic, social and ecological spheres influence each other in each project context. For example, by investing in agroforestry, farmers can increase their productivity and income while enhancing soil nutrients. This can also enhance women’s autonomy and income, as they are often in charge of food crops.

The programme seeks transformative change by identifying and systematically addressing the root causes of rightsholders’ salient issues. This is supported by the assessment of HRE risks and root causes, which will be done in each project. We address the disparities in power and discriminatory legislation, policies, norms and practices that prevent the full enjoyment of human rights. The programme supports diverse groups of farmers and workers to gain a greater voice and influence in their civil society and their value chains, while urging duty-bearers in the value chains to listen and create more spaces for the

participation of farmers and workers.

Our goal is to see duty-bearers in global supply chains, meaning traders, importers, retailers, officials and policymakers alike, actively protect human rights. The programme's approach is a combination of training, awareness-raising and advocacy to improve the capacities of rightsholders and duty-bearers to advance human rights. Human rights frameworks derived from the United Nations declarations and conventions, the UNGPs and the ILO, guide our processes and goal-setting, and foster coherence throughout the programme.

3.2. Linking whole value chains

Our programme links entire value chains in a unique way. As the Fairtrade network consists of producers, traders, retailers, consumers and CSOs, the programme has a solid basis for holistic and multifaceted collaboration. The programme supports women, youth, and PWDs to gain a stronger voice, and POs to become more inclusive and stronger at negotiating with traders. It supports traders and retailers to successfully align with the new sustainability regulations, and policymakers to enact fair and impactful regulations and accompanying measures. Finally, the programme builds consumers' awareness to promote sustainable consumption patterns.

The **linkages** between value chain actors are fostered concretely. Many of the programme's projects are partially funded by companies who are keen to participate in project activities and forge a closer relationship with the POs. Furthermore,

HREDD dialogue projects in cocoa, coffee and flowers will facilitate direct exchanges between rightsholders, POs, traders and retailers. The programme also supports the development of the Fairtrade Risk Map, which conveys producer experiences of HRE risks to retailers and traders. It helps them to grasp the essence of HREDD and the importance of rightsholder perspectives within this work, and to initiate HRE risk assessments.

Solution-oriented advocacy

Fairtrade is uniquely positioned to build bridges and dialogue between companies, public policymakers and civil society in the coffee, cocoa, flower and vanilla sectors, as we have in place long-running trustful relationships with all these actors. Engagement with duty-bearers, namely **companies and governments**, in the production regions as well as in Finland and elsewhere in Europe, plays a crucial role in the ToCs of each of the programme priority areas. Our advocacy work aims to engender better business practices that further farmers' and agricultural workers' rights to sustainable livelihoods.

We help companies to fulfil their duties towards rightsholders in a meaningful way. When we share common interests, we carry out joint project, advocacy and awareness raising work with companies. In parallel, we engage with governments to support regulatory processes. We also build coalitions among Finnish, European and African CSOs.

Advocacy is equally important upstream and downstream the supply chains, in production and market countries. Each of the programme wedges' ToCs (see chapters 3.3.-3.5.) includes elements of advocacy on diverse themes, from inclusivity, living income and labour rights, to climate action and environmental protection.

In line with Finland's Report on International Economic Relations and Development Cooperation, our programme strongly advocates for the rights of women and girls in the countries we work in. For example, in Ethiopia, we advocate for a minimum wage in the horticulture sector to improve the livelihoods of flower workers, the majority of whom are women. In Ghana, we advocate for children's rights to education and the expansion of the government school meals programme to the cocoa-growing regions.

In this programme, the main thrust of advocacy work is the promotion of fair and effective business practices, regulation and public support measures on HREDD, including due diligence on deforestation, forced labour and child labour. In particular, the programme will convey concrete ideas and **recommendations on how European companies can take steps towards meaningful dialogue with (potentially) affected rightsholders and their organisations like farmer cooperatives**, and how public regulations and support measures can promote such dialogue.

Meaningful rightsholder engagement strengthens rightsholder voices and brings companies valuable information about the salient issues and the effective responses, supporting more equitable and impactful outcomes of HREDD processes. It is hence expected by all due diligence norms and EU laws. How-

Advocacy focus:

- HREDD
- Living wage and living income
- Women and girls' rights
- People in vulnerable situations

Fairtrade calls for HREDD rules and implementation guidance which:

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

ever, meaningful rightsholder engagement is difficult for many downstream companies to realize due to long/complex supply chains, diverging backgrounds of corporate representatives and affected rightsholders, as well as lack of trust.

Spurring sustainable consumption

Communications work in Finland also plays an important role in the ToC. We raise Finnish consumers' awareness of the risks in global value chains through thought-provoking stories, events and information to guide them towards more sustainable consumption. Consumers' habits and demand partly steer the course of supply and product range by manufacturers, traders and retailers. Therefore, consumers hold significant power in influencing companies, and they can make a positive impact by accelerating the demand for more ethical sourcing.

Our target groups are citizen-consumers who are positively inclined towards sustainable consumption but have a low level of commitment to take action. By highlighting the injustices behind everyday commodities like coffee, chocolate, and flowers,

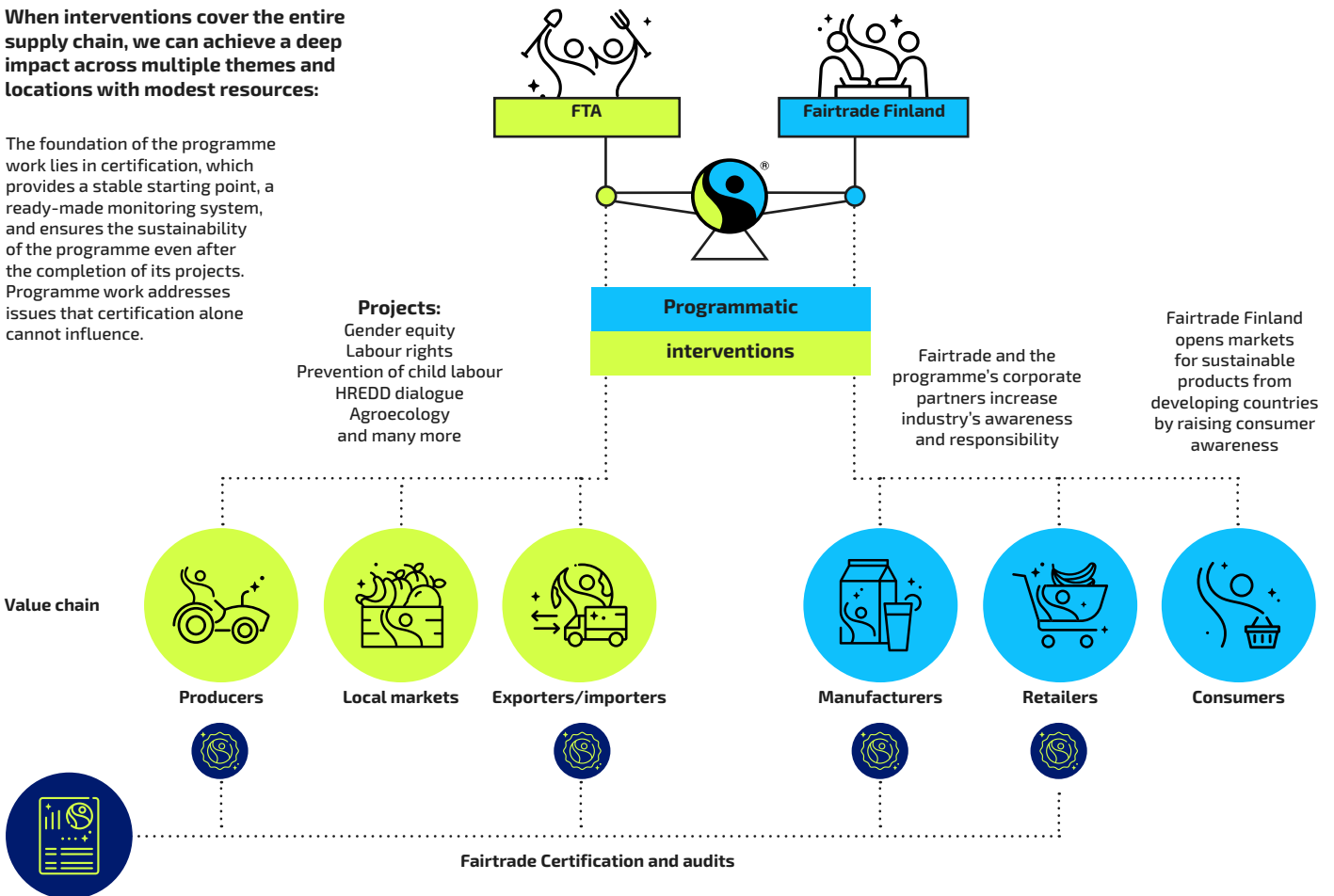
we help Finnish consumers grasp the realities of production and the challenges of climate change. We campaign in collaboration with Finnish and European companies, as well as with universities, cities, parishes, workplaces and CSOs to mobilise consumers as active global citizens and changemakers for more sustainable and ethical trade.

We will also foster learning between students/consumers and producers by bringing together students in Finland and trained young farmer advocates in Africa. We collaborate, for example, with Aalto University's CEMS program, Turku University of Applied Sciences and the University of Jyväskylä, focusing on future corporate decision-makers, sustainability experts and procurement professionals.

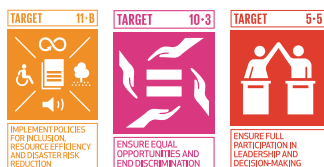
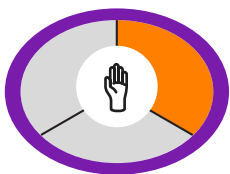
Our communication and advocacy work are closely intertwined, pushing political and business leaders to make bold advances in human rights and environmental protection within global commerce. **This unique and systemic approach, covering the value chain from end-to-end, is a key strength of the programme.**

When interventions cover the entire supply chain, we can achieve a deep impact across multiple themes and locations with modest resources:

The foundation of the programme work lies in certification, which provides a stable starting point, a ready-made monitoring system, and ensures the sustainability of the programme even after the completion of its projects. Programme work addresses issues that certification alone cannot influence.



3.3. Social sustainability



↑ Long-term outcome: More democratic, inclusive and active Producer Organizations and Producer Networks as members of civil society

The long-term outcome is expected to be achieved through a few interlinked pathways of change, and it is supported through three intermediate outcomes, namely:

- Stronger voice for POs' and PNs' staff and members;
- stronger coalition of civil society actors; and
- companies and duty-bearers enable diverse farmers' participation in global supply chains.

To ensure that duty-bearers protect and companies respect human rights, an active and inclusive civil society is needed to represent different members of society. Civil society monitor compliance and accountability, advocate for change, and provide a voice for those who might otherwise be marginalized.



The community here assumes disability is a curse from God. People with disabilities are discriminated and most of them do not have access to education and work. This training is helpful in raising the awareness of management to work on inclusion.

Edeo Demu, Supervisor, Herburg Roses (HLO), Ethiopia

Cooperatives as change agents in civil society

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

Fairtrade plays a unique role in fostering good governance in agricultural POs and supporting their growth as agents of positive change in their societies. Local POs serve as important **role models of active citizenship, democracy and accountability.**

Strategies for achieving change

The programme addresses various deeply rooted discriminatory attitudes and practices that undermine equal participation and the actualisation of a democratic civil society. Key interventions include community-wide awareness raising on non-discrimination and inclusion, organisational support to POs and PNs on good governance, advocacy, civil society activism and HREDD, and forging dialogue between POs and other supply chain actors.

As a cross-cutting activity, the programme conducts **awareness-raising towards POs' members and communities** on gender justice, diversity and inclusion, intergenerational issues, human rights and civil society activism. This broadens people's understanding of their own rights, the factors that maintain discriminatory attitudes and practices, and different stakeholders' roles and responsibilities in advancing these rights. Through these interventions, women, youth, and PWDs **gain the skills to represent themselves.** Emphasis is placed on those that face multiple discrimination based on several grounds simultaneously, such as young women with disabilities.

