

Coopérative Certifiée FAIR TRADE

Les 07 PRINCIPES COOPERATIFS

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Démocratique par Les

des membres

WEST AFRICA

COCOA PROGRAMME

MONITORING REPORT

First Edition



FAIRTRADE  
INTERNATIONAL



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## NOTE FROM THE FAIRTRADE AFRICA CEO



*Dr. Ngagoy Nyong'o*  
CEO of Fairtrade Africa

I am delighted to introduce the first annual WACP monitoring report. This report charts the significant progress Fairtrade, small-scale producer organizations (SPOs), their members, and consumer brands are making in partnership.

The report itself is part of the process for further deepening this mutual understanding of shared priorities. By understanding each other we have the opportunity to fulfill the desires we all share to improve the livelihoods of farmers and their families and provide the assurance that consumer brands require in relation to human rights, the environment and other critical areas.

While WACP trainings are provided free of charge to the Fairtrade certified SPOs and their members, those SPOs and their members are making significant investments by committing their time to attend and their time and resources when they then go on to implement the trainings in their SPOs and communities. We take very seriously our responsibility of ensuring that the time and resources spent by all actors on the WACP are well spent. Our investment in Monitoring, Evaluation

and Learning (MEL) demonstrates this.

The WACP has seen a rapid increase in our staff capacity and capabilities in West Africa. Our dedicated Fairtrade team in West Africa have worked tirelessly to make the WACP a success. As well as enabling us to implement the WACP we have also been able to develop our work further through initiatives such as the Fairtrade Women's School of Leadership and deepen our relations with the governments of Côte d'Ivoire and Ghana. This deepening relationship with government is critical as we seek to fulfill our objective of increasing farmer advocacy. These relationships also enable Fairtrade to take an active role in the National Mirror Committees for the African Regional Standard for Sustainable Cocoa in Côte d'Ivoire.

The cocoa sector seems to be in constant flux. With the implementation of the Ghanaian and Ivorian Living Income Differential farmers should see further income increases from October 2020. This is sorely needed by farmers. Through the piloting of our Living Income Strategy with consumer brands and retailers we aim to provide further evidence of how a holistic approach can chart a route out of poverty for farmers.

We believe the WACP outcome of SPOs that are effective and resilient as businesses and responsive to their members' needs is critical. Without these strong organizations with engaged members it will be so much harder to achieve these goals of living income and assurances on child labour, deforestation and other critical issues.

Democracy, participation and transparency are at the core of the Fairtrade Standards, our organization and the WACP.

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# MONITORING FAIRTRADE’S WEST AFRICA COCOA PROGRAMME: WHAT HAVE WE LEARNED AND WHERE DO WE GO NEXT?

## What is the West Africa Cocoa Programme?

Working with small-scale producer organizations (SPOs) is central to Fairtrade’s approach of aiming to improve the livelihoods of Fairtrade cocoa farmers. Therefore, in mid-2016, Fairtrade launched the West Africa Cocoa Programme (WACP). The WACP seeks to build strong and viable Fairtrade SPOs that are responsive to their members’ and business partners’ needs. Ultimately WACP is aiming for long-term relationships between the consumer brands, the traders that supply them, and the SPOs whose members rely on the cocoa for their household income. This mutual understanding should lead to sustained access to Fairtrade markets that will play a role in increasing farmer household incomes and progressing towards living incomes.

Implemented by Fairtrade Africa and supported by Fairtrade International, the main WACP interventions are trainings,

coaching and advisory support for SPOs. In 2019, there were 34,419 attendances by members and management from SPOs at trainings implemented by Fairtrade Africa staff and SPO representatives who have taken on training roles funded by Fairtrade Africa and the SPOs themselves. This was a 32 percent increase on 2018. All SPOs receive basic group trainings focused on assisting the SPOs in maintaining their Fairtrade certification and adhering to the relevant Standards, including the SPO Standard and the Cocoa Standard. At the highest intensity the trainings are informed by prior needs assessments and include intensive thematic coaching that builds capacity in such subjects as compliance with Corporate Law, Child Rights, Good Agricultural Practices, Internal Management Systems, Financial Management and enhancing member outreach (among other topics).

### LONG-TERM IMPACT

Co-op member households have increased their financial incomes from farming and are making economic progress towards living incomes

### INTERMEDIATE IMPACT

Sustained access to Fairtrade cocoa markets for co-ops

### OUTCOMES

Co-ops are more effective and resilient as businesses and responsive to member needs

### OUTPUTS

- Co-ops have the systems, processes and training programmes in place to deliver a functional co-op
- Co-op members are more engaged with their co-op and have increased knowledge and skills
- Co-op managers have the skills, training and capacity to run strong and effective co-op
- The WACP training programme and delivery is effective in delivering change to co-ops
- High quality relationship management of customers delivers benefits to co-ops

### INTERVENTIONS

- Training provided to co-ops by Fairtrade Africa on Standard compliance, organizational strengthening and thematic subjects, e.g. financial and operational management, GAP or empowerment of women
- Engaging customer brands and retailers and co-ops in identifying shared objectives and dialogue on progress

Fairtrade's West Africa Cocoa Programme Theory of Change



## How does Fairtrade monitor the impacts of WACP?

In 2017, Fairtrade International and Fairtrade Africa began a comprehensive effort to monitor the impact of WACP for SPOs and their cocoa farmers. Indicators were developed based on the WACP Theory of Change (ToC) and input from all relevant stakeholder groups.

Designed to be done annually, the first round of monitoring on the agreed indicators took place between July and November 2018. During this period, Fairtrade collected data from the 35 SPOs receiving the highest level of WACP training and six SPOs receiving lower levels of training. The second round of monitoring was conducted between July and October 2019. During this period, Fairtrade collected data from 28 SPOs receiving the highest level of training. Therefore, when the report refers to "WACP SPOs", it is referring to those WACP SPOs sampled which had received the highest level of training.

Based on these findings, the first large-scale learning workshop was held with selected representatives from consumer brands, National Fairtrade Organizations (NFOs), Fairtrade Africa (FTA), Fairtrade International, and the SPOs themselves in May 2019. Taking place in Yamoussoukro, Côte d'Ivoire, this workshop allowed the attendees to discuss and learn from the WACP Monitoring, Evaluation and Learning (MEL) data as well as other

topics of mutual interest. Another large-scale workshop was planned for May 2020. However, this has been impacted by COVID-19. We are in the process of discussing how and when we can achieve similar results.

This Monitoring Report is intended to be another learning tool by being a source of aggregated information about the impacts of WACP, available to a wider group of NFOs, potential and current Fairtrade commercial partners, and the general public.