To ensure commitment at every level, the programme will target PO and PN members and workers, as well as management staff and board members. Governance and inclusion training at the organisational level enhances the POs' and PNs' skills on **inclusive organisational development**, enabling them to give diverse farmers and workers a voice, especially those that are typically excluded. As awareness grows, members become more likely to organise themselves into committees or other formal structures. By working together, producers can establish effective policies and action plans that actively strengthen the **representation and participation** of excluded individuals and groups. With reinforced organisational management and structures in place, diverse individuals can speak up more confidently and take part in decision-making.

We support local civil society, namely POs and PNs, in offering critical services to surrounding communities and in calling out duty-bearers to fulfil their responsibilities. We also support them to **cooperate with other civil society actors** and ultimately, to form coalitions to amplify common messages about producers' key concerns. This collective effort promotes mutual learning and can lead to more sustainable impact as the change originates from local contexts and needs. To this end, local civil society actors are supported to identify common areas of interest and to develop advocacy plans directed at local duty-bearers. We work to create a more **enabling environment where civil society can serve** both as a watchdog and as a strategic partner for governments and companies.

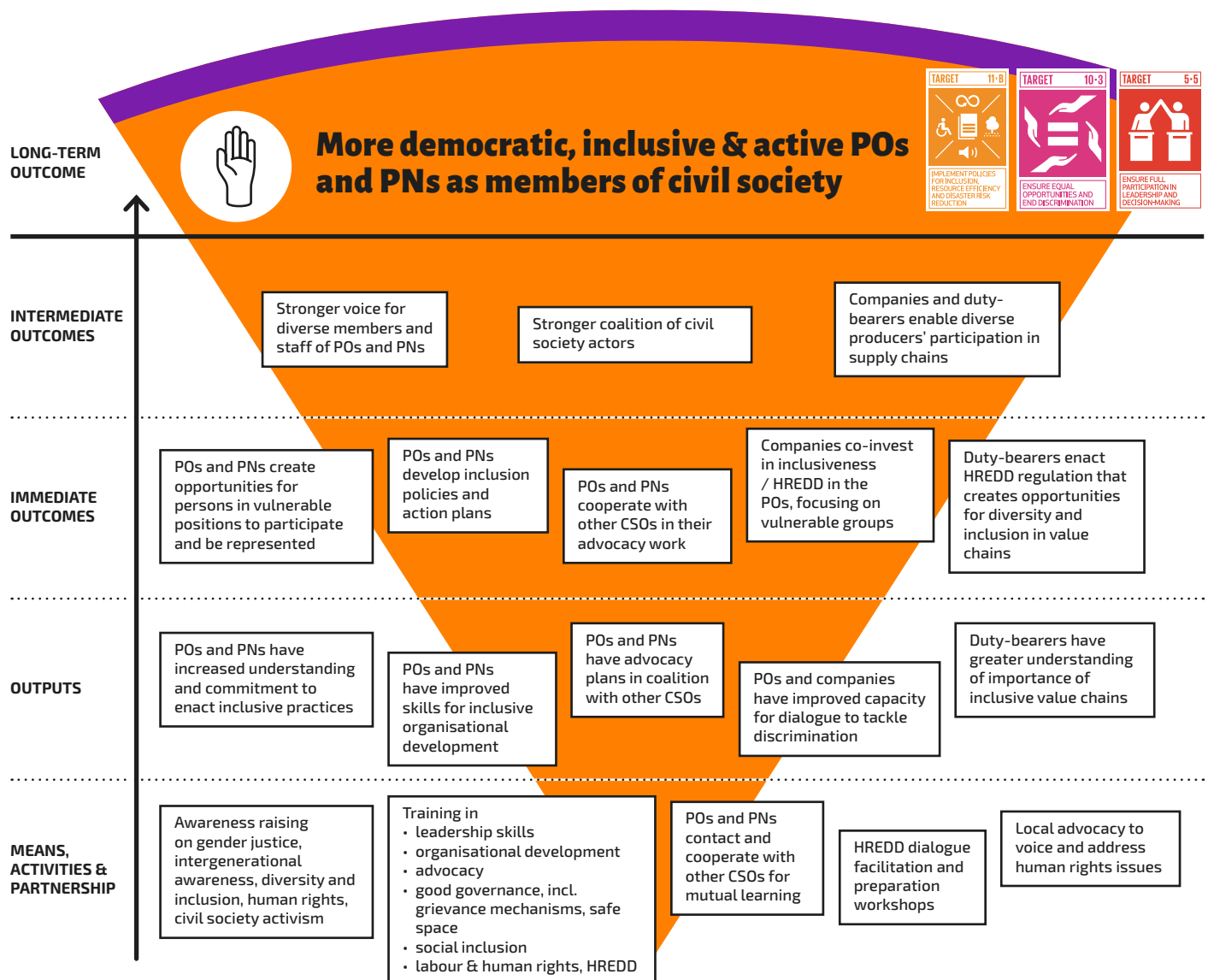
Through our advocacy and HREDD efforts, we call on companies and duty-bearers to invest **in addressing risks in upstream value chains and to enable the participation of diverse producers in supply chains**. First, by advocating towards policy-makers, we aim for HREDD regulation and implementation guidance that require companies to collaborate with rightsholders, to jointly address sustainability issues in their supply chains.

Second, we will **advocate** for companies to adopt ambitious HREDD practices. Part of this work involves facilitating **meaningful dialogue** between producer and community representatives, POs and European companies sourcing from them. These discussions aim to build capacity on HREDD and foster a shared understanding of the need to address discrimination and other injustices in supply chains. We anticipate that, as a result, companies will increasingly co-invest in creating more inclusive POs, and in return benefit from more sustainable supply chains

Expected outcomes

The general assumption is that systematic programme support in the form of trainings, awareness raising, HREDD dialogue facilitation, and advocacy will lead to a **stronger voice for diverse PO members and PN staff**. Those in power will create space for all members who are interested in becoming active to assume leadership positions in committees and decision-making bodies. As a result, POs will be led more **democratically, effectively, and inclusively**. Members will be able to see their interests represented by the cooperatives and workers' associations and feel confident about voicing issues regarding their livelihoods and wellbeing.

When POs and PNs form a strong coalition with other civil society actors, they will be able to **operate as active members of the local civil society**. They will have the **capacities, mandate and collective power to act as spokespersons for their farmers and workers**. Such active coalitions can influence policies and

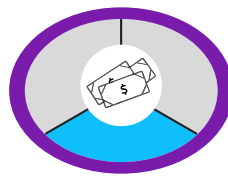


legislative reforms and take up issues regarding human rights violations. Strengthening the capacity, inclusiveness, and connectedness of POs, will enable them to work as agents of behavioural change in the producers' communities.

Finally, once companies co-invest in HREDD processes and duty-bearers enact inclusive HREDD regulations, they will create an **enabling environment for diverse farmers to participate in supply chains**. With demand and support from companies and authorities, POs and PNs can create long-lasting, inclusive structures where the membership base and decision-making bodies reflect societal diversity, fulfilling their role as active members of civil society. This can also help attract new investments and spur innovation in the long-term, as POs and PNs can showcase their compliance with HREDD regulation and advance the realization of human rights.

Several projects within the programme include an outcome objective on securing more democratic and inclusive civil society. The projects with the strongest social sustainability approaches include our projects on overcoming structural gender barriers in the Ethiopian flower and the vanilla sector in Madagascar. Moreover, our project supporting Ugandan farmers is expected to have particularly strong HREDD based approach focusing on issues such as gender barriers. The programme also supports our local partners' regional advocacy work.

3.4. Economic sustainability



↑ Long-term outcome 1: Farmers' right to living income is realized

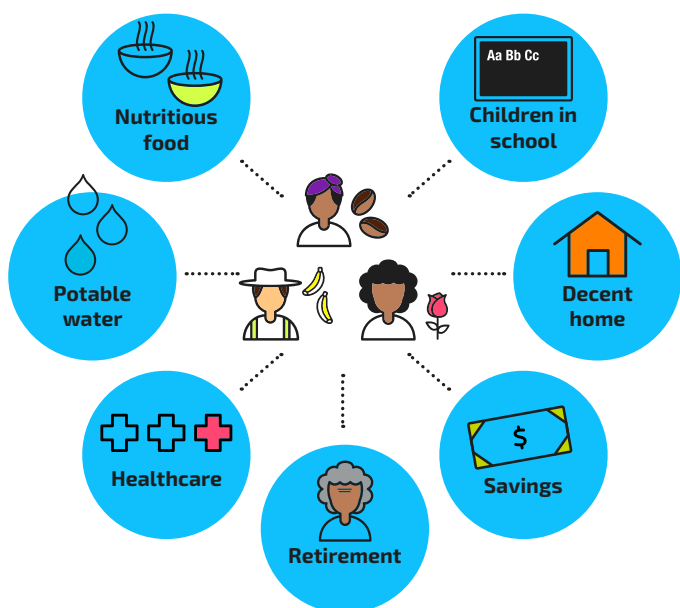
The expected impact for the programme's economic priority area is that **farmers' and workers' economic rights are realized**. This is envisioned to be reached via two long-term outcomes, each with their own thematic wedge and ToC:

- **Farmers' right to a living income is realized.**
- **Agricultural labour rights are realized.**

The programme seeks **transformative change in trade practices** by challenging economic power imbalances, addressing labour rights abuses and facilitating meaningful dialogue between supply chains actors. An important part of this is to dismantle structural discrimination that prevents many youths, women, migrants and PWDs from exercising their right to decent work. Another critical objective is to tackle hazardous child labour and forced labour.

We expect to achieve the desired long-term outcome of **Farmers' right to a living income is realized** by increasing productivity and quality, diversifying incomes, supporting fairer trading terms, advocating for living income policies and prompting increased demand for sustainable products.

Elements of a sustainable, dignified livelihood



Strategies for achieving change

The programme highlights **three key pathways for farmers to achieve a living income**: 1) increasing earnings from their primary livelihood, 2) diversifying income sources, and 3) boosting demand for sustainably sourced products. We will focus primarily on SPOs and farmers in disadvantaged positions, such as women or young people managing their own farms, farmers relying on a single cash crop, or those affected by environmental hazards affecting their harvests and/or low prices for their produce.

Our key interventions include training and technical support on **agroecology**, meaning for example agroforestry and sustainable land management (SLM). These measures aim to improve soil conditions, **productivity**, and **product quality**. To ensure climate change does not hinder their progress, SPOs will be supported to implement **climate change adaptation strategies**. For example, the programme promotes the use of drought-resistant coffee varieties.

One of the programme's key strategies is to support **SPOs as organisations that represent and advance their members' economic rights**. Importantly, they collect dispersed market information and represent their members' interests in business negotiations. Farmers' collective action can also influence duty-bearers to be more accountable. This is supported by HREDD dialogue workshops that encourage widespread adoption of HREDD and facilitate exchanges between POs, traders, manufacturers and/or retailers. Dialogue discussion topics include farmers' incomes, the impact of low incomes on human and environmental rights, and underlying root causes.

The programme will capacitate PO members on **business development skills and resources (access to finance, agricultural inputs, market linkages) to develop new livelihood strategies**. This includes, for example, skills on entrepreneurship, HREDD, advocacy and value addition. Importantly, farmers will be supported with income diversification activities to reduce households' reliance on a single cash crop. One of the central income diversification strategies is **agroforestry**, where cash crops such as cocoa and coffee are grown alongside other crops, such as vegetables, fruits and timber trees. Farmers can either sell or consume their produce locally, contributing to household food security and incomes. Our agroforestry approaches also incorporate **youth employment**, by providing technical and entrepreneurial training for young people to establish their own businesses.

To complement income diversification initiatives, farmers will be provided with opportunities to **access finance** through revolving microfinance facilities in cooperatives and different localised banking options. We will also support Village Savings and Loan Associations (VSLAs) which are typically female-led, self-managed groups offering farmers an accessible platform to save money, secure microloans and invest in new business endeavours.

As with other programme components, a crucial pathway for reaching living incomes is **advocacy**. We will assess partners' advocacy capacity, train POs, PNs and local partner CSOs in advocacy skills, and support them to develop context-specific advocacy plans. Additionally, we will draw on these exchanges to convey rightsholder perspectives to Finnish and European companies and institutions. At the EU level, our ongoing engagement with the Commission, Parliament and relevant Finnish Council members aims to increase understanding of how the EU sustainability regulations are implemented in the supply chains of coffee, cocoa and flowers — and how the impacts on living incomes can be enhanced.

Finally, the programme will **raise consumer awareness** about the unequal distribution of value in global supply chains, the prevalence of low prices, and inform them of the various ways consumers can influence fairer production practices and more sustainable supply chains and trade.

Uganda: sustainable coffee chain project

In the inception phase we will conduct a human rights and environmental risk assessment for Meira's and SOK's coffee sourcing in Uganda, and enable direct dialogue between companies and rightsholders. This phase will result in a project plan that will guide the implementation of a development cooperation project in the future. The activities include:

Risk Assessment

- A comprehensive human rights and environmental risk assessment and prioritization with rights-holder participation, in line with the OECD Due Diligence Guidance.
- Delivered by Fairtrade experts in the country and in Finland, supported by Fairtrade's Human Rights Centre of Excellence.
- Methodology based on Fairtrade Risk Map: literature review – audit data analysis – expert validation – rights-holder validation.
- Delivered to participants in a written report which will be used as basis for the dialogue.

Dialogue

- Meaningful dialogue beginning with preparatory capacity building sessions with rightsholders, the supplier and participating companies.
- Dialogue sessions in the value chain, with the same rights-holders and the same supplier throughout the process.
- Implemented by the same experts as in the risk assessment, based on methods developed in Fairtrade's pilot dialogues.

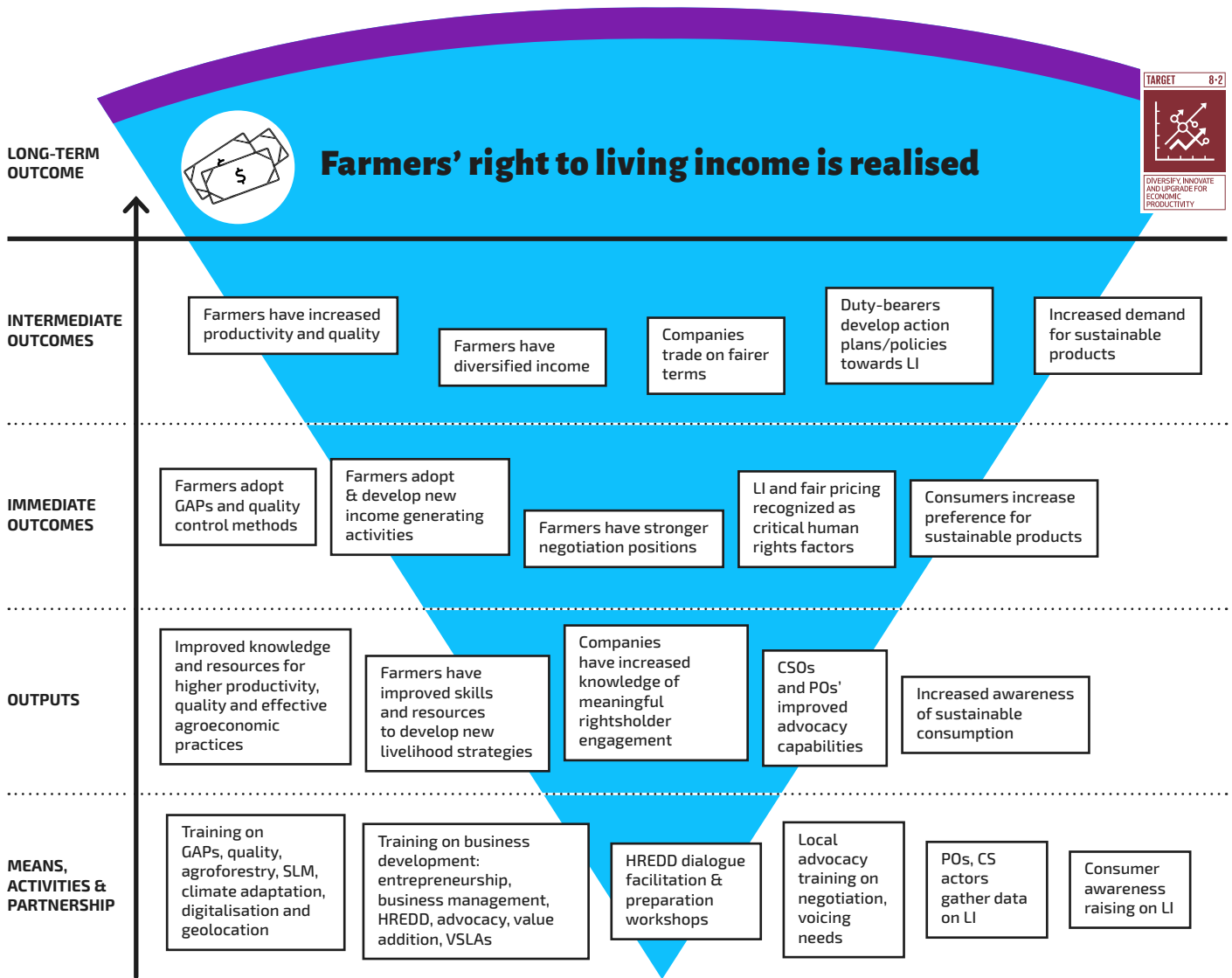
Joint project

- Design actions to reduce the most salient issues and root causes together with representatives of rights-holders
- Implement the actions over 3–4 years.
- Monitor progress and adjust actions as needed.
- Maintain continuous dialogue.
- Provide annual reporting to the company.
- Long-term collaboration builds a unique relationship with producers and enables sustainable solutions that benefit the wider community.



I didn't know much about the dangers of child labour prior to this training. With this knowledge, I am going back to my community with the skill to identify cases of child labour having learnt about the possible indicators to look out for.

Richmond Tweneboah, a young community monitor from the Buah community in the cocoa producing Kukuom district, Ghana



Expected outcomes

Firstly, by strengthening their skills in agroecology and quality control, farmers and their associations can drive increases in productivity and income. Furthermore, by adapting to climate change and meeting environmental regulations, they can bolster **the long-term sustainability and secure the market viability of their primary livelihoods**.

A second way to increase income is by **diversifying farmers' income sources**. Equipped with new skills, supported by market linkages, and guided by local market analyses and resources, farmers — together with their cooperatives — will begin piloting additional livelihood activities. These viable alternatives will reduce farmers' vulnerability to price fluctuations and climate shocks affecting their core crops. Through the programme, we strive to support diverse income portfolios that build farmers'

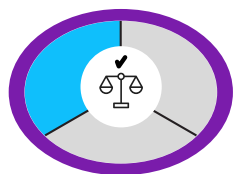
economic resilience while allowing space for innovations and new economic opportunities.

Another important pathway to living income involves companies and governments. We expect our advocacy work towards companies and legislators to encourage **duty-bearers to develop action plans and policies towards living income**. Pressure from consumers and new regulations will also prompt companies to adopt **fairer sourcing practices**.

The final pathway focuses on consumption habits. As consumers gain a deeper understanding of global supply chain inequalities, **demand for ethically and sustainably produced products will grow**. To **realise farmers' right to living income**, it is essential to take a systemic approach working with the entire value chain for increased awareness among companies and consumers.

The expected long-term outcome of this wedge is to see

farmers earn a living income that increases their economic freedom and reduces the dependency on negative coping mechanisms. Several of our projects focus on living income, such as the cocoa agroforestry project in Ghana, the vanilla agroforestry project in Madagascar, and the coffee project in Ethiopia.



↑ Long-term outcome 2: Agricultural labour rights are realized

Unity is strength for agricultural workers, which is why the programme is supporting them to self-organise and join trade unions to defend their rights.

Through its labour rights interventions, the programme will secure better collective bargaining agreements (CBAs) for workers, and a greater commitment to decent work from companies and policymakers. At the same time, we strive to safeguard the rights of people working in vulnerable situations. And an essential part of labour rights is the realization of living wages.



I never understood what these new HREDD requirements are, and if they are different from what we already do as human resources managers, more so because we are already implementing standards and certification, however after the two virtual sessions together with the team and this physical session here in Mount Kenya it is now very clear for me what HREDD is about and how to implement it in our supply chain. I am now confident to talk about it and to make contributions where this topic is being discussed unlike before.

Tabitha Nduge, the head of people and culture at HLO Flamingo horticulture limited in Kenya

Education correlates with a reduced risk of child labour. According to our partner ICI, there was 60 % less child labour in cocoa growing communities where women were literate. In communities with a high quality of education, the prevalence of child labour was 66 % below average. Additionally, in areas where community-based interventions have been in place for at least three years, child labour has decreased by 20 %.

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

Strategies for achieving change

The programme will increase companies' and workers' awareness of labour rights. To this end, workers, plantation owners, HLO managers and trade unions will be trained on themes such as decent work, HREDD, occupational health and safety, GBV prevention and response, labour laws and contracts and freedom of association. By highlighting the right to unionise, the programme will remove barriers for workers to organise themselves in democratic structures – with special emphasis on inclusive representation of diverse groups. Our interventions strive to ensure trade unions' independence and to improve relationships between HLOs and trade unions. To further encourage multistakeholder collaboration, the programme builds links with other HLOs, trade unions and supports dialogue between supply chain actors.

Social dialogue and industrial relations will be improved through training on negotiation and human resource management, facilitating regular meetings between worker representatives and senior management, and conflict mediation services. Workplace grievance mechanisms will be assessed and improved. In addition, HREDD dialogue workshops support our partner companies to understand and implement HREDD in a participatory way. Such meaningful dialogue between workers and management fosters trust and improves labour relations in the long run.

A critical aspect of labour rights is safeguarding PWDs from exploitation and discrimination. We will support POs to develop policies that consider and safeguard different people's rights and needs despite their personal features, capabilities or identities. Working with local disability inclusion organisations, several projects will assess current conditions, identify gaps and explore opportunities for the employment of PWDs. We will also raise awareness of disability rights and offer training for participatory implementation, ensuring a do no harm approach protects the rights and well-being of people with special needs.

Another detrimental threat to the realisation of labour rights is the prevalence of hazardous child labour and forced labour. We address these supply chain risks through both prevention and remediation measures. Serious human rights violations in different sectors are usually discovered through dialogue and observation rather than through formal grievance mechanisms. We recognize that affected individuals may be reluctant to receive outside help if they fear their employer, lack viable alternatives, or are trapped in the "care" of traffickers or enslaving employment contracts. To tackle these challenges, we take a rights-based and multi-stakeholder approach towards prevention, mitigation and remediation of child and forced labour risks: we work together with POs, communities, parishes, children, local authorities and local expert service providers/CSOs, and companies.