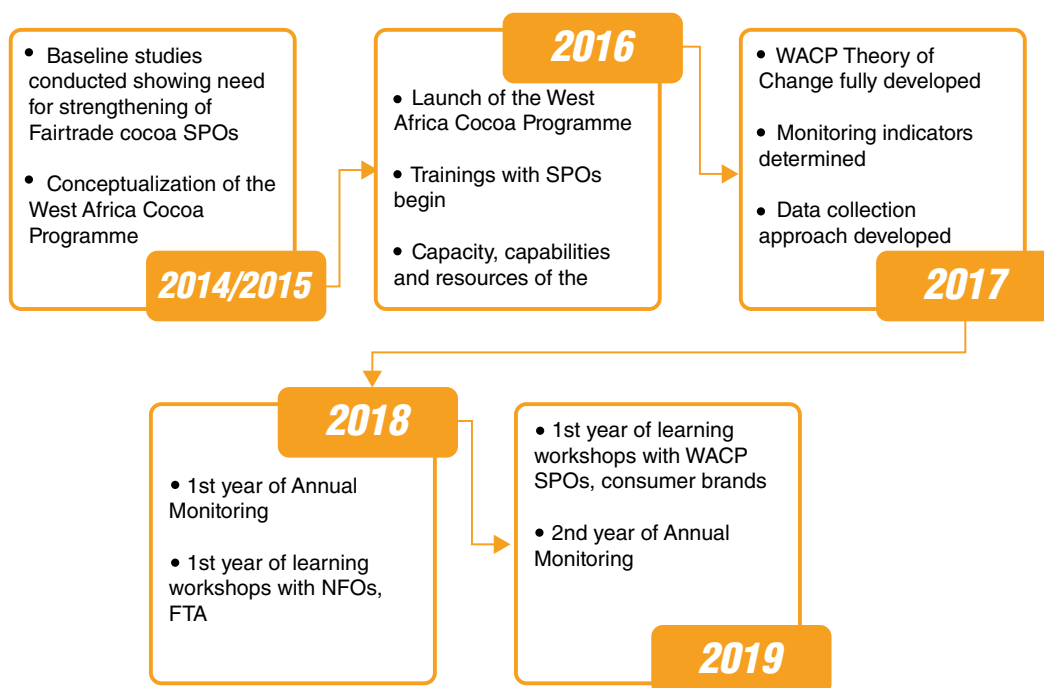


Figure 2: Timeline of WACP MEL Activities

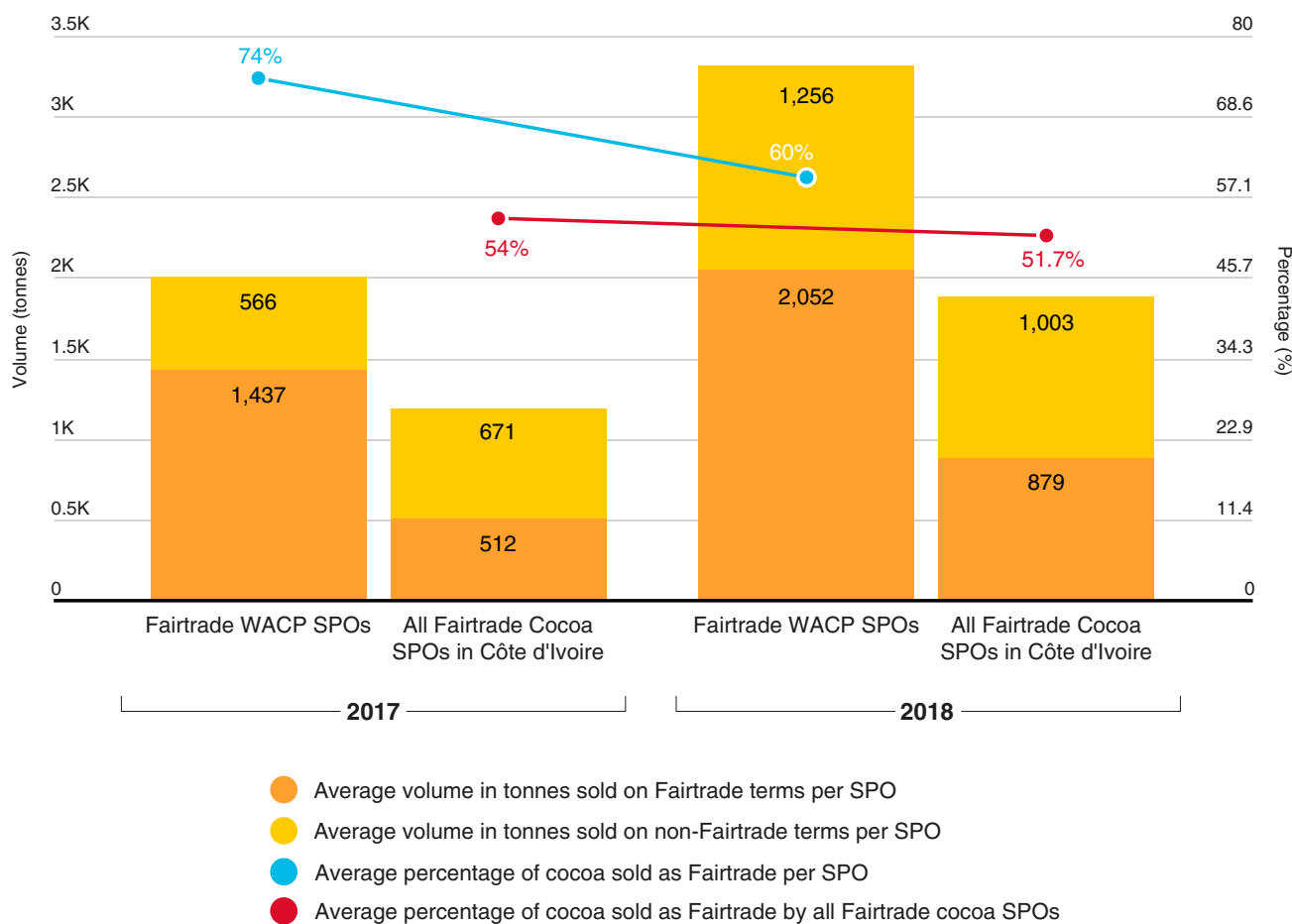
## What has Fairtrade learned after two years of monitoring?

This first WACP Monitoring report is an important landmark for the programme. It allows us to take stock of how far we have

come since mid-2016 and provides a dataset that will contribute to the evolution of the WACP.

### Positive Findings

#### 1. SPOs involved in WACP are selling a high percentage of their cocoa on Fairtrade terms.



Volumes of Fairtrade cocoa sold on Fairtrade and non-Fairtrade terms and percentage of cocoa sold on Fairtrade terms, sampled WACP Cocoa SPOs versus all Fairtrade Cocoa SPOs in Côte d'Ivoire (2017 and 2018)

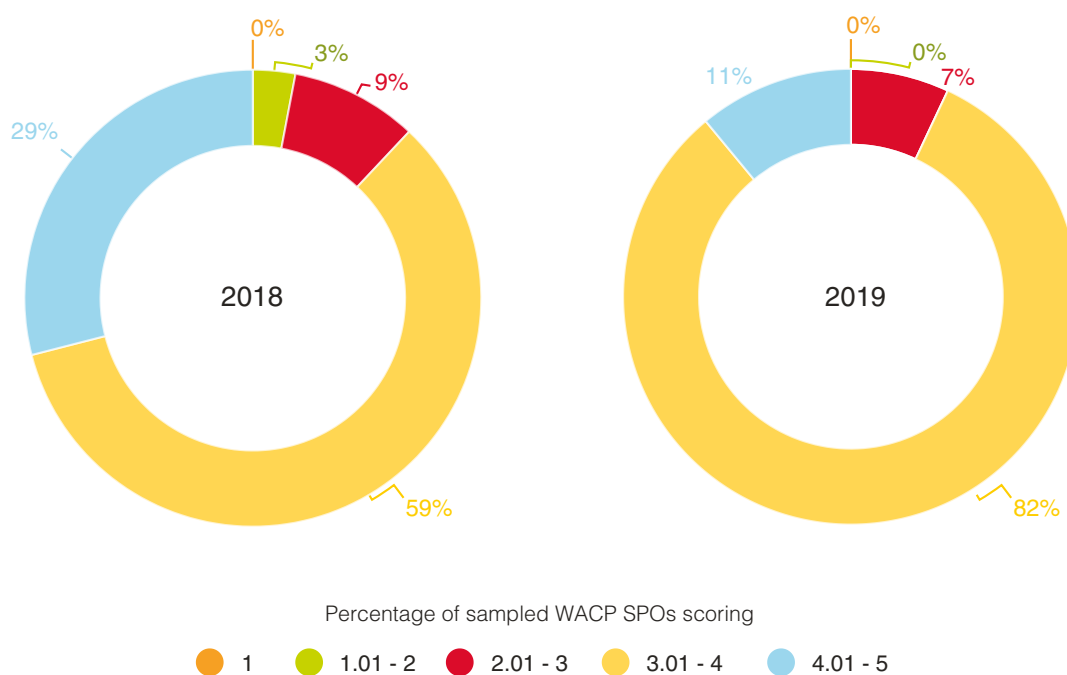
Comparison of data on Fairtrade and non-Fairtrade cocoa collected from the WACP MEL data collection process and derived from other data sources reveal that the sampled WACP SPOs sell both a higher volume of Fairtrade cocoa and have a higher percentage of sales on Fairtrade terms compared to a sample of all Fairtrade cocoa SPOs in Côte d'Ivoire.

Sampled WACP SPOs were originally selected for the highest level of intensity of training of WACP due to their existing high

Fairtrade sales volumes, and thus we cannot yet state that involvement in WACP helps to increase Fairtrade sales volumes. However, given that Fairtrade volumes for sampled WACP SPOs have remained above the comparison group over several years, we can state that involvement in WACP seems to at least help maintain elevated Fairtrade sales volumes in the face of increasing availability of Fairtrade cocoa during the same period.



**2. SPO managers involved in WACP report a high level of knowledge and skills around SPO governance, management, gender equality, child labour prevention, and ensuring adherence to Fairtrade Standards.**



**Figure 4: Percentage of WACP SPOs averaging self-assessment scores in each quintile**

One of the key objectives of the WACP is to strengthen the capacity of SPO managers. We asked WACP SPO managers to self-report their knowledge and skills on a 1-5 scale on the following topics: (1) SPO Governance, (2) SPO Management, (3) Ensuring Gender Equality in their SPO, (4) Preventing Child Labour in their SPO, and (5) Ensuring their SPO and its members adhere to Fairtrade Standards.

We found that on average across all five dimensions, capacity is high. In 2018, 88 percent of WACP SPO managers surveyed had an average score of 3 or higher, while 93 percent of managers surveyed had an average score of 3 or higher in 2019. Only 12 percent had an average score below 3 in 2018 and 7 percent in 2019.

**3. SPOs are satisfied with the trainings they are receiving through WACP and taking direct action as a result of these trainings.**

The WACP SPOs sampled have a high level of satisfaction with the WACP trainings. In 2018, 98 percent of trainings received a “satisfied” or “very satisfied” rating, while 100 percent of trainings received one of these ratings in 2019.

It is important to know how satisfied WACP SPOs are with the trainings, but also to what degree these trainings are leading

them to take direct action as a result (create some policy, roll out training to members, etc.). In 2018, 85 percent of SPOs report that they took at least one direct action as a result of WACP trainings, rising to 89 percent in 2019. These direct actions include rolling out member training, developing strategic plans, strengthening management systems, and more.

Type of Training	2018 Data Collection Example of Action Taken	2019 Data Collection Example of Action Taken
3. Fairtrade Standards on Trade - including trading contracts, traceability, product sourcing and use of the FAIRTRADE Mark	Meetings in the sections to inform farmers	Application of member training
6. GAP - crop practices to improve general quality and productivity: e.g. pruning, shade management, organic farming practices, pest and disease management	Technicians supervise farmers during in-planting activities	Improvement of GAP crop practices
8. ICS - occupational health and safety, PPE, first aid and other health-related training, Health and Safety Committee (HL)	Member training	Know how to behave in an emergency
(9) ICS - child labour and child protection, YICBMR	The SPO in partnership with ICI are implementing Child Labour Monitoring and Remediation Systems to ensure that child labour is reduced to the minimum	Establishment of a children's working committee and training of planters on child labour in the CEP (Farmer Field School)
(10) ICS - organizational management of Fairtrade Premium, Premium Committees and Fairtrade Premium/ organizational development plans	The PO has approved its five-year strategic plan to inform strategic use of its Premium	PO has strengthened its Internal Management Systems
17. Diversification: income or product	Direct programmes with members	Encouraging members to diversify by giving them coffee plants

Figure 5: Examples of Actions Taken due to WACP Trainings

#### 4. SPOs involved in WACP understand their members' priorities and act in their best interests.

2018	2019
92%	93%

Figure 6: Percentage of WACP SPO members surveyed who say their SPO understands their priorities and acts in their best interests

Over both the 2018 and 2019 data collection, around 93 percent of WACP SPO members surveyed said their SPO understands their priorities and acts in their best interests. It is a very positive finding. This reflects a key element of the outcome that SPOs desired when Fairtrade asked them what they would want from future training.

#### 5. Members of SPOs involved in WACP show signs of understanding the importance of the rights of children and the role they can play in enabling their fulfillment.