To prevent hazardous child and forced labour, we capacitate community-based committees to raise awareness on the rights of children and labour rights, and to monitor instances of child

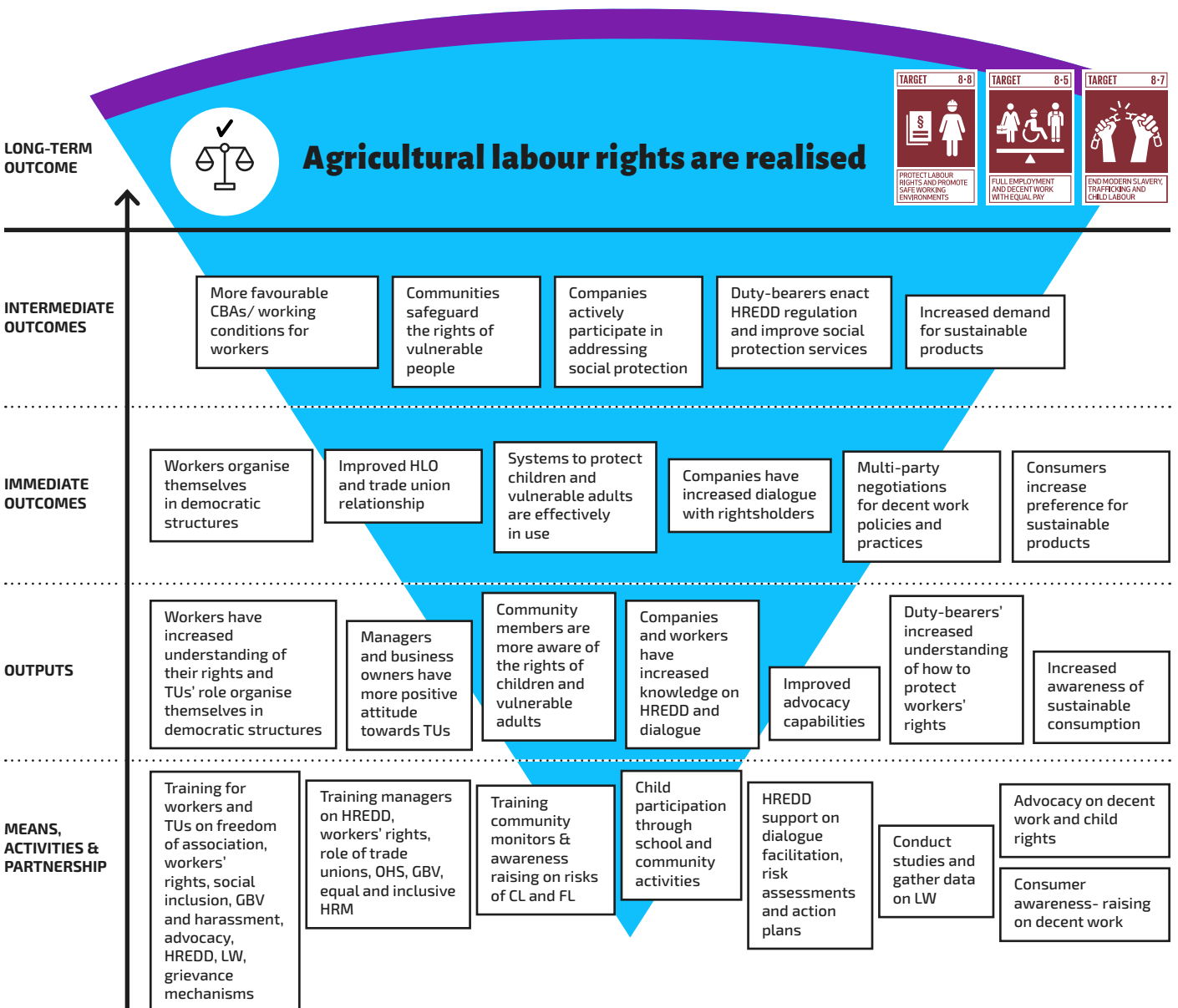
and forced labour. We partner with local CSOs, teachers and social welfare workers to promote children's school attendance and safer learning environments, including training on alternative forms of discipline. In the Ghana's cocoa growing regions, we advocate for extending the government's school-meal programmes to all communities, given its significant impact on children's school retention rates. We also facilitate tenancy agreements between farmers, sharecroppers and farm caretakers, protecting their rights against exploitation and abuse.

For **remediation**, we support SPOs in establishing inclusive child and forced labour monitoring and remediation systems to manage the cases of child and forced labour. We will build on existing community-based systems, especially in regions with limited government resources for social protection. The programme liaises with social workers and other authorities to deliver remediation activities. Additionally, we **cooperate closely with our private sector partners** on projects addressing

child and forced labour, driven by their strong sense of responsibility, reputational concerns and vested interest in ethical supply chains.

In addition, we will facilitate the mapping of the most salient human and environmental rights issues in selected supply chains to generate context-specific data on risks of child labour, forced labour and workers' rights violations. These aggregated findings will inform our regional programme **partners to do evidence-based advocacy for decent work** and serve as a foundation for piloting HREDD roundtables with buyer companies. The programme will also train workers' representatives and trade unions on advocacy skills and support them to co-create advocacy plans.

Finally, by **raising consumer awareness** in Finland on labour rights, we anticipate increased consumer demand for products sourced from supply chains where labour rights are upheld.



Expected outcomes

Workers' increased awareness of labour rights, decent work, and negotiation skills will result in workers holding employers accountable for better working conditions. As workers organise or join trade unions, and as these unions become more knowledgeable and skilful at advocacy, they are better able to negotiate constructively. We anticipate that social dialogue processes facilitated by Fairtrade lead to open and inclusive communication between all negotiating parties. Through the HREDD components, we influence **companies to co-invest in preventing and addressing workers' rights violations within the POs, ultimately leading to more favourable CBAs and improved working conditions.**

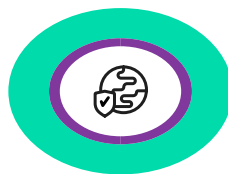
We further assume that increased knowledge on children's rights and labour laws rights will inspire parents, teachers, social workers, law enforcement agencies, communities, and employers to change their attitudes and behaviours regarding child and forced labour. By strengthening existing community-based systems, these stakeholders can act as immediate support for victims. Meanwhile, POs that have established monitoring and remediation systems are better positioned to **advocate for local authorities** to enhance essential social services. The facilitated dialogue sessions will result in constructive knowledge exchange and, ideally, in joint action to improve local **protection systems to safeguard people against child and forced labour.** Once effective systems are in place, backed up by engaged duty-bearers and active companies, we expect the **risk of child and forced labour to decrease.**

Enhanced consumer awareness of living wages, child labour risks and labour rights, combined with greater public and corporate engagement in both producer and buyer countries, can drive demand for comprehensive labour laws, including minimum wage policies. We aim for duty-bearers to **enact HREDD regulation and improve social protection**, with companies playing their part in addressing gaps in their supply chains. As with other wedges, rising consumer demand for socially responsible products, and the pressure that puts on companies and governments, will strengthen the sustainability of the results.

As part of the programme's portfolio, ensuring decent work is the main objective of the project targeting the flower sector in Ethiopia. The project aims to strengthen industrial relations systems in floriculture, which currently has relatively weak, company-based, unions without genuine sector-level negotiating power. Meanwhile, child and forced labour are addressed particularly in the cocoa sector in Ghana.

Corporate HREDD processes are to be strengthened, for example, in the Kenyan flower supply chain where we will facilitate rightsholder-driven identification and assessment of salient human-rights risks. The programme also advocates for ambitious HREDD legislation and implementation guidance in Finland and at the EU-level.

3.5. Ecological sustainability



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

The interventions within the ecological sustainability area are expected to transform the way farmers, workers and their organisations see their livelihoods as part of the ecosystem services they use every day.

The aimed impact of this priority area is that **farmers and workers live in harmony with the environment and climate, while the long-term outcome is that actors in value chains mitigate climate change and protect nature and safeguard biodiversity.**

The programme works at different levels of society to create awareness of climate change, environmental degradation and biodiversity loss, and their dire consequences to rightsholders' livelihoods. We aim to strengthen the use of nature-based solutions and ecosystem protection through policy and practice. Furthermore, we strive for the targeted rightsholders and partners to understand the value of biodiversity beyond economic purposes.



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

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



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

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

Strategies for achieving change

We support POs and their members to reduce carbon emissions in production and to adopt ecologically sustainable farming practices namely through agroecology. Central to this effort is **the adoption of agroforestry systems on existing farmland**. We also work to strengthen farmers' **knowledge and skills in regenerative farming and sustainable farm management**, promoting the efficient use of agricultural inputs through technical trainings. This includes support on SLM, sustainable water and pesticide use, composting and nutrient recycling, Dynamic Agroforestry (DAF) and establishing tree nurseries. Importantly, we engage with companies to encourage concrete climate and environmental commitments and partnerships across their supply chains through dialogue process.

Through advocacy and leadership training, we encourage young people to become spokespersons for a sustainable future in farming. The programme supports SPOs in taking an active role to **influence local and national policymaking** on climate change and sustainable resource management in the agriculture sector. For example, in Ghana – working closely with our partner the UN agency ITC – we advocate towards key government institutions with the objective of DAF becoming one of the central policy priorities for cocoa rehabilitation and smallholder livelihoods across the nation. Furthermore, we advocate for HREDD policies that unite supply chain actors to address salient environmental issues.

We emphasize the **involvement of all value chain actors**. Through the programme activities we encourage **companies to commit to climate change mitigation** and develop clear plans to reduce their environmental impact throughout their supply chains. At the same time, we work with POs and the Fairtrade system to influence local, national and intergovernmental climate policies. Our efforts also include raising **consumer awareness** about ecological farming and sustainable consumption, especially among young consumers whose future is on the line. Through awareness-raising campaigns in the consumer markets, we highlight the risks of deforestation and climate change

and urge people to call for responsible business conduct and effective regulations

Expected outcomes

With increased knowledge and capacities in agroecology, PO members will be able to **use natural resources more sustainably** within their farms and communities. At best, adopting agroecology can spark new market opportunities, and the valuable knowledge gained can be transferred to other communities. We assume this information also feeds into POs' and PNs' action plans to develop opportunities for climate change mitigation and biodiversity protection. Essentially, POs and PNs build awareness of the value of protecting biodiversity through implementing those plans. Our advocacy efforts have succeeded when **duty-bearers actively enact environmental policies** like climate change mitigation, while consumers, both in the North and the South, **shift their purchasing preference toward environmentally sustainable and low-emission products**.

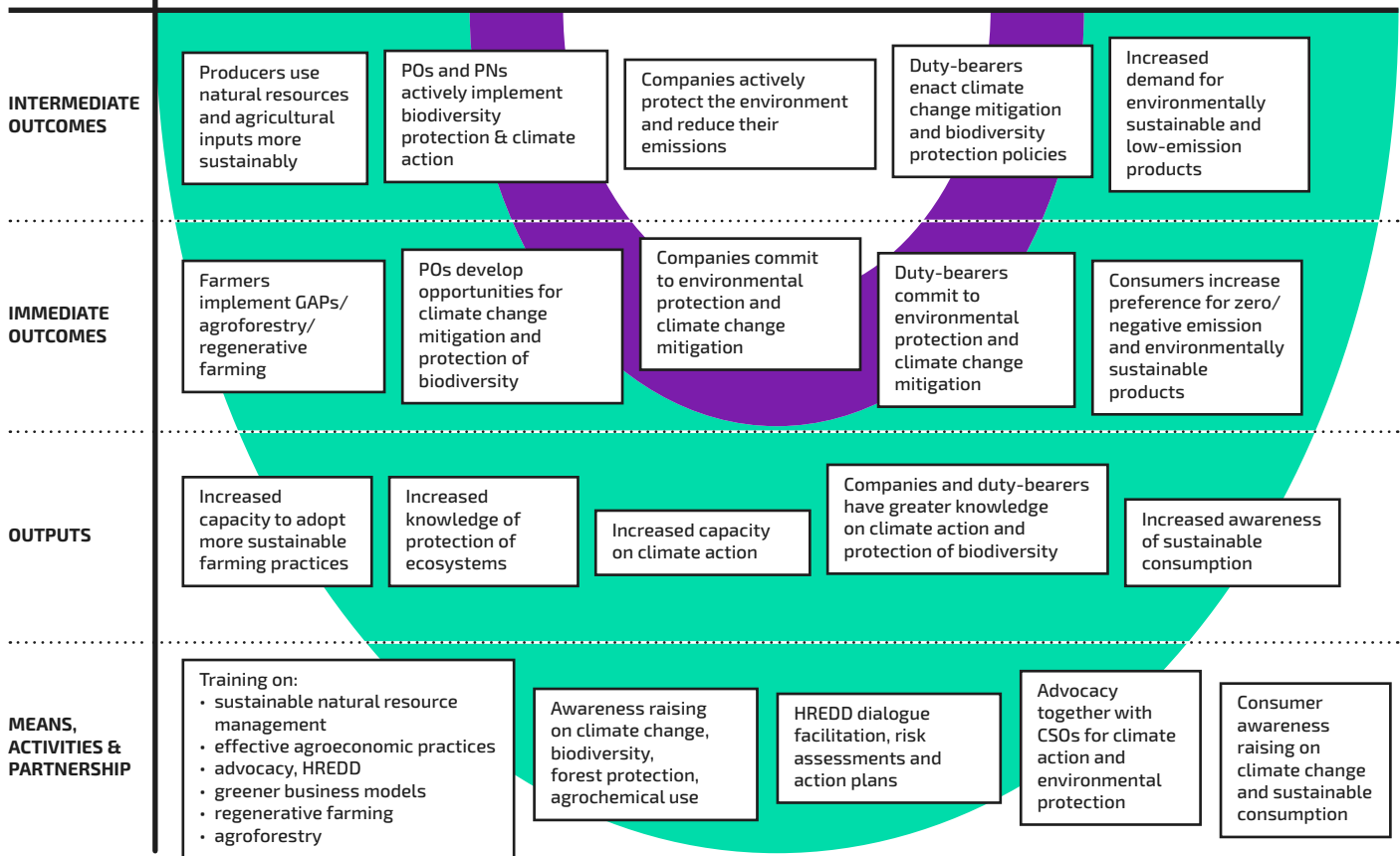
Moreover, we expect that the rightsholder-inclusive HREDD processes will encourage **companies to actively co-invest in protecting the environment** in their value chains – an effect magnified by consumer pressure on suppliers and retailers. All these efforts will ultimately lead to different private and public sector **actors in value chains mitigating climate change and protecting nature**. Besides environmental and social benefits, protecting the environment can translate into economic prospects; as productivity and product quality improve, POs can leverage their environmental data to attract sustainability-minded investors or buyers. The primary climate change mitigation projects in the programme are in Ethiopia, and Ghana. Ecosystem protection is integral in all our agroforestry projects in Ghana, Ethiopia, Madagascar, as well as in Uganda, where a new project with agroforestry component is likely to start.