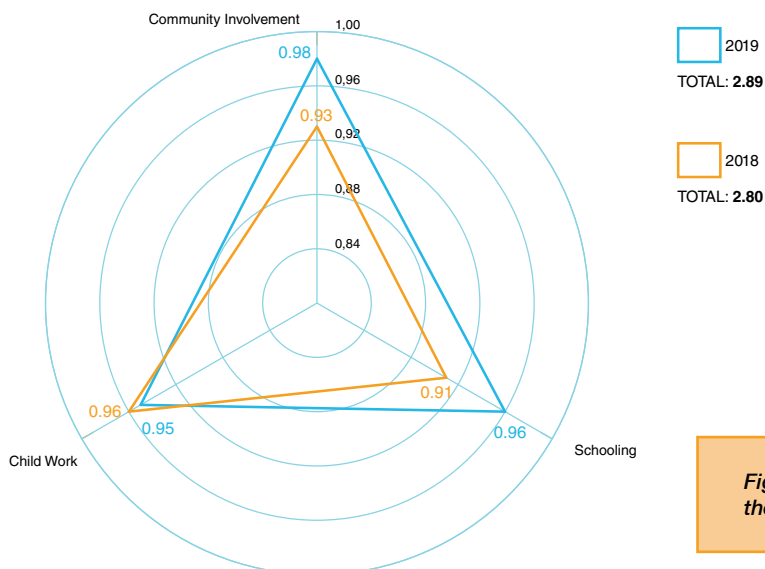
The Fairtrade International Child Rights Index (Household) is a bespoke index developed to measure the respondent's awareness of child rights. The index score is calculated by assigning points to each of the following dimensions: (1) Community involvement in stopping child labour, (2) Importance of schooling for boys and girls, and (3) Attitude towards child work. Each of these dimensions is weighed equally and the maximum index score is 3 points. A score of 2 is generally considered good while a score below 2 generally shows potential for improvement.

Looking at the results from the 2018 and 2019 data, we find that the members of WACP SPOs have increased understanding of children's rights, with a score in both years approaching the maximum of 3. This means that respondents are aware of children's rights and the importance of taking actions to eradicate child labour and enable girls and boys to attend and stay in school. Note that the households for a particular WACP SPO are only sampled once in a three-year cycle, meaning that the results of the two years shown here are from two different groups of WACP SPOs. Additional data gathered through discussions with members of different WACP SPOs indicate



that awareness of child rights has increased largely due to SPO management implementing the learnings from trainings received on child rights, child protection and child labour through WACP. In 2020 Fairtrade will review its Cocoa Standard and has

identified the need to assess requirements on Human Rights Due Diligence, in particular, explore solutions for implementing an effective child labour monitoring and remediation system for child labour on a continuous and improving basis.



**Figure 7: WACP SPO Member scores on the FI Child Rights Index, 2018 and 2019**

## Negative Findings

We acknowledge that the data shows us there is still work to be done, including around economic livelihoods and gender. For example, as elaborated on in the report, not enough WACP SPO members are achieving living incomes, and traditional gender norms are still very entrenched, potentially leading to disadvantaged outcomes for women and girls. Fairtrade is taking action on these issues and others where the MEL data show us areas for improvement. For example, Living Income pilot projects are being implemented with consumer brands and retailers

who commit to paying the voluntary Fairtrade Living Income Reference Price for cocoa to enable farmers in the involved cooperatives to achieve a living income. We are also continuing the Women's School of Leadership, which trains women in Fairtrade cocoa cooperatives (and a small number of male allies) to be leaders in their households, communities, and SPOs and empowers them through training in such topics as financial management, business development, leadership, and more.

## What is next for the WACP

We are pleased that the additional human capacity and capabilities that the WACP has allowed us to build in Fairtrade is leading to a culture of systematic analysis and action to address areas for improvement. Our second large-scale learning workshop has been disrupted by COVID-19. However, we are committed to and working on a way of bringing SPOs and consumer brands together to review this data.

WACP SPOs sold 60 percent of their combined production volume on Fairtrade terms. We will strive to improve the intermediate impact of the WACP with sustained access to Fairtrade cocoa markets. This continues to be a high priority for these SPOs and their members. We are also conscious that selling a higher percentage of cocoa on Fairtrade terms is a dearly-held objective of all Fairtrade SPOs.

We acknowledge that not enough Fairtrade farmers are making a living income. With the implementation of the Ghanaian and Ivorian Living Income Differential farmers should see further income increases from October 2020. Fairtrade is working

to ameliorate this situation by raising the Fairtrade Minimum Price for cocoa (now US\$2,400/MT as of October 2019). For the harvest starting in October 2019, the increased Fairtrade Minimum Price led to an additional payment of US\$235.92 per tonne for Ivorian cocoa sold on Fairtrade terms. The Fairtrade Cocoa Standard requires that any Fairtrade Minimum Price differential in Ghana and Côte d'Ivoire must be distributed by the SPO to its members. This payment is in addition to the non-negotiable Fairtrade Premium of US\$240 per tonne. Each SPO will democratically decide at their annual General Assembly how to invest their Premium in their businesses and communities. Through the piloting of our Living Income Strategy with chocolate brands and retailers we aim to provide further evidence of how a holistic approach can chart a route out of poverty for farmers.

In 2020, we will conduct a consultation on the Fairtrade Cocoa Standard and an external evaluation of the WACP. These activities and what we learn through MEL, combined with our consultation on the Fairtrade cocoa strategy, will shape the future of the WACP

# INTRODUCTION TO WACP MEL

## INTRODUCTION TO THE WEST AFRICA COCOA PROGRAMME (WACP)

Working with small-scale producer organizations (SPOs) is central to Fairtrade's approach of aiming to improve the livelihoods of Fairtrade cocoa farmers. Baseline studies of the strength of SPOs in Ghana and Côte d'Ivoire conducted in 2014/15 indicated room for improvement.<sup>1</sup>

Therefore, in mid-2016, Fairtrade launched the West Africa Cocoa Programme (WACP). The WACP seeks to build strong and viable Fairtrade SPOs that are responsive to their members' and business partners' needs. The WACP is implemented in Côte d'Ivoire and Ghana by Fairtrade Africa (FTA), although elements of coordination in relation to budget agreements are handled by Fairtrade International. National Fairtrade Organizations (NFOs) in countries with markets for Fairtrade products relay the outputs and outcomes of WACP to consumer brands and retailers buying Fairtrade cocoa. Funding raised for the WACP has enabled the FTA team in West Africa to grow its personnel capacity both in terms of numbers and skills.

The main WACP interventions are trainings, coaching and advisory support for SPOs. SPOs receiving trainings under the WACP are stratified into one of three levels. These levels are

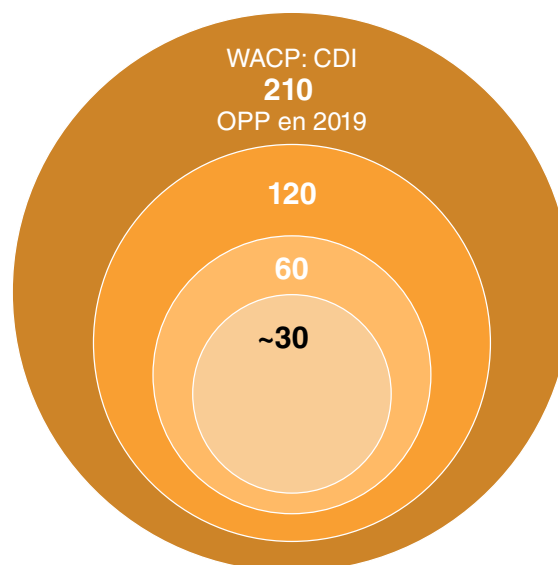
differentiated by level of service and intensity/type of training. Stratification of SPOs into levels is based on the SPO's volume of sales on Fairtrade terms, length of time certified, and the permanency of contracts to sell on Fairtrade terms, among other factors. This stratification (rather than all Fairtrade cocoa SPOs receiving the highest intensity of trainings) has been necessary due to budget restrictions and the increasing number of Fairtrade certified SPOs in Côte d'Ivoire. All SPOs receive basic group trainings focused on assisting the SPOs in maintaining their Fairtrade certification and adhering to the relevant Standards, including the SPO Standard and the Cocoa Standard.

At the highest intensity the trainings are informed by prior needs assessments and include intensive thematic coaching that builds capacity in such subjects as compliance with the OHADA (i.e. Organisation pour l'harmonisation en Afrique du droit des affaires, which translates as Organisation for the Harmonization of Corporate Law in Africa) Law, Child Rights, Good Agricultural Practices (GAP), Internal Management System (IMS), Financial Management and enhancing member outreach (among other topics). This high intensity training is available to a subset of SPOs.

<sup>1</sup> Available at <https://www.fairtrade.net/library/baseline-for-assessing-the-impact-of-fairtrade-certification-on-cocoa-growers-and-cooperatives-in-cote-divoire> and <https://www.fairtrade.net/library/baseline-for-assessing-the-impact-of-fairtrade-certification-on-cocoa-farmers-and-cooperatives-in-ghana>



Location of Côte d'Ivoire and Ghana



*Different Levels of Training Intensity under the West Africa Cocoa Programme and number of SPOs included in each level.*

*In Côte d'Ivoire, out of a total of 210 SPOs, 120 SPOs are receiving basic group trainings, 60 are receiving the next level of intensity of training, and approximately 30 are receiving the highest intensity of trainings.*



## THE WACP THEORY OF CHANGE

### LONG-TERM IMPACT

Co-op member households have increased their financial incomes from farming and are making economic progress towards living incomes

### INTERMEDIATE IMPACT

Sustained access to Fairtrade cocoa markets for co-ops

### OUTCOMES

Co-ops are more effective and resilient as businesses and responsive to member needs

### OUTPUTS

Co-ops have the systems, processes and training programmes in place to deliver a functional co-op

Co-op members are more engaged with their co-op and have increased knowledge and skills

Co-op managers have the skills, training and capacity to run strong and effective co-op

The WACP training programme and delivery is effective in delivering change to co-ops

High quality relationship management of customers delivers benefits to co-ops

### INTERVENTIONS

Training provided to co-ops by Fairtrade Africa on Standard compliance, organizational strengthening and thematic subjects, e.g. financial and operational management, GAP or empowerment of women

Engaging customer brands and retailers and co-ops in identifying shared objectives and dialogue on progress

### The Theory of Change for the West Africa Cocoa Programme

The WACP Theory of Change (ToC) details the activities and expected outputs, outcomes, and impacts that Fairtrade expects to see from the programme<sup>2</sup>. The WACP Theory of Change was designed in 2016 and 2017 after consultation with SPOs and their members.

The WACP training interventions seek to strengthen both the SPO's management and the members themselves. Training modules are explicitly designed for the West African cocoa context, regularly updated with new subjects as a result of the evolving nature of the Fairtrade Standards and the cocoa landscape. For example, in 2019, WACP included new training modules on climate change (reflecting the increased emphasis on this topic in the new Fairtrade Standard for Small-scale Producer Organizations published in 2019) and the new distribution process for any Fairtrade Minimum Price differential and Fairtrade Premiums (reflecting the changes in the 2019

Fairtrade Cocoa Standard). Upon completion of trainings with Fairtrade Africa, SPOs receive their own training material packages to assist them in dissemination of information to their wider membership.

In 2019, there were 34,419 attendances by members and management from SPOs at trainings implemented by Fairtrade Africa staff and SPO representatives who have taken on training roles funded by Fairtrade Africa and the SPOs themselves. This was a 32 percent increase on 2018.

The WACP Theory of Change has effectiveness and resilience of SPOs as businesses and their responsiveness to their members' needs as its main outcomes. The concept of SPOs being responsive to their members is deeply rooted in Fairtrade. SPOs and their members themselves are critical stakeholders in the Fairtrade system with producer representatives having

<sup>2</sup> When reviewing the ToC, note that SPOs are interchangeably referred to as cooperatives or co-ops.

50 percent of the voting rights within the Fairtrade system at its highest authority, the General Assembly. Fairtrade Africa and its staff consider that their role is to support SPOs and their members.

Ultimately WACP is aiming for long-term relationships between

the consumer brands, the traders that supply them and the SPOs whose members rely on the cocoa for their household income. This mutual understanding should lead to sustained access to Fairtrade markets that, in turn, will play a role in increasing farmer household incomes and progressing towards living incomes.

## THE WEST AFRICA COCOA PROGRAMME MONITORING, EVALUATION, AND LEARNING APPROACH

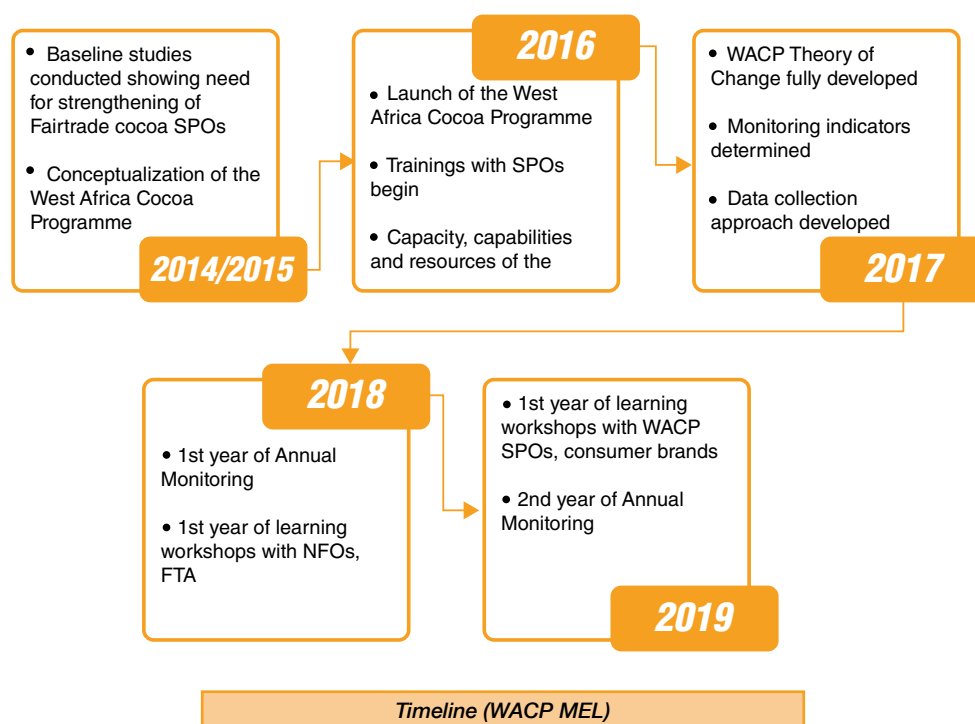
In 2017, Fairtrade International and Fairtrade Africa began a comprehensive effort to monitor the impact of WACP for SPOs and their cocoa farmers. Indicators were developed based on the WACP ToC and input from all relevant stakeholder groups.

Designed to be done annually, the first round of monitoring aimed at collecting data on the agreed indicators took place between July and November 2018. During this period, Fairtrade collected data from the 35 SPOs receiving the highest level of WACP training and six SPOs receiving lower levels of training.<sup>3</sup> All of these SPOs were surveyed at management level and 13 out of the 41 also had a sample of their members surveyed at household level. The tools used to collect data were the same as those used in Fairtrade's broader *Impact Monitoring* initiative.<sup>4</sup>

The second round of monitoring was conducted between July and October 2019. During this period, Fairtrade collected data from 28 SPOs receiving the highest level of training. The 28

SPOs in the 2019 sample included all SPOs remaining in the supply chains of specific consumer brands. Some SPOs in the consumer brands supply chains in 2018 were dropped due to unilateral action by the traders in that supply chain. This is contrary to the mid-term outcome of the WACP to create long-term access to Fairtrade markets. While this was connected to a specific supply chain, increased emphasis has been put on relationship management to deepen understanding of the WACP and its long-term objectives with consumer brands. However, ensuring development of long-term agreements between SPOs and consumer brands is still an area for further improvement. Two new SPOs were added. In 2019, all of these SPOs had data collected at management level and 11 also had a sample of their members surveyed at household level.<sup>5</sup>

The first large-scale learning workshop was held with selected representatives from consumer brands, NFOs, FTA, Fairtrade International, and the SPOs themselves in May 2019. Taking












<sup>3</sup> The data from those receiving the lower levels of training are not included in the analysis in this report.

<sup>4</sup> For more information on Impact Monitoring, please contact [impact@Fairtrade.net](mailto:impact@Fairtrade.net)

<sup>5</sup> It is important to note that the SPOs surveyed at household level in 2018 and 2019 were not the same. The sampling approach is to survey any SPO at household level every three years, and all SPOs within a given supply chain within a three-year cycle. SPOs are surveyed at management level every year. This is due both to logistical/resource-related reasons as well as the fact that household level indicators take longer to change (thus requiring less frequent sampling).

place in Yamoussoukro, Côte d'Ivoire, this workshop allowed the attendees to discuss and learn from the WACP MEL data as well as other topics of mutual interest. Learning workshops have also been held bilaterally with Fairtrade Africa as well as key NFOs from end-2018 onwards.

The data collected from these monitoring rounds was complemented with data from other sources (for more information, see the page "About the Data Used in this Report") and calculated to provide the indicator information reported in this report.

	2018 Data collection	2019 Data collection
 <b># OF SPOS SURVEYED</b>	41	28
 <b>AVERAGE # OF MEMBERS PER SPO</b>	1,252	1,393
 <b>AVERAGE YEAR THAT SPOS IN THE SAMPLE WERE FOUNDED</b>	2007	2007
 <b>AVERAGE LENGTH OF TIME THAT THE SPOS SAMPLED HAD BEEN FAIRTRADE CERTIFIED</b>	7 years	8 years
 <b># OF SPOS SURVEYED AT THE HOUSEHOLD LEVEL</b>	13	11
 <b>AVERAGE # OF MEMBERS SURVEYED PER SPO SURVEYED AT THE HOUSEHOLD LEVEL</b>	50	54
 <b>TOTAL # OF HOUSEHOLDS SURVEYED ACROSS ALL SPOS</b>	650	586
 <b>AVERAGE COCOA FARM SIZE (HA) OF THOSE HOUSEHOLDS SURVEYED</b>	4.65	4.83
 <b>AVERAGE VOLUME OF COCOA PRODUCED (KG) PER HOUSEHOLD</b>	2,237	2,150



# INDICATORS TO TRACK LONG-TERM IMPACT: ECONOMIC PROGRESS

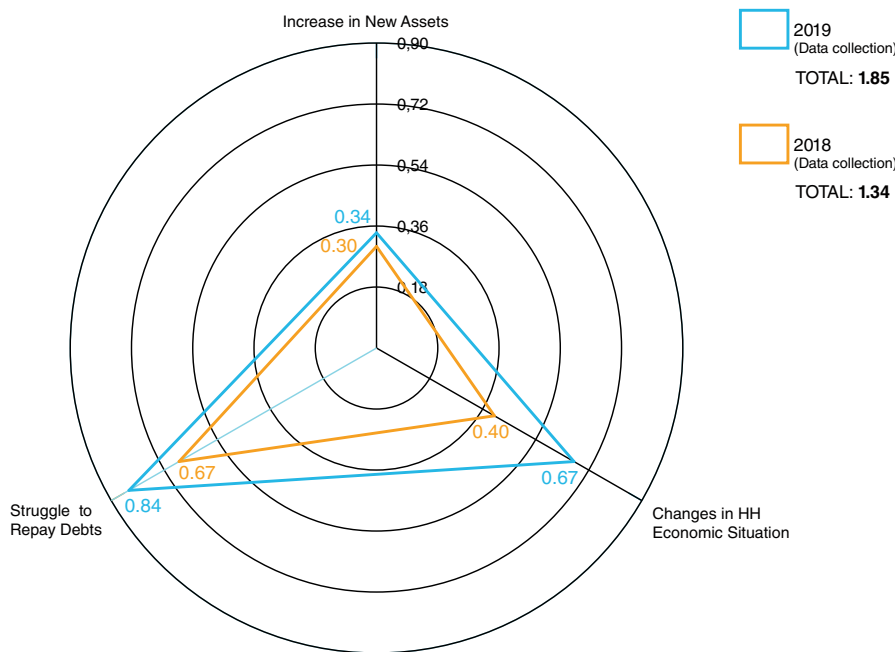
## INDICATOR #1: FAIRTRADE INTERNATIONAL ECONOMIC PROGRESS INDEX

The Fairtrade International Economic Progress Index (Household level) is a bespoke index developed to measure economic progress towards a living income at the level of the household. The score of the index is calculated by assigning points to each of the following dimensions: (1) increase in new assets, (2) change in household economic situation, and (3) struggle to repay debts. Each of these dimensions is weighed equally and the maximum index score is three points. A score of two is generally considered good while a score below two generally

shows potential for improvement.<sup>6</sup> Note that the households for a particular WACP SPO are only sampled once in a three-year cycle meaning that the results of the two years shown here are from two different groups of WACP SPOs.