LONG-TERM OUTCOME



Actors in value chains mitigate climate change & protect nature



3.6. Cross-cutting focus areas

Cross-cutting focus areas of gender, youth and people in vulnerable situations extend into the whole programme.

Gender and youth have always been core themes for the Fairtrade movement, and during the current programme cycle, we have seen positive results from supporting the rights of other groups in vulnerable situation such as PWDs. We understand the term vulnerability to include individual's own capacity and resources, as well as their relations to surrounding institutions and society. How these elements interact and affect each other essentially contributes to individual's vulnerability in different ways. Hence, vulnerability should be assessed by considering the various elements influencing it. However, we acknowledge there are certain groups of people who often face discrimination or stigmatization due to their personal attributes or identities, like PWDs, sexual minorities or migrants. Hence, these groups will receive an even stronger emphasis in the new

programme.

We use a so-called **triple approach** in our implementation of the cross-cutting focus areas. This means:

1. **mainstreaming** them throughout all projects,
2. carrying out **targeted interventions** to address the specific needs of particular groups of people,
3. **influencing** POs' and PNs' policies to foster proactive, inclusive environments for often discriminated groups.

As part of the projects' HRE risk assessments, we will map and assess the situations of different genders, youth and persons in vulnerable positions to better understand their needs and interests. The assessments will be conducted in a participatory manner, while considering the sensitivity of working with different power dynamics. In all our work on these cross-cutting focus areas, we will emphasise the recognition of multiple disadvantages that some individuals face based on several discriminatory grounds at the same time.

3.6.1. Gender

The strive for gender equity is integrated in all facets of Fairtrade's work from standards to programs research and advocacy. Our gender approach recognizes that gender equity is not a standalone issue but intersects with other forms of marginalization.

Our gender approach supports farmers, workers and partner organizations in tackling the unequal power relationships that hold women and girls back, within their households and in societies. We emphasize open discussions on traditional gender roles and their impact on communities. This informs projects to identify **barriers for equal participation, so that all genders** can be involved from planning to implementation. We acknowledge that **social norms, attitudes and traditions** shape decision-making in POs and PNs, for instance, in workers committees or recruitment practices. Accordingly, we aim to understand the underlying root causes preventing women from having a voice in decision-making bodies and root causes for non-enjoyments of the right to work and non-discrimination.



I never understood what these HREDD requirements are, and if they are different from the standards and certification that we already do. Now it is very clear for me how to implement HREDD in our supply chain. I am now confident to talk about it and to make contributions where this topic is being discussed, unlike before.

Tabitha Nduge, the head of people and culture at HLO Flamingo horticulture limited in Kenya



My mentality has completely changed. We see a noticeable difference between the fields we've pruned and those we haven't. The cocoa flowers are growing well, and the trees are better ventilated... We can see the benefits the LEAP project is bringing to farmers. The farms we've pruned this year are thriving, and we're committed to meeting the project's requirements.

Traoré Gao Soungalo, responsible for the Agripreneurs group in Gohouo Zagna, in Cote d'Ivoire. Member of COOPAPIG cooperative.

We promote **gender equity** through participation quotas and **targeted initiatives** for women and girls. These serve to give exposure to ideas and perspectives that might otherwise be excluded. We cannot overstate the impact role models have, which is why we facilitate exchanges between women in different positions such as leaders, producers or working mothers, or a combination thereof. We promote the design of gender action plans that are context-specific and consider the different realities of each PO. Critically, these plans must be women-led to ensure that any interventions effectively address the specific needs and rights of women. Recognizing that gender equity requires collective action, we actively engage men in dismantling discriminatory norms. We encourage male champions within POs and communities to advocate for equitable practices and support women's leadership. Furthermore, the programme supports POs to introduce practical measures to reduce women's caregiving workload, including adequate maternity leave, support for pregnant and breastfeeding women, and childcare provision. Several projects also include targeted activities to prevent GBV.

Research in accessing, owning, and controlling land is essential to propose solutions, and empower communities, especially women, to advocate for policy changes. The insights from research can inform targeted interventions aimed at strengthening women's land rights and community resilience. Beyond direct interventions, we advocate for gender-responsive policies that dismantle systemic barriers to women's economic participation. We work with policymakers, trade unions, and stakeholders to promote institutional changes that ensure gender equity in trade.

3.6.2. Youth

Youth are powerful changemakers across the three sustainability priority areas of our programme. Hence, we see youth as a key target group to ensure the sustainability of small-scale agriculture. As youth consists of a diverse group, **targeted interventions** are required to promote their agency and voice. We support youth to become more active PO members, encouraging them to learn new skills that can help them to build their own livelihoods. We will conduct **needs assessments** to identify the specific skills they require, such as entrepreneurship, job shadowing, financial management, and proposal writing. These efforts will empower young farmers to establish and sustain their CSOs while strengthening their capacity for self-sufficient resource mobilization.

We promote **intergenerational dialogue** and leadership programmes for youth. They are also key stakeholders in our advocacy work in Africa to formulate meaningful and relevant messages for the local realities. These support young people's inclusion in their communities and organisations and help others see the value of their opinions and contributions. We also hold intergenerational forums bringing together younger and older farmers to share knowledge and best practices.

Young consumers are also very important for promoting

sustainable consumption and fairer trade. They are a key target audience for our advocacy work in Finland and will be reached through universities, for example. We create tailored plans together with universities to reach out to students and communicate on sustainable development.

3.6.3. People in vulnerable situations

The inclusion of people in vulnerable situations, especially PWDs, is an important focus area of the programme. A key objective of the programme is to support farmers, workers, traders and retailers to adopt a **rights-based approach** for eliminating exploitative labour practices and human rights abuses. We will cooperate with producers, companies, NGOs, trade unions and governmental bodies to encourage a wider change across different levels of value chains. We use rightsholder-driven HRE risk assessments to understand existing vulnerabilities and to analyse their root causes as well as power dynamics. We work on influencing social workers and other duty-bearers to remediate abuses and to offer justice for victims. Finally, we call for inclusive policies and actions plans across POs, companies and duty-bearers to transform the institutional environment around people who are often discriminated by it.

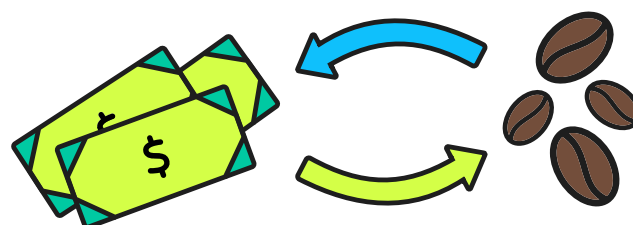
Fairtrade promotes an inclusive approach to **PWDs**. Before the current programme, we conducted assessments on the gaps and opportunities in the inclusion of PWDs in FTA and selected POs, including a study done with Abilis Foundation in the Ethiopian flower and coffee sectors. After our systematic programme work, there have been encouraging developments at FTA to revise internal strategies and proactively start mainstreaming disability inclusion in different processes. PWDs have been recognised as equal members in the farming communities and the POs aim to improve their livelihood opportunities and economic independence.

We aim to continue awareness-raising on the rights of PWDs by collaborating with local expert organisations. This supports PWDs' ownership and helps to ensure we utilize local expertise tailored to the local contexts. We will encourage POs to analyse the accessibility of their premises and processes, review tasks that suit people with different disabilities, and prioritise making the necessary adjustments. We will also encourage POs and premium committees to launch targeted initiatives that support people with various special needs. Our aim is to make inclusive practices the norm within POs so that PWDs are treated with respect and regarded as contributing members of the cooperatives. Based on learnings from the current programme, we will ensure that trainings include better definitions of disability, as there are still gaps across PNs and POs in understanding the wide variety of physical, intellectual and sensory disabilities, and the different needs they are linked to. We will also strengthen our cooperation with Finnish **Abilis Foundation**. We will conceptualise together a corporate due diligence process for companies' disability inclusion and pilot it together in the East African flower sector.

Steps towards greater inclusion of persons with disabilities

In our previous programme, we cooperated with Abilis who trained our African partners' personnel on disability inclusion. Fairtrade Africa also contracted the Ethiopian Center for Disability and Development (ECDD) to build capacities in Ethiopian flower plantations and coffee farmer cooperatives and recruited an inclusion coordinator to support the projects in Ethiopia. PWDs in flower farms received assistive devices, many of which were manufactured by a local CSO. We managed to reach considerable results particularly on the Ethiopian flower farms where many PWDs have been able to strengthen their capacities to earn improved livelihoods.

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



4. Localised implementation with multiple partners

Our operating model is unique: It is based mostly on local expertise and networks. Further, we benefit from the global Fairtrade System to support us with thematic expertise, guidance on previously tested solutions, tools and resources. Despite operating in a handful of countries, the programme avoids fragmentation by focusing on key supply chains of a few commodities.

4.1. Programme area

Our programme focuses on Africa. The programme is implemented in five countries across the continent. In total, the programme includes 9 projects.

The most important factor when defining the programme area was our analysis of vulnerabilities of rightsholders in dif-

ferent value chains. As part of the country selection process, we analysed their HRE risks, based on up-to-date information from the Fairtrade Risk Map and other relevant sources. This mapping used several criteria and indicators to rate the salient risks.

Majority (three) of the programme countries are classified as Least Developed Countries (LDC) and the remaining two countries as Lower Middle-Income Countries (LMIC) by OECD (2022a). Four (80 %) of the programme countries are classified as fragile states by the OECD (2022b). Ghana is the only programme country which is not classified either LDC or fragile state. The justification of including Ghana is based on its high risks of child and forced labour and rapid deforestation – both severe risks prominent in the cocoa industry. The selected countries were part of the programme’s previous phase, except Uganda. .

For more effective programme management, the countries are grouped into three geographical regions: 1) West Africa, 2) East and Central Africa, and 3) Southern Africa.