Looking at the results from the 2018 and 2019 data, we find that the households are scoring below 2 overall and doing particularly poorly in the category “Increase in new assets”.

Sampled Fairtrade WACP SPOs



Radar chart showing the score of sampled WACP SPOs on each of the three Economic Progress Index components, 2018 and 2019

Also concerning the economic situation of households, Fairtrade International used the 2019 WACP MEL data to do a regression analysis focused on identifying the factors correlated with per capita gross household income. The independent variables included:

- Gender of household head
- Age of household head
- Household size
- Number of working adults in household
- Literacy (yes/no) of the household head
- Cocoa farm size
- Yield per hectare (kg/ha)
- Level of income diversification
- Log of productivity (% of yield)

<sup>6</sup> The methodology for the Fairtrade International indices are evolving as we are learning from the various findings. Hence, it is likely that these may undergo changes in the coming years. For more information on the indices, including more details on the methodology, please visit <https://www.fairtrade.net/impact/monitoring>

We found that per capita gross household income is positively correlated with cocoa farm size, degree of income diversification, and cocoa farm yield (kg/ha)<sup>7</sup>. It is negatively correlated with household size. These effects were significant at the 99 percent confidence level. Contrary to expectations, the number of working adults in the household and the literacy of the household head had no significant effect on per capita gross household income. This is not surprising, as the number of working adults could be correlated with household sizes, thereby making the coefficient of the working adults variable insignificant.

The insignificant effect of literacy is also not surprising given that cocoa farming is a traditional (non-sophisticated) farming practice where farmers can easily learn by observation from others in the farming community regardless of level of education. Both of these indicators tell us that more needs to be done to ensure that Fairtrade farmers are earning a living income and point us to the type of interventions needed.

VARIABLES	(1) Reg-1	(2) Reg-2	(3) Reg-3
Male	0.195* (0.109)	-0.038 (0.074)	0.015 (0.076)
Age	-0.002 (0.003)	0.002 (0.002)	0.002 (0.002)
Household Size	-0.067*** (0.015)	-0.108*** (0.010)	-0.113*** (0.010)
Working Adults	-0.009 (0.025)	-0.023 (0.017)	-0.026 (0.017)
Literacy	-0.007 (0.065)	-0.020 (0.044)	-0.045 (0.045)
Cocoa Farm Size		0.159*** (0.008)	0.159*** (0.008)
Yield per Hectare		0.001*** (0.000)	
Income Diversification		0.239*** (0.044)	0.220*** (0.044)
Productivity Log			0.683*** (0.037)
Constant	6.502*** (0.183)	5.345*** (0.132)	1.973*** (0.261)
Observations	573	569	566
R-squared	0.068	0.585	0.573

*Standard errors in parenthesis*  
\*\*\*p<0.01, \*\*p<0.05, \*p<0.1

### Results of the Regression Analysis of Household Income, 2019

<sup>7</sup> This means that an increase in the independent variable – cocoa farm size, degree of income diversification, etc. – is correlated with an increase in the dependent variable per capita gross household income. In other words, a household with a larger cocoa farm tends to have a higher per capita household income than one with a smaller farm.

Fairtrade is working to ameliorate this situation by raising the Fairtrade Minimum Price for cocoa (now US\$2,400/MT as of October 2019). For the harvest starting in October 2019, the increased Fairtrade Minimum Price led to an additional payment of US\$235.92 per tonne for Ivorian cocoa sold on Fairtrade terms. The Fairtrade Cocoa Standard states that any Fairtrade Minimum Price differential in Ghana and Côte d'Ivoire must be distributed by the SPO to its members. This additional Fairtrade

Minimum Price differential is in addition to the Fairtrade Premium of US\$240 per tonne. At the time of writing this report Ivorian SPOs were starting to make these Fairtrade Minimum Price differential distributions to their members.

From October 2020 the price farmers receive should climb again as the Ivorian and Ghanaian governments' Living Income Differential raises farm gate prices higher.



**Konan Koly Lucie, member of Coopérative des Producteurs de Sofoci Louhiri in Méagui, Côte d'Ivoire, receiving a payment of the Fairtrade Minimum Price Differential from her cooperative based on Q4 2019 cocoa sales.**

Fairtrade's own commissioned research published in 2018 found that just 12 percent of 3,000 households surveyed were earning a living income with the majority living in extreme poverty<sup>8</sup>.

In 2020, Fairtrade will carry out follow-up household income research to try and identify the impact of the Fairtrade Minimum Price differential on household income. This research, combined with the 2018 research, should provide an important source of data ahead of the Ivorian government's implementation of higher farm gate prices from October 2020.

In addition to this systematic effort, Living Income pilot projects are being implemented with consumer brands and retailers

who commit to paying the voluntary Fairtrade Living Income Reference Price<sup>9</sup> for cocoa to enable farmers in the involved cooperatives to achieve a living income. In these pilots, Fairtrade's holistic living income approach<sup>10</sup>, which includes reaching target yields and income diversification, will be tested.

Increasing farmers' incomes to Living Incomes requires concerted effort from Fairtrade, governments, cocoa and consumer brands, retailers, farmers and chocolate consumers. Consequently, Fairtrade is an active member of multiple platforms on living income sharing cocoa data, experiences, and calling for progress on living incomes. These platforms include

<sup>8</sup> Cocoa Farmer Income by True Price (2018). Available at <https://www.fairtrade.net/library/cocoa-farmer-income-the-household-income-of-cocoa-farmers-in-cote-divoire-and-strategies-for-improvement>

<sup>9</sup> [https://files.fairtrade.net/2019\\_RevisedExplanatoryNote\\_FairtradeLivingIncomeReferencePriceCocoa.pdf](https://files.fairtrade.net/2019_RevisedExplanatoryNote_FairtradeLivingIncomeReferencePriceCocoa.pdf)

<sup>10</sup> [https://files.fairtrade.net/2017-10-23\\_Fairtrade\\_Living\\_Income\\_strategy\\_EN.pdf](https://files.fairtrade.net/2017-10-23_Fairtrade_Living_Income_strategy_EN.pdf)



the Living Income Working Group chaired by the Ivorian regulator Le Conseil Café Cacao, the Living Income Community of Practice, the Alliance for Living Income, and the Belgium initiative Beyond Chocolate which has committed to the objective of living income for farmers.

National Fairtrade Organizations in some of the biggest chocolate-consuming countries are running vibrant campaigns to spread awareness of the concept of living income for cocoa farmers with consumers, their government, retailers and consumer brands with of the aim of normalizing the concept.

In 2019, major Fairtrade campaigns ran in Belgium, the Netherlands and the United Kingdom.

In the United Kingdom, over 50,000 people signed a Fairtrade petition calling on the government to put living incomes and wages at the heart of its development strategy<sup>11</sup>. In Belgium, a series of award-winning short films gained significant views on social media and, in the Netherlands, consumers were invited to take part in the Max Havelaar Fairtrade Honest Chocolate Campaign. More is planned in 2020.



*'Break the system' chocolate campaign, Max Havelaar Netherlands*

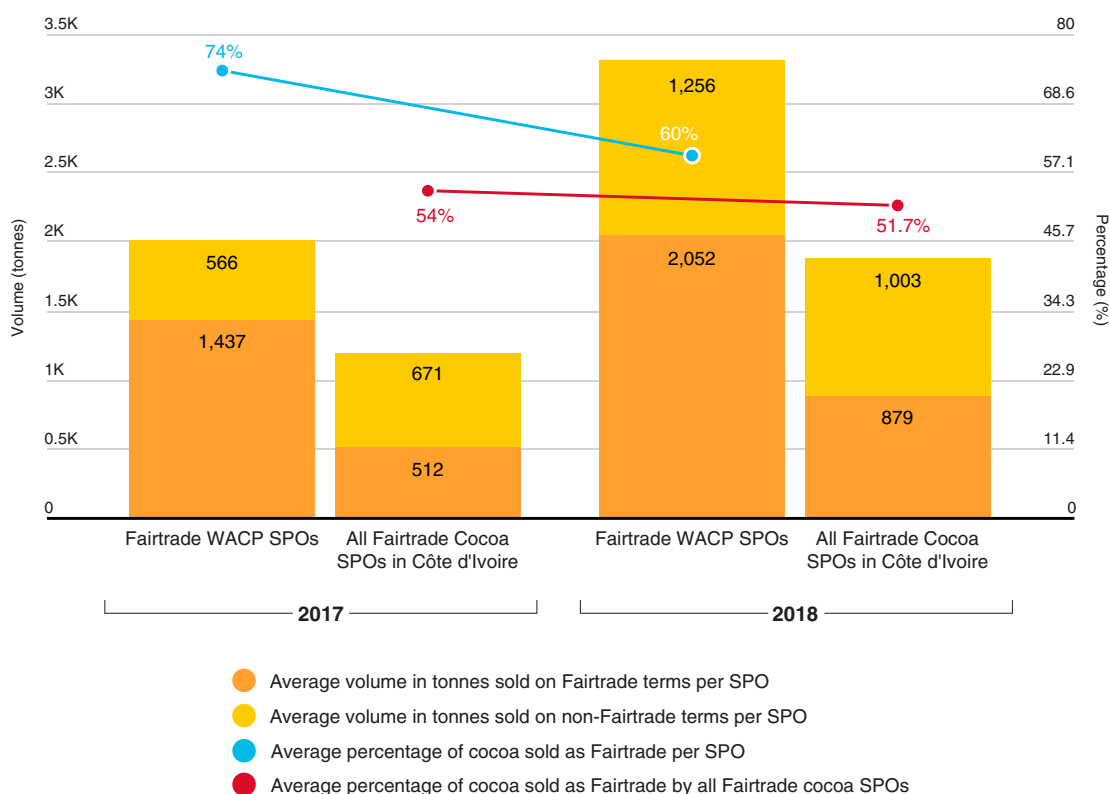
<sup>11</sup> <https://www.fairtrade.org.uk/Media-Centre/News/August-2019/BORIS-JOHNSON-URGED-TO-BACK-DECENT-INCOMES-FOR-COCOA-FARMERS>

# INDICATORS TO TRACK INTERMEDIATE IMPACT: SUSTAINED ACCESS TO MARKETS

## INDICATOR #2: FAIRTRADE COCOA VOLUMES SOLD

Comparison of data on Fairtrade and non-Fairtrade cocoa volumes (measured in tonnes), collected from the WACP MEL data collection process and derived from other data sources such as CODImpact, reveal that the sampled WACP SPOs

(those receiving the highest level of training) sell both a higher volume of Fairtrade cocoa and have a higher percentage of sales on Fairtrade terms, compared to a sample of all Fairtrade cocoa SPOs in Côte d'Ivoire.



**Volumes of Fairtrade cocoa sold on Fairtrade and non-Fairtrade terms and percentage of cocoa sold on Fairtrade terms, sampled WACP Cocoa SPOs versus all Fairtrade Cocoa SPOs in Côte d'Ivoire (2017 and 2018)**

Sampled WACP SPOs were originally selected for the highest level of intensity of training of WACP due to their existing high Fairtrade sales volumes, and thus we cannot yet state that involvement in WACP helps to increase Fairtrade sales volumes. However, given that Fairtrade volumes for sampled WACP SPOs have remained above the comparison group over several years, we can state that involvement in WACP seems to at least help maintain elevated Fairtrade sales volumes in the face of growing competition.

We also see an increase in average volumes sold between 2017 and 2018 among the WACP SPOs, albeit with a resultant drop in the percentage of Fairtrade sales. A closer look at the data reveals that the reason for the drop in the percentage of cocoa sold on Fairtrade terms is largely due to higher cocoa production/overall sales by Fairtrade SPOs in 2018. For example,

average Fairtrade sales of sampled WACP SPOs increased by 43 percent from 2017 to 2018 but average overall sales (average Fairtrade sales plus average non-Fairtrade sales) increased by 65 percent. Basically, while the demand from the market for Fairtrade cocoa has grown consistently over the six years to 2018 (globally, SPOs sold 21 percent more cocoa on Fairtrade terms than in 2017), this demand has not been able to keep pace with overall supply. The issue of oversupply in individual SPOs is compounded by the fact that the number of SPOs in Côte d'Ivoire certified to sell Fairtrade cocoa has also grown significantly.

In an attempt to address the situation of an oversupply of Fairtrade cocoa due to the numbers of SPOs joining Fairtrade, from April 2019 the Fairtrade Cocoa Standard required SPOs in Côte d'Ivoire seeking to become Fairtrade certified to

demonstrate that there is Fairtrade market potential for their product. This is done through a letter of intent or a similar document from a (prospective) trade partner<sup>12</sup>. The measure slowed the number of newly Fairtrade certified SPOs to some extent while Fairtrade sought to address the balance between supply and demand. However, at the same time there has been an increasing number of organizations applying to be Fairtrade

certified traders and then issuing these letters of intent. Fairtrade is currently looking into this new phenomenon.

Ultimately, our aim is for Fairtrade certified SPOs to be able to sell most of their cocoa on Fairtrade terms thereby maximizing the impact for their members.

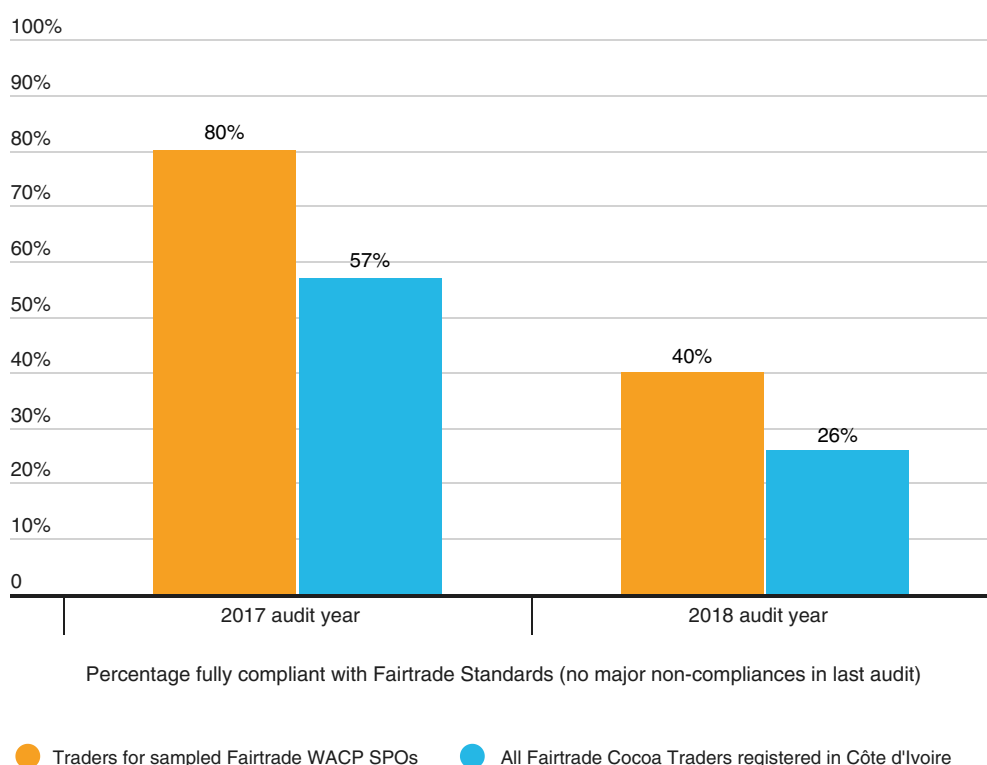
## INDICATOR #3: TRADER ADHERENCE TO FAIRTRADE STANDARDS

Fairtrade is the only major certification system with a Trader Standard. The Trader Standard complements the Fairtrade Small-scale Producer Organization Standard, aimed at farmers and their organizations, and the product-specific Fairtrade Cocoa Standard.

The Fairtrade Trader Standard has four chapters: (1) The General Requirements chapter defines the requirements related to certification, and to the labelling and packaging of finished and unfinished products; (2) The Trade chapter defines the requirements related to trading practices; (3) The

Production chapter defines the requirements related to social and environmental practices along the supply chain, and (4) The Business and Development chapter defines the requirements that make the unique Fairtrade approach to development more visible.

One of the indicators measured in WACP looks at whether WACP cocoa traders have passed their audit with no major non-compliances. If the trader has even one major non-compliance for the audit done in the corresponding year, then they are scored as a "fail" for this indicator.



*Percentage of Fairtrade cocoa traders for sampled WACP SPOs adhering to Fairtrade Standards (i.e. passing FLOCERT audit with no major non-compliances in any category) versus all Fairtrade cocoa traders registered in Côte d'Ivoire.*

<sup>12</sup> [https://files.fairtrade.net/Cocoa\\_SPO\\_EN.pdf](https://files.fairtrade.net/Cocoa_SPO_EN.pdf)

In these data, we see a reduction in compliance for the WACP SPO traders based on the 2018 audit year versus the 2017 audit year. Eighty percent of the WACP SPO traders audited in 2017 were fully compliant (no major non-compliances in that year's audit) versus only 40 percent in 2018. The same WACP SPOs traders were audited in 2017 versus 2018, meaning that this represents a decline and not a difference in samples. When compared to all Fairtrade cocoa traders registered in Côte d'Ivoire, this decline of compliance of WACP SPO traders tracks closely with the overall difference between years – 57 percent of those traders audited were fully compliant in 2017 versus only 26 percent of those audited in 2018.

The area of the Trader Standard with the greatest number of major non-compliances is that of contracts. This section mandates that contracts with SPOs follow industry regulations; that they clearly state terms on volumes, quality specifications, price, amount of Fairtrade Premium, pre-finance, etc., and that they are communicated and honoured. Issues identified in the major non-compliances include not having/signing a purchase contract, not having the purchase contract follow industry regulations in terms of all necessary elements being included, and not honouring all fixed elements of the contract.

The data from this indicator should be interpreted with these points in mind:

- For the larger sample of Fairtrade cocoa traders registered in

Côte d'Ivoire, the sample is somewhat different from 2017 to 2018 so some variation is to be expected.

- Côte d'Ivoire has seen many new traders registered over recent years. Therefore, some new traders were likely included in the analysis in 2018 and there is usually a learning curve in following the contract requirements of the Trader Standard. This is why trader certification and audits are an important compliance check. Fairtrade's approach gives traders the chance to improve, while core or ongoing major non-conformities can result in suspension or decertification.
- The indicator is fairly sensitive: just one major non-compliance means the trader gets a "fail".

The Trader Standard is currently in the middle of a Monitoring Review, which includes analyses of trader non-compliances for specific products such as cocoa.<sup>13</sup> The review will help improve the Standard and ensure that requirements are clearer and traders are engaging in ethical and fair practices when dealing with their partners. Fairtrade is also considering other measures to regulate trader behavior, such as imposing a moratorium period on traders who are decertified to prevent them from reapplying too soon. We are also looking into further training SPOs to understand their rights and improve record-keeping around their interactions with traders to ensure that the SPOs can more quickly identify non-compliant practices.