COUNTRY	Poverty	Workers' Rights	Child Rights	Forced Labour	Gender Equality	Civil Liberties	Climate	Forest	ODA/ DAC	Fragile state
Indicator	Number of Poor at \$3.65/day (World Bank)	Working Poverty at \$1.90/day Total (ILO)	Children in Child Labor (Unicef)	Global Slavery Index (Walk Free Foundation)	Gender Inequality Index (UNDP)	Civil Liberties Rating (Freedom House)	Global Climate Risk Index (Germanwatch)	Tree cover loss in 2001-2023 (Global Forest Watch)	DAC classification of ODA recipients (OECD)	States of Fragility (OECD)
Ethiopia	65.0%	18.4%	45%	52	129	11	72	4.2%	LDC	Fragile
Finland	0%	N/A	N/A	149	6	60	112	21%	-	-
Ghana	48.8%	7.9%	20%	71	130	45	42	24%	LMIC	-
Kenya	70.1%	26.4%	N/A	41	128	29	25	12%	LMIC	Fragile
Madagascar	92.4%	76.1%	37%	34	143	34	29	29%	LDC	Fragile
Uganda	71.8%	34.0%	18%	33	131	23	31	14%	LDC	Fragile

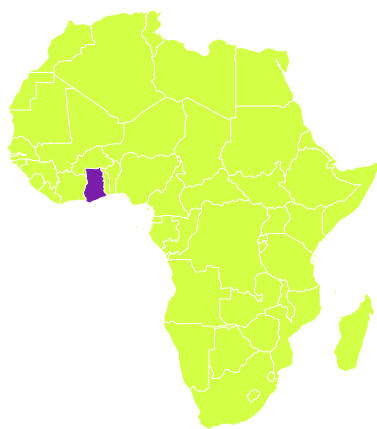
Green = Low Risk, Yellow = Medium Risk, Light Red = High Risk, Dark red = Very High Risk.

Sources: Fairtrade Risk Map (2025), Global Forest Watch (n.d.), OECD (2022a), OECD (2022b).

4.2. Projects under DONUTS 2

West Africa

GHANA:

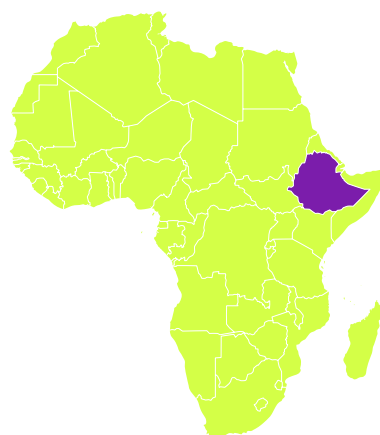


Children In Rural Cocoa communities are Learning and Empowered (CIRCLE 2): CIRCLE 2 continues efforts from the previous programme to develop and strengthen functional community-based monitoring systems to prevent, detect and remedy child labour and forced labour cases. The project fortifies awareness of children's rights as well as labour rights. The project cooperates closely with other CSOs working in the space of child rights in Ghana, providing inputs and advocacy at national policy level. Together these CSOs coordinate to avoid overlap and identify synergies between efforts. Girls and children with disabilities are given particular emphasis both in awareness raising and remediation of identified child labour cases. The project targets children and their families in the Asunafo Union, Abocfa, Asetenapa and Kukuom cooperatives. In cooperation with Tony's Chocolonely, ICI and to some extent, UNICEF.

Sankofa 3.0: Building on two successful phases, Sankofa 3.0 is a holistic multi-partner initiative promoting Dynamic Agroforestry (DAF)—a method with multiple social, economic and environmental benefits. In DAF, annual crops are grown alongside timber trees, cocoa, and other plants to boost soil health, biodiversity, climate resilience and yields. This diversifies farmer incomes and strengthens food security. Sankofa 3.0 aims to mainstream DAF by scaling the number of farmers benefitting from it by strengthening PO capacities, influencing national policy and establishing a DAF Centre of Excellence. The project collaborates closely with government-led research and pilots on DAF, aiming for the method to become an integral part of national agroeconomic recommendations. The project's holistic approach includes a model for youth entrepreneurship, support to female-led savings groups and measures to promote HREDD and compliance to EU regulations in cocoa value chains in Ghana. In cooperation with Kuapa Kokoo Farmers Union, HALBA (part of Coop), ITC and Ghana Cocoa Board, among other partners.

Kuapa Kokoo Child Labour Monitoring and Remediation System (KKCLMRS 2): The project continues the efforts of the previous programme and complements the Sankofa 3.0 project by establishing community-based CLMRS in the Sankofa project region, while also raising awareness on the rights of children and vulnerable adults. A central strategy involves forming and strengthening Community Child Protection Committees to safeguard those at risk. Child protection frameworks are bolstered through collaboration with local government agencies and by reviewing community by-laws and action plans in a participatory manner. The project supports the establishment of tenancy agreements between farmers and sharecroppers to formalise these relationships and to protect labour rights. Finally, to boost school enrolment and keep children in school, the project supports local CSOs in advocating for measures such as expanding the public-school meal programme and sufficient resourcing of schools. In cooperation with HALBA (part of Coop).

East Africa



ETHIOPIA:

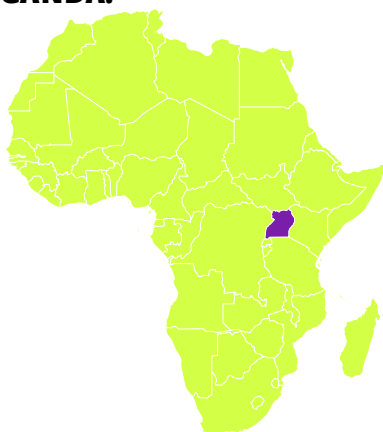
Sustainable coffee chain (SUCCESS): In Ethiopia, climate change and rampant deforestation increasingly threaten small-scale coffee farming—a key source of livelihoods and a pillar of the national economy. The project will support smallholder coffee farmers to adapt to a changing climate to ensure the long-term sustainability of their livelihoods. This includes promoting agroecology and developing environmental plans that foster the reduction of greenhouse gas emissions within the coffee value chain in line with commercial partners' carbon reduction strategies. The project promotes practical on-farm programmes focusing on agroforestry, farm diversification, introduction of improved varieties, and ecologically friendly drying and processing practices. In addition, the project will identify income diversification opportunities targeting particularly women and youth. Training will be offered on production, marketing and sales together with support on establishing market linkages. The project fosters knowledge transfer and best practices amongst farmers, empowering them to become active partici-

pants in securing the future of Ethiopian coffee. In cooperation with Fairtrade Max Havelaar Switzerland, Jimma Agriculture Research Centre and Ethiopia Coffee Association.

Workers' Improved Rights at Ethiopian flower farms (WIRE):

In the Ethiopian flower sector, the prevalent trade union structure is company-based, fragmented and lacks real bargaining power. The project challenges the status quo by supporting trade unions' capacities to negotiate and supports their collaboration, fostering genuine bargaining power across the industry. By addressing structural issues such as discrimination, sexual harassment, and inadequate wages, the initiative creates more equitable workplaces, a safer environment for women and marginalized groups, and improved productivity. Advocacy on these issues towards local duty-bearers is a key strategy in the project. The project continues the work of the previous projects. Capacity building activities for trade union representatives are conducted in flower farms on collective bargaining, wage negotiation skills, financial management and conflict resolution strategies. Active lobbying, collaboration and forming partnerships with sectoral and national organizations is intensified with the aim of achieving eventually sectoral collective bargaining agreements. To strengthen inclusion of vulnerable groups, the project targets capacity building for women and youth committee as well as flower farms' management. Some assistive devices are provided for PWDs. In cooperation with Jimma Agriculture Research Centre, Ethiopian Centre for disability development (ECDD), Kesko and Aldi UKK.

UGANDA:

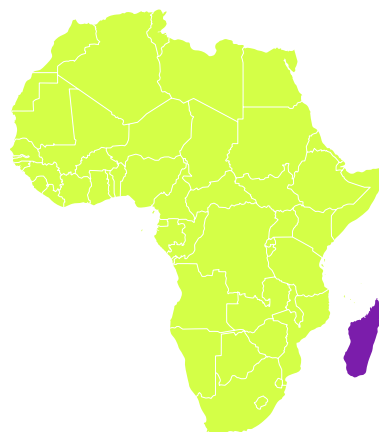


Sustainable coffee chain (SUCCA): Climate change is a concern for Ugandan coffee farmers, manifesting in rising temperatures, erratic rainfall patterns, and prolonged droughts. Deforestation and soil erosion exacerbate the vulnerability of coffee farmers. The project pilots a long HREDD based inception phase. It includes thorough Human Rights and Environment Risk (HRE) assessment as well as dialogue between Finnish companies and coffee producers. The dialogue will also continue in a following development project that will concretely address the identified HRE risks and challenges brought up by the producers during the inception phase. It

is likely that climate change related challenges will be raised as a concern by the Ugandan coffee farmers. It is also anticipated that the child labour, often caused by poverty, will be identified also as a risk in coffee farms. The project aims to tackle these challenges in several SPOs in Uganda through trainings and sensitisation on agroforestry, agroecology, and quality of produce. To make use of additional crops associated with agroforestry systems, the project is expected to support income diversification beyond coffee – targeting particularly women and youth – through training on production, market linkages and sale of diversified produce. In addition, strategies to prevent child labour are introduced in affected communities. Through these holistic interventions, farmers can achieve greater resilience while maintaining environmental sustainability and social inclusivity. In cooperation with Abilis Foundation, Meira, SOK, the National Coffee Research Institute (NaCORI), and other partners.

Southern Africa

MADAGASCAR:



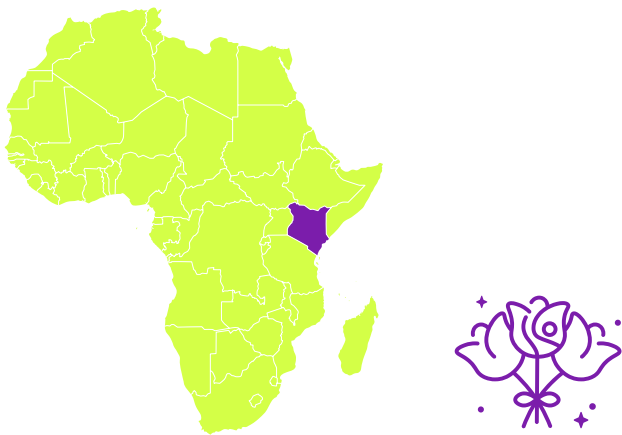
Living Income Accelerator (LIA) project aims to improve livelihoods by enhancing productivity, GAPs, value addition and cooperative business capacity for Malagasy vanilla farmers with additional support for regenerative agriculture and food crop production. The project ends by July 2026. In cooperation with Ben & Jerry's.

Gender Rights & Opportunities for Women (GROW): Traditional vanilla production methods often rely on minimal tree cover leading to degraded soils, reduced biodiversity, and vulnerability to climate-related shocks. Monocrop production also makes farmers susceptible to market volatility and the impacts of pests, diseases, and external shocks. Despite their critical input in vanilla production, women face systemic barriers, including limited access to land, financial services, and leadership roles within vanilla cooperatives. The project aims to enhance the sustainability, productivity, and economic resilience of vanilla production in the Sava region of northeastern Madagascar. It promotes resilient agroforestry systems that incorporate beneficial tree species

and additional crops, diversifying farmer incomes and enhancing food security. Through the adoption of effective practices such as pollination, pruning, optimal harvest timing, fermentation, drying and storage, vanilla quality and yields are expected to increase. The project also seeks to break down structural gender barriers and enhance women's participation in decision-making and economic activities. Ultimately, the initiative will foster an environment that is safe, inclusive, and equitable, transforming the cooperatives into agents for gender equality and sustainable development. In cooperation with WWF.

HREDD dialogue

This regional project support producers and their organizations in aligning with the EU regulations while building their capacity to implement meaningful HREDD. The project will provide training, guidance and technical support on HREDD implementation and facilitate meaningful dialogue about the salient risks and collaborative responses among producers and buyers. The project engages in systematic advocacy work towards African, Finnish and European policy makers, companies and multistakeholder initiatives, conveying farmers' perspectives on HREDD and the status of HREDD implementation and rightsholder dialogue in different sectors. The project starts with the Kenyan flower sector. Public awareness on the salient issues identified by rightsholders is increased through the development of communications materials.



For more detailed information on the projects and local contexts, please see the project summaries.

4.3. Stakeholders and localisation

Agenda 2030 is characterised by the commitment to **leave no one behind**. In this spirit, Fairtrade Finland aims to ensure that people who face most discrimination, economic disadvantages, and threats posed by environmental risks benefit

from our programme. Smallholder farmers and agricultural workers are the programme's key **rightsholders** and direct beneficiaries, while their families and communities are the indirect beneficiaries. Below is an estimate of the number of direct rightsholders per project.

Our implementation approach is based on strong localisation and is guided by bottom-up principle. Rightsholder representatives have been included from the very start of the programme to provide inputs about the programme's main objectives. Project concepts, which derive from farmers' and workers' needs and priorities and build on earlier experiences, have been developed by POs and FTA to align to local contexts. The rights-holders rights are at the core of the approach. In all projects' planning phases, rightsholders identify the challenges and the objectives. Throughout implementation, rightsholders monitor and assess the impact of the projects in annual review meetings, strengthening their ownership of the projects. FTA, which comprises of 100 % local/African staff, will work with local partners in the targeted countries with the aim of strengthening POs as local CSOs and agents of change. Our implementation approach will support the sustainability of the results by supporting local stakeholders to gain the capacities and access to resources they need throughout the project cycles.

4.4. Partners, programme management and administration

Fairtrade leverages long-term **partnerships** to create lasting impact in global value chains, advancing human and environmental rights. Our implementing partner organisations are local actors with their own strategies and staff. Hence, we do not create aid dependency as we at Fairtrade Finland play merely a supporting and quality assuring role. We help local partners to increase their impact as local civil society actors by becoming stronger organisations. These partners are both grassroots civic movements and influential organisations combining policy and action in their contexts.

On-the-ground partners

Fairtrade Finland's main partner organisation in implementing the programme is **FTA** and its regional and national network organisations. Established in 2005, FTA is the umbrella organ-

Fairtrade Africa

- secretariat in Nairobi
- ~700 member organisations
- 1,445,000 farmers and workers
- operates in 29 countries
- ~150 employees

Projects

Estimated direct rightsholders

West Africa (cocoa)

	Male	Female	Total	SPO	HLO
Ghana: Child rights / CIRCLE 2	6 000	4 000	10 000	2	
Ghana: Child rights / KKCLMRS	9 500	12 000	21 500	1	
Ghana: Agroforestry / Sankofa 3.0	2 100	1 500	3 600	1	
Subtotal, West Africa	17 600	17 500	35 100	4	

East Africa

Ethiopia: Flowers, decent work / WIRE	5 500	12 500	18 000		6
Ethiopia: Sustainable coffee chain / SUCCESS	9 100	7 600	16 700	4	
Uganda: Sustainable Coffee chain / SUCCA	TBC	TBC	TBC	TBC	
Subtotal, East Africa	14 600	20 100	34 700	4	6

A3: Southern Africa (vanilla)

Madagascar: LIA	75	50	125	5	
Madagascar: Gender & agroforestry / GROW	TBC	TBC	TBC	TBC	
Subtotal, Southern Africa	75	50	125	5	

HREDD dialogue	TBC	TBC	TBC	TBC	TBC
TOTAL	32 275	37 650	69 925	13	6

* some lines are not included in totals to avoid double counting

ization representing Fairtrade-certified POs in Africa and the Middle East.

FTA implements several projects and operations beyond the DONUTS programme (like EC, SECO, AFD, NORAD), which showcases their ability to account for and manage different funding opportunities simultaneously. This is backed by our previous programme evaluations which have showed commendable results. Nevertheless, an essential element of the programme is to further strengthen FTA's capacities as an influential civil society actor across the African continent, particularly through skills in advocacy and inclusive organisational development. Overall, FTA and Fairtrade Finland have formed a strong, synergistic relationship that benefits from mutual learning and the ability to work together towards long-term objectives. With their deep local knowledge, FTA has led the project selection process and will be in the driver's seat from project planning to implementation and MEL, while Fairtrade Finland offers support.

The key DONUTS staff at FTA Secretariat will include a **Programme Manager**, two regional **coordinators (East and West Africa)**, **MEL Manager**, **HREDD Specialist**, **Communications Specialist**, **Administrational Specialist**, and regional **Advocacy Specialist** to support the programme. Local **Project Managers**

are appointed to coordinate each project. In addition, projects receive support from FTA's regional staff including Heads of Region, thematic experts, product specific experts, and local administration staff.

The DONUTS programme is grounded on robust **multi-stakeholder cooperation**. Beyond FTA, we work closely with various on-the-ground partners including local thematic organizations — such as disability centres, social worker units, child protection agencies and education services and other CSOs including community-based organisations, farmers' associations, NGOs and trade unions. Naturally, POs are also critical partners, holding seats in most project steering committees and actively participating in planning and implementation. We also collaborate with several national exporters' and producers' platforms.

European and global Fairtrade partners

To support project activities and contribute to capacity strengthening at local and regional levels, **Fairtrade International's** (FI) thematic experts along with the global product managers, provide technical support for project planning and implementation. In addition, FI's advisors ensure the interventions are aligned with other Fairtrade projects and

product strategies. The programme’s MEL is supported by FI’s Global Impact team, and the MEL system is integrated into FI’s system-wide impact monitoring. This system-level professional support enables the programme’s exceptionally cost-effective implementation.

FI’s **HREDD Centre of Excellence (COE)** is a central partner to the programme supporting the building of FTA’s capacity on HREDD. For example, they offer valuable guidance on how to conduct meaningful stakeholder dialogue and how to effectively complete HRE risk assessments as well as action plans to address the identified risks. The COE is situated at Fairtrade Finland, giving us the perfect opportunity to utilize our synergies and share knowledge.

Although all the projects are administered and overseen by Fairtrade Finland, we cooperate closely with other **National Fairtrade Organisations (NFOs)**. Our closest partners Fairtrade Max Havelaar Switzerland (FTMHCH) Fairtrade Foundation (FTF) (United Kingdom), and Fairtrade Netherlands (FTNL) which have their own roles and responsibilities due to their relevant expertise. While **FTMHCH** supports our coffee project in Ethiopia, they also take on a bigger role in Ghana due to their significant expertise and past experiences in agroforestry initiatives in the country. **FTF** continues to support the Ethiopian flower project and the vanilla project

in Madagascar.

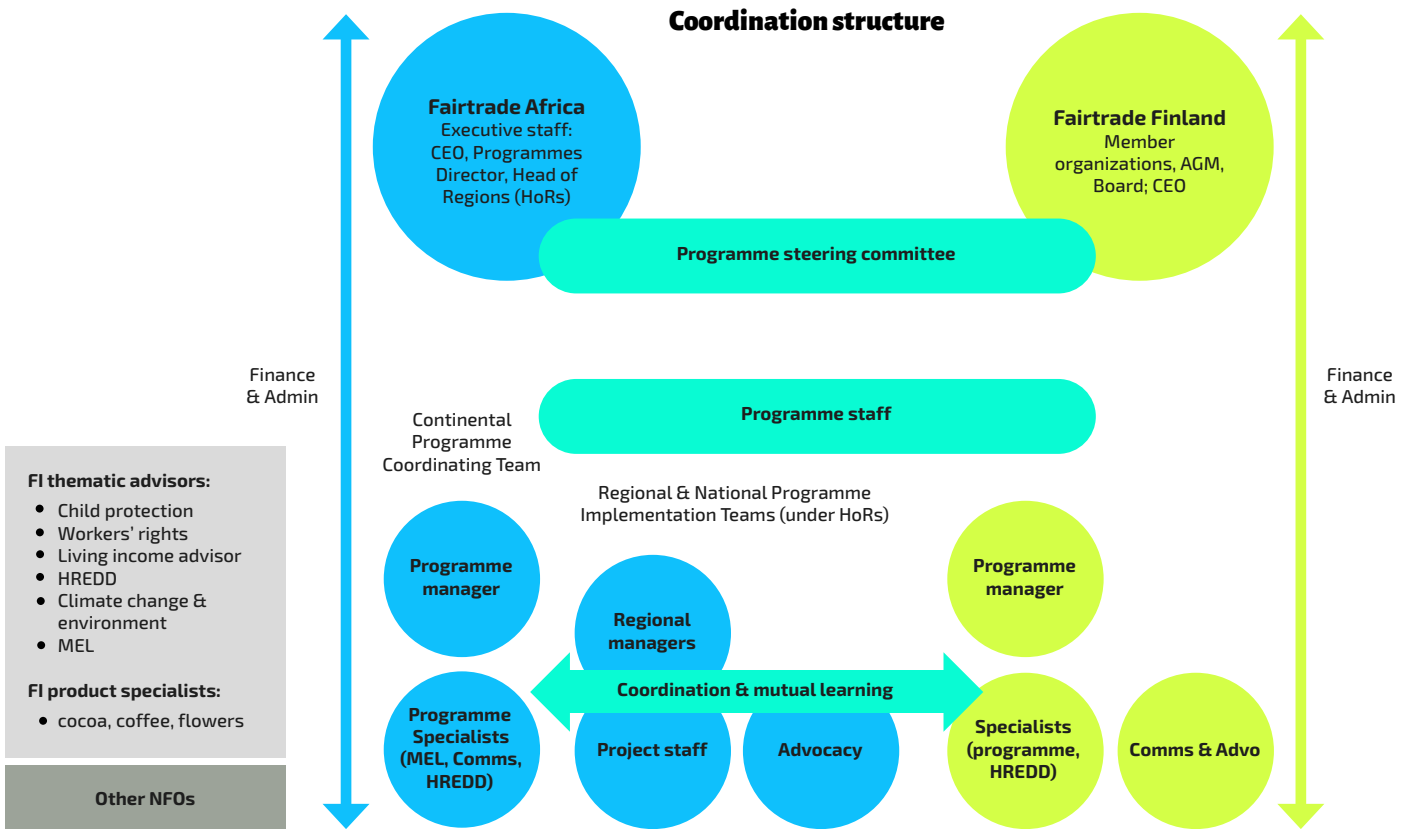
As we deepen our cooperation with Tony’s Chocolonely — a Dutch pioneer in corporate sustainability in cocoa sector — **FTNL** remains closely involved in project planning, monitoring and sharing of lessons learnt. FTNL’s long history of work on child rights in the cocoa sector, as well as around the topic of living income, adds highly valued thematic expertise for the project.

While the local implementing organization leads the field work, these European partners play an important role in supporting the coordination, monitoring and quality assurance. The NFO partners cover their own project related expenses. By leveraging the Fairtrade network’s collective expertise, we are able to implement the programme more efficiently and effectively

Private sector partners

For this programme, we have established partnerships with several international industry stakeholders, including **ALDI, Ben & Jerry’s, Coop/HALBA, Kesko, Meira, SOK and Tony’s Chocolonely**.

We also partner with FIBS, the largest corporate responsibility network in Finland and the Nordics, with nearly 500



* The Programme operates in three FTA regions in Africa, each with a Head of Region and different local staff structures. Programmes Director and Heads of Region (HoR) are FTA’s general positions overseeing and advising the DONUTS programme as well.

member organisations, and UN Global Compact Finland. In addition to this, we collaborate with business associations in food and beverages and retail sectors as well as private and public organizations that develop and promote sustainable procurement practices. As consulting firms play a significant role in developing and ensuring companies' HREDD compliance, we also engage in active dialogue with them on the implementation of effective practices and supply chain sustainability.