<sup>13</sup> <https://files.fairtrade.net/standards/2019-09-13-PA-TS-MonitoringReview-Draft.pdf>

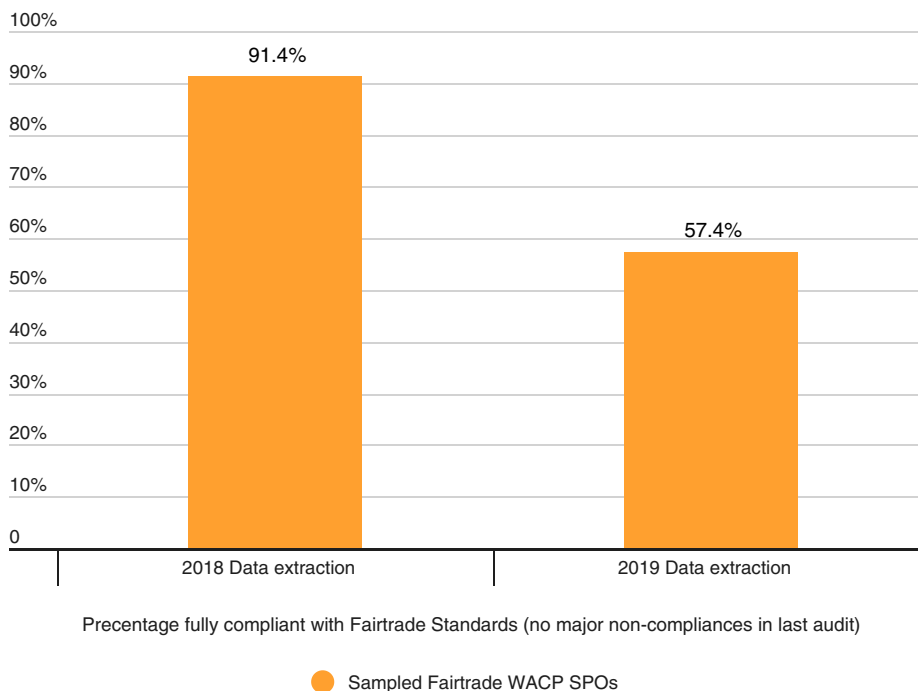


# INDICATORS TO TRACK OUTCOME: EFFECTIVE, RESPONSIVE, AND RESILIENT SPOS

## INDICATOR #4: SPO ADHERENCE TO FAIRTRADE STANDARDS

Fairtrade Standards constantly evolve as they undergo a regular schedule of review, consultation and renewal. The Standards are also progressive from the perspective of time: the longer an SPO is certified the greater the number of Standard requirements that apply as the SPO develops. Audits and the issuing of non-compliances is an example of how the Fairtrade Standards can be utilized to provide assurances of the integrity of the Fairtrade supply chain. It is only once you identify a problem that measures can be taken to solve it.

One of the indicators measured in WACP looks at whether, at the time of the extraction from the audit record database, WACP SPOs have passed their last audit on record with no major non-compliances. If the SPO has even one major non-compliance in the last audit, then they are scored as a “fail” for this indicator. The data year is not consistent for all SPOs because their most recent audits may have been done at different times. In 2019, in Côte d’Ivoire, FLOCERT carried out 258 audits with 245 certified SPOs and 33 audits with 30 certified traders. The figure below is for audit results of those sampled WACP SPOs only.



*Percentage of Fairtrade WACP Cocoa SPOs adhering to Fairtrade Standards (i.e. passing FLOCERT audit with no major non-compliances in any category) based on 2018 and 2019 data extraction*

We see that there is a reduction in compliance between the 2018 and the 2019 data extraction. This means that more WACP SPOs sampled had at least one major non-compliance in their last audit when the data was extracted in 2019 compared to 2018. Note that the two samples were not exactly the same due to the changing of SPOs supplying consumer brands.

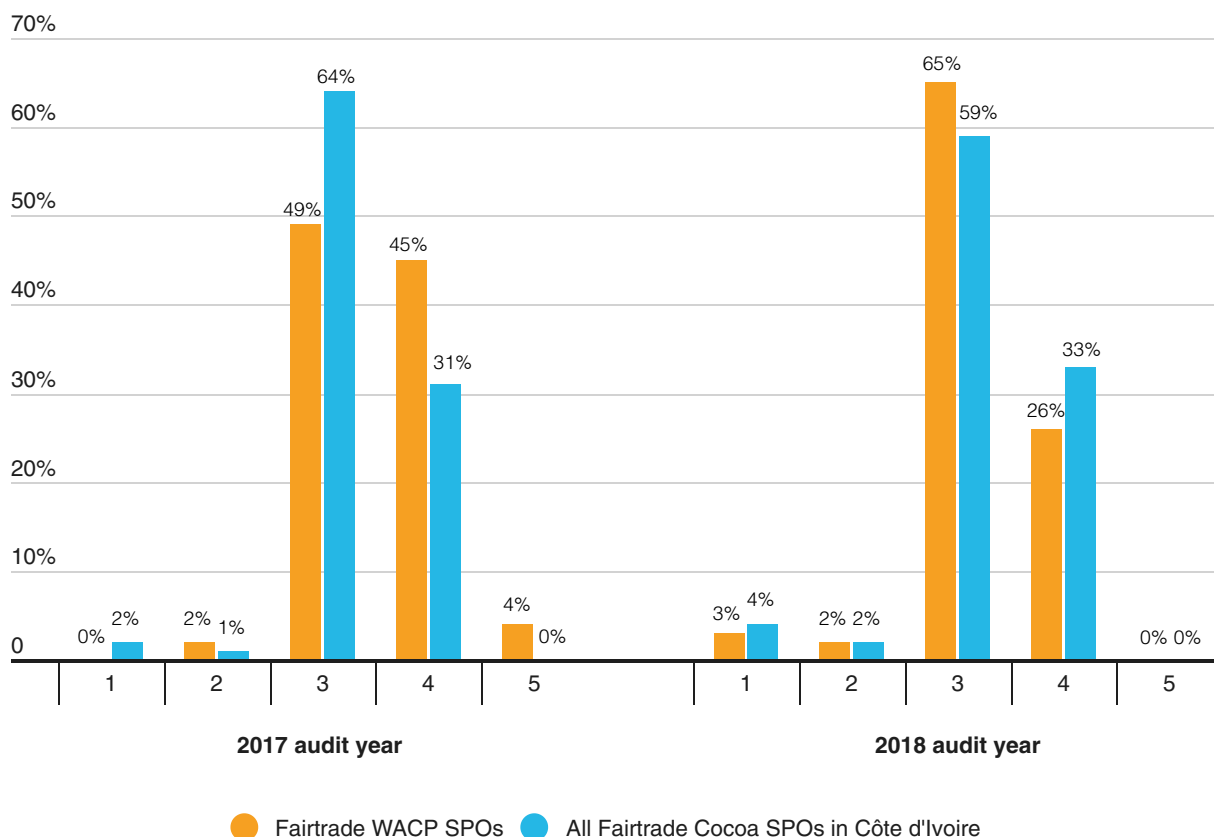
An analysis of the reasons for the major non-compliances reveals that there is some work to be done regarding traceability.

FLOCERT has been placing increasing focus on the traceability of cocoa in SPOs during audits. Ivorian SPOs are allowed – through the national regulations governing them – to buy up to 20 percent of the volume they sell from outside of their own membership. Consequently, FLOCERT has increased its focus on ensuring that there is adequate segregation of Fairtrade and non-Fairtrade cocoa within the SPOs and paperwork on the flow of cocoa from the farmer to the SPO warehouse.

Analysis also identified that improvement is needed to ensure that all members of the SPOs are informed of the Fairtrade Standards. We cover the actions taken by FTA and the SPOs to address this in the narrative on Indicator 10.

Here, we also compare the distribution of audit scores for all WACP SPOs sampled versus all Fairtrade cocoa SPOs in Côte

d'Ivoire for both the audit year 2017 as well as 2018. In audit year 2017, the sampled WACP SPOs have a higher proportion of 4s and 5s compared to all Fairtrade cocoa SPOs audited in 2017 in Côte d'Ivoire<sup>14</sup>. In audit year 2018, the proportion of 4s and 5s is slightly lower. However, in both years, the audited WACP SPOs have a lower proportion of major non-compliances (1s and 2s) than other SPOs.



**Distribution of audit scores for FLOCERT Major Criteria (2017 and 2018 audit years) for Fairtrade WACP SPOs versus all Fairtrade cocoa SPOs in Côte d'Ivoire**

<sup>14</sup> For FLOCERT compliance criteria, a "3" is a pass, meaning that the audited organization has met the standard for that compliance criteria. A "1" or "2" is a fail, meaning that the organization has not met the standard for that compliance criteria. "4" or "5" are given when the organization exceeds or far exceeds the standard for that compliance criteria (e.g. on child labour, going beyond not having any child labour cases found by the auditor to ensuring that there is a policy in place to prevent it and setting up a system to monitor and remediate cases).

## INDICATOR #5: SCOPE INSIGHT

Fairtrade Africa uses an assessment tool called SCOPE Insight to measure the capability of Fairtrade SPOs on a variety of measures, including governance, administration, technical knowledge, internal or external risks, and more. SCOPE Insight provides business intelligence for SPOs as it measures their level of professionalism. The assessment and associated remedial measures aim to increase transparency, lower investment risks, improve management expertise, and attract partners.

In this indicator, we compare the average score of those WACP SPOs for which data is available to all Fairtrade SPOs in Africa surveyed for the time periods of early 2017 to mid-2018 and mid-2018 to end 2019. We find that for those SPOs surveyed

under SCOPE Basic (the assessment tool for those relatively less advanced SPOs), the average score for the 2017/2018 assessments was higher for the WACP SPOs compared to all Fairtrade SPOs in Africa. For the 2018/2019 assessments, the average scores were roughly the same. The maximum score for SCOPE Insight is 5. Therefore, scores of 3.2-3.3 are in the mid-range.

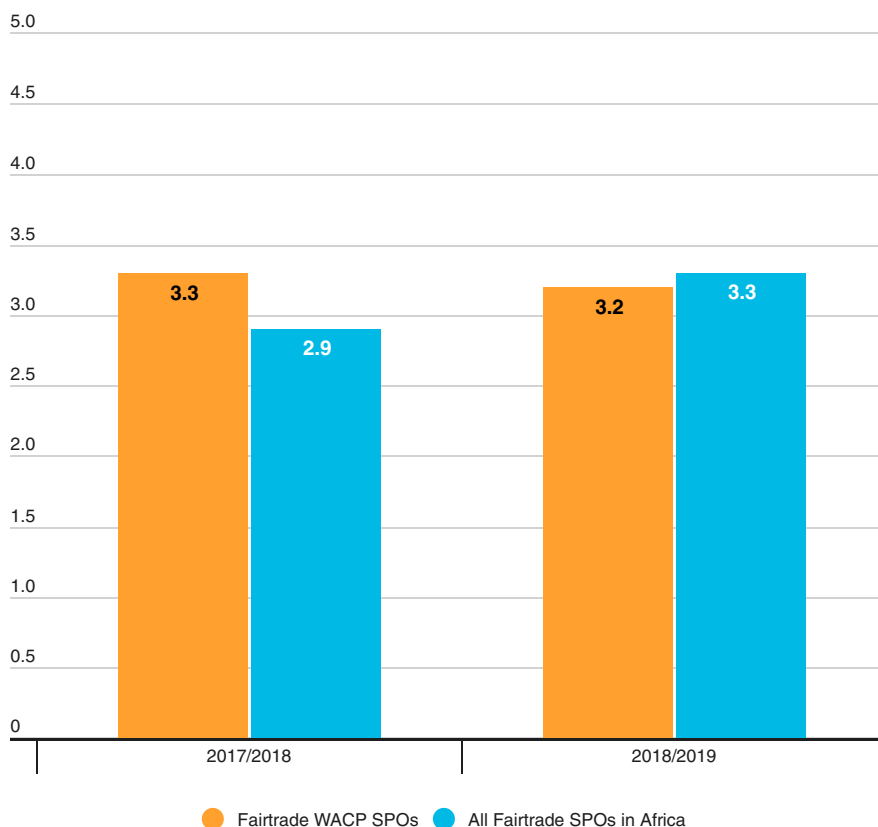
Both the Scope Insight assessments and this indicator have revealed the SPOs' state of professionalism and informed WACP trainings and further interventions aimed at improving the business capacity of the SPOs.