Partnering with companies yields multiple benefits. Firstly, we can draw on each other's expertise to foster mutual learning and reduce human and environmental rights risks. Secondly, joining forces can drive ground-breaking societal impact, such as more binding HREDD legislation. Thirdly, Finnish companies are the primary audience of our programme's advocacy work, which focuses on promoting rightsholder-inclusive HREDD and ambitious action towards living wages, living incomes, and climate change mitigation and adaptation. Partnering with the private sector ensures the long-term sustainability of our interventions by encouraging systemic changes in trade practices, ultimately benefiting smallholder farmers.

Fairtrade Finland

Fairtrade Finland's **programme team** oversees the planning and monitoring of the project portfolio. While programme implementation is led by FTA with support from other local partners,



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

Tytti Nahi, Director, Fairtrade HREDD Centre of Excellence

Fairtrade Finland plays an important role in quality assurance, strategic guidance, backstopping, donor compliance, NFO coordination, Steering Committee oversight, and providing project management guidance. The Advocacy and Communications team will take care of advocacy, citizen engagement and awareness raising in Finland as well as programme communications.

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



4.5. Results-based management (RBM) approach

Our programme is steered by RBM throughout the programme cycle. Our RBM approach is knowledge-based and adaptive, meaning that we use appropriate, accessible and reliable methods for data collection and analysis, and regularly communicate about our findings among partners to inform decision-making. Our RBM tools include a systematic Monitoring, Evaluation and Learning (MEL) framework and a robust risk management system to assess how interventions influence the desired objectives.

During the inception phase, each project team will build a project plan based on our results-based template, coupled with project level ToCs, results frameworks, monitoring plans and budgets. This plan serves as a guiding document throughout implementation – however, adapting the plan based on changing circumstances and learnings is always encouraged. The past programme and project level evaluations will provide critical input into the upcoming project plans.

Throughout implementation, we use quarterly and annual monitoring and reporting structures, external studies and quantitative as well as qualitative data to monitor and assess the programme's progress, as well as continuously learn and improve our initiatives. The programme's reporting, budgeting, and planning templates are built in a results-based manner, where activities and expenses are linked to specific outputs and outcomes. This enhances results-based thinking among all programme staff and partners, encouraging them to thoroughly reflect on the best use of resources in order to reach the desired results. A culture of open discussion among partners is important so that we can achieve maximum transparency and accountability and be able to make changes in projects and the programme, when needed.

4.5.1. Monitoring, evaluation and learning

The ToC and the programme's **result matrix** (annexed) have been updated for the programme's second phase to accommodate learnings and recommendations from the previous phase and to refine the focus. In this highly participatory process led by the MEL experts at FTA and Fairtrade Finland, the revised results chains were used as basis to refine indicators and assumptions. The rationale, data sources and feasibility of each indicator were assessed, and monitoring and evaluation plans were made to define the detailed data collection methods, timing and frequency, disaggregation and responsibilities on data collection and analysis. The results matrix will be reviewed and completed with baseline and target values in 2026, based on a thorough data collection process.

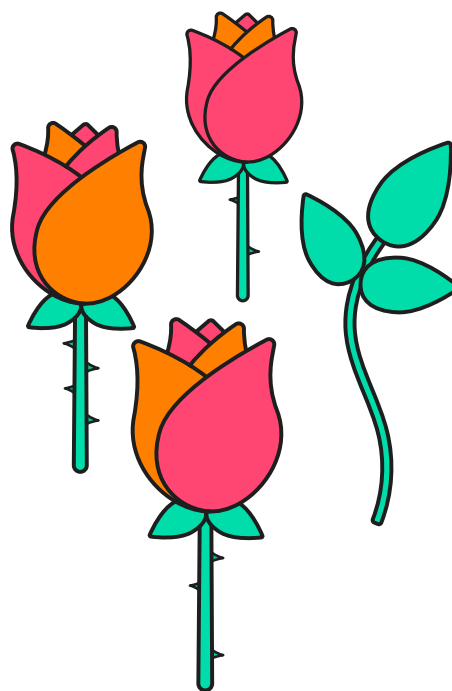
The programme is also linked to FI's TolaData system that is used for result monitoring across the global Fairtrade network. Our programme contributes directly to Fairtrade International's ToC and goals via those indicators in our result

matrix that are aligned with TolaData's Fairtrade International Global indicator library. This alignment is beneficial for the programme, as some data is received from global Fairtrade's monitoring, as well as third party certification audits conducted by FLOCERT.

During implementation, FTA's project officers are in charge of local data collection, guided by FTA's DONUTS MEL Manager, FTAs regional MEL officers and supported by external consultants, when necessary. Disaggregated data is analysed as part of annual reporting, and a learning process is incorporated both in reporting templates as well as steering committee agendas. Fairtrade Finland's programme specialists play a backstopping and quality assuring role in MEL by providing feedback and advice based on reports, steering committee meetings, monitoring visits and regular communication. External evaluations are conducted both at project and programme level at least once per cycle. MEL processes and practices are reinforced in the annual physical DONUTS programme workshops.

4.5.2. Risk management

Risk management takes place at various levels. In early 2025, Fairtrade Finland updated its Risk Management Policy, which applies to all operations within the organisation. In addition, a risk management plan exists at programme level, and project specific risk management plans will be developed during the inception phase. The DONUTS programme's risk management system was initially developed in its first phase. The process at all levels of risk management is three-fold: 1. recognizing risks by systematic collection of information, 2. analysing the risks, 3. identifying measures to mitigate/prevent risks. For more information, please see the [programme's Risk Management Plan](#).

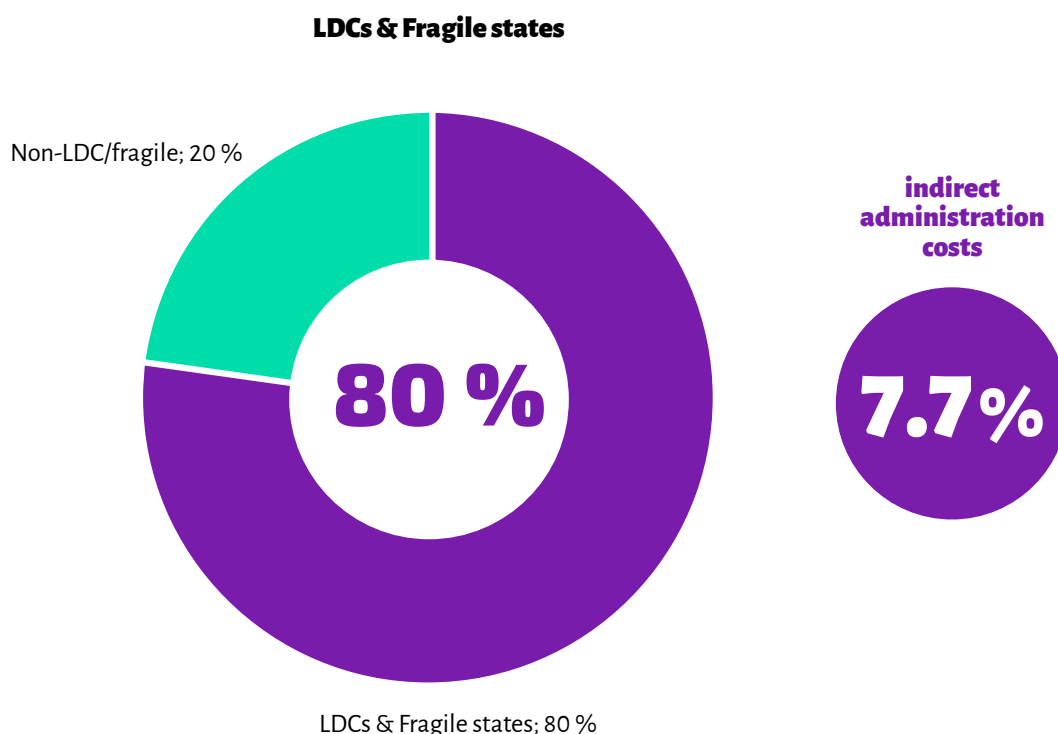


5. Budget and finance

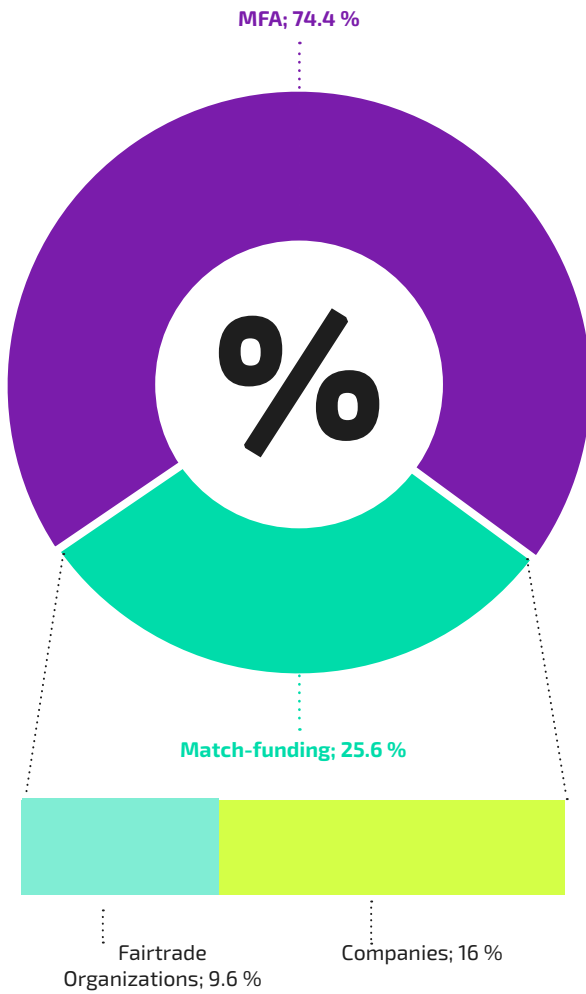
Fairtrade's global network of project staff and technical advisers enables us to implement the programme efficiently while ensuring the ownership of the farmers and workers. The programme benefits from Fairtrade's global MEL system and its reliable monitoring data and FI's thematic advisers and product specialists. These services do not bear additional costs to the programme. Administrative/indirect expenses will be kept low and well below the maximum 10 per cent (budgeted to be 7.7 per cent). For detailed budget information, please see the [budget annex](#).

Fairtrade Finland's self-financing capacity is robust. MFA funding leverages other stakeholders like committed businesses to contribute to blended finance by matching MFA funding with their donations. The programme draws its additional co-financing of around **2.8 million euros** from three main sources:

- 1. Companies.** Fairtrade Finland engages with a range of commercial partners, including major retailers and suppliers. In addition, the sourcing commitments of these company partners on fair terms will generate a premium payment back to the farmers' and workers' associations and their societies. Although this figure is not counted towards co-financing, it is one of the key factors adding value to financial sustainability for the projects being implemented.
- 2. Fairtrade's licence fee.** The license fee paid by companies marketing Fairtrade certified products is Fairtrade Finland's main source of income. Part of the license fees is used to finance the programme expenses. Fairtrade Finland collected approximately 1.1 million euros in license fees in 2024.
- 3. Global Fairtrade movement's direct contributions.** Some NFOs have made co-financing commitments already at the planning stage of the programme.



Funding 2026–29



self-finance

26%

2.8 m€

Main commercial partners:

Aldi
Ben & Jerry's
HALBA
Kesko
Meira
SOK
Tony's Chocolonely

Income

euros

	2026	2027	2028	2029	TOTAL	%
Grant from MFA	1 850 000	2 050 000	2 100 000	2 100 000	8 100 000	74.4 %
Self-finance						
Companies	530 000	398 500	410 500	403 500	1 742 500	
Fairtrade Organizations	260 000	260 000	260 000	260 000	1 040 000	
	790 000	658 500	670 500	663 500	2 782 500	25.6 %
TOTAL INCOME	2 640 000	2 708 500	2 770 500	2 763 500	10 882 500	100 %



Keep your eye on the donut and not on the hole.

David Lynch (1946–2025)