Amidou Kone, General Secretary of KAPATCHIVA (Ecookim), located in Daloa, Côte d'Ivoire, says SCOPE Insight has helped his SPO:

"The SCOPE evaluation allowed us to know our strengths and weaknesses. With regard to our General Assembly, it showed us that we do not always respect the rules and policies of the cooperative. As a result, when we received the SCOPE assessment, we put in place a strategic plan to overcome this weakness. Now, the SPO considers the needs of producers, sets up sub-committees in the communities to collect producers' expectations, defines farmers' priorities with them and then sends them to the General Assembly. These needs are inclusively discussed before decisions are made. Fairtrade has taught us true democracy because we involve producers in decision-making."



**Amidou Kone, General Secretary of the cooperative KAPATCHIVA (Ecookim), Côte d'Ivoire**

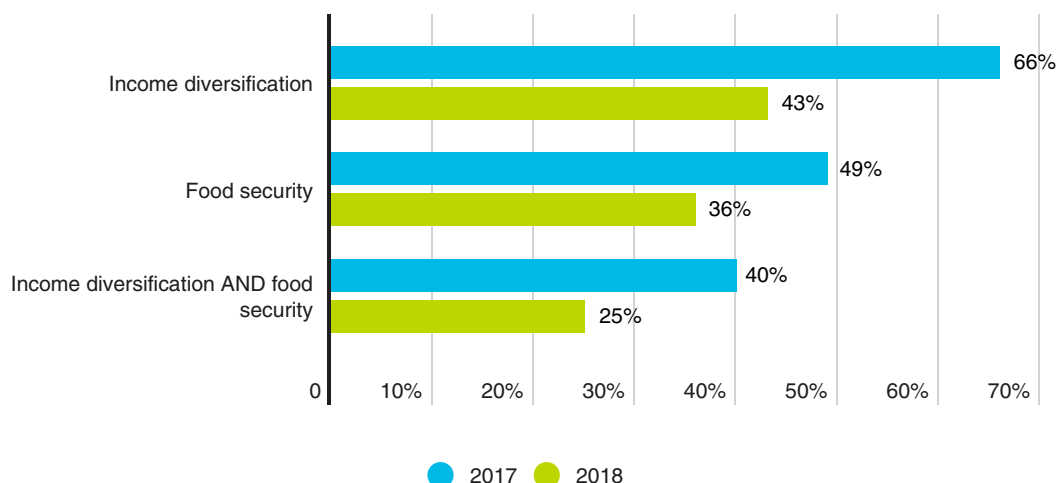


**SPO performance using SCOPE Insight (2017/2018 and 2018/2019)**

## INDICATOR #6: INCOME DIVERSIFICATION AND FOOD SECURITY

Some of the topics for WACP trainings include training SPO management to roll out trainings on income diversification and food security for their members. This is to contribute to the

desired WACP outcome of WACP SPOs in Côte d'Ivoire and Ghana being more effective and resilient as businesses and responsive to their members' needs.



*Percentage of WACP SPOs who took concrete actions regarding income diversification, food security, or both (2017 and 2018)*

Here, we see that 43-66 percent of SPOs have implemented income diversification activities, 36-49 percent have implemented food security activities while 25-40 percent of SPOs have implemented both activities.

Income diversification activities commonly included SPOs members selling non-cocoa crops or other products (plantain trees, atiéké, cassava, yam, fish) to their members, and training and supporting them in their cultivation and sales. Food security activities commonly included SPOs making non-cocoa crops meant for personal consumption (cassava, rice, maize) available to their members, and training and supporting them in their cultivation. There can be overlap between income diversification and food security activities as some crops can either be sold or personally consumed.

We speculate that the decline from 2017 to 2018 may be because SPOs supported many projects in 2017 which they were still seeing to fruition in 2018 (e.g. waiting for crops to become harvest-ready, etc.) and so didn't need to support as many projects that year.

As mentioned earlier in this report, past evidence has shown that more diverse sources of income (beyond cocoa) and greater food security leads to more economic security and better livelihoods for Fairtrade farmers. WACP trainings for those SPOs at the highest level of intensity include some around income diversification projects. In addition, WACP training in good agricultural practices (GAP) includes discussion and training around diversification and biodiversity on member farms. SPOs at the highest level of WACP training are also supported by Fairtrade Africa in setting up programmes for women and young people, which often include income diversification/food security activities.

Kouadio Yah Assoko Julienne, a farmer at Capressa, located in Abengourou, Côte d'Ivoire, appreciates the income diversification and food security activities enabled by her SPO and WACP:

"I am feeling so confident to talk about income generation because I know what it means. As you know, the income from cocoa is only for four months. Today, with the cooking and selling of atiéké, tomato and cucumber, we earn more money for our households without waiting for the sale of our cocoa. We also use this money to invest in our cocoa farms."



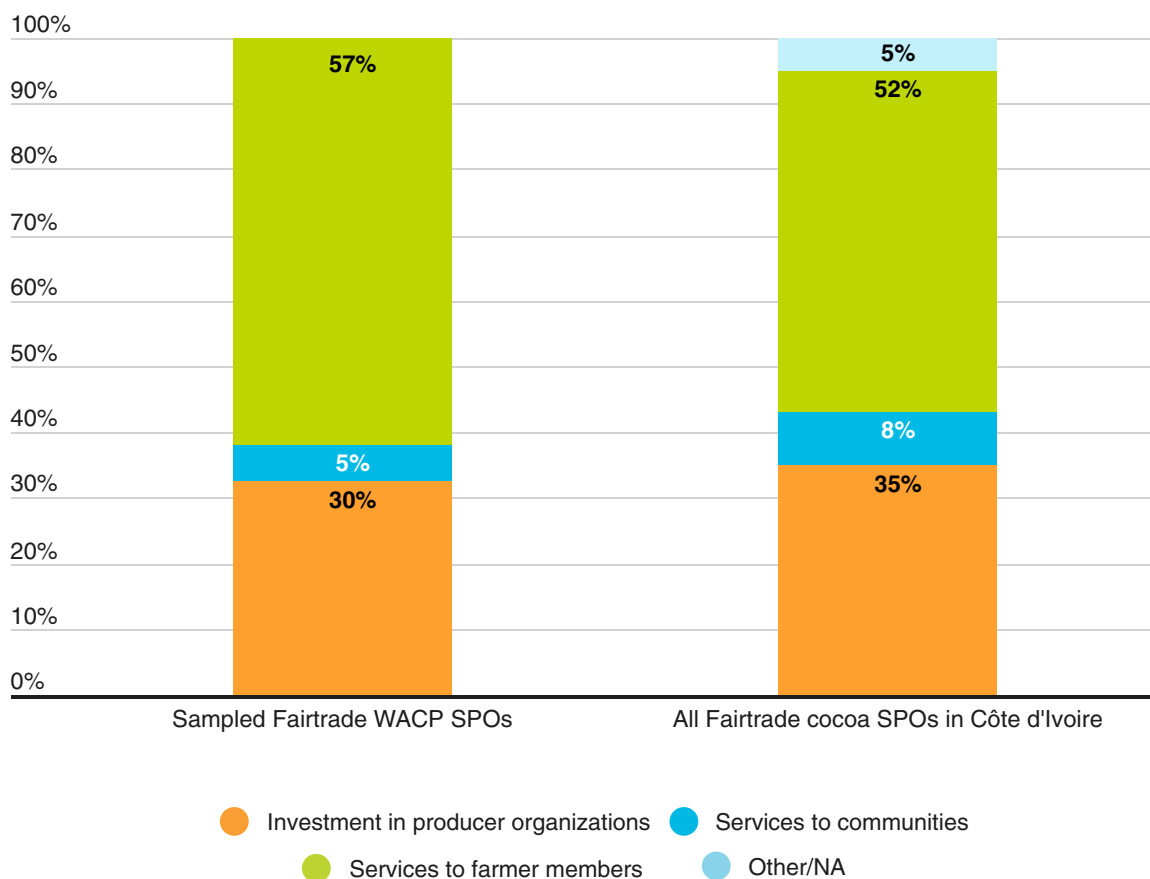
*Kouadio Yah Assoko Julienne, a farmer at SPO Capressa, Côte d'Ivoire*



## INDICATOR #7: FAIRTRADE PREMIUM SPENT ON SPO RUNNING COSTS

Analysis of Premium Use data for 2016/2017 (the most recent year available which was also after the WACP was launched) shows that WACP SPOs spent slightly less of their Premium on

their own producer organizations and more of their Premium on services to farmer members (such as farmer training, educational services, provision of tools, inputs and cash bonuses, etc.).



*Premium Use for WACP SPOs versus all Fairtrade cocoa SPOs in Côte d'Ivoire (2016/2017 Premium Use data)*

One of the WACP indicators is the percentage of Premium spent on SPO running costs. The categories of Premium use that are included under running costs are listed on the following page. The idea was to give an indication of a SPO's financial viability. Younger SPOs could reasonably be expected to use more of their Fairtrade Premium to fund these costs (e.g. to get started and established), while older SPOs should ideally be able to shoulder these costs from their core revenues. Therefore, if an older SPO is using a large percentage of its Premium on these costs, it is a "red flag" requiring further investigation.

We find that for the 2016/2017 Premium Use data year, WACP SPOs were only spending (on average) 16 percent of their Premium on running costs compared to 23 percent for all Fairtrade cocoa SPOs in Côte d'Ivoire. The lower percentage of Premium spent on running costs is encouraging in the context of the WACP objective of SPOs being strong and viable businesses responsive to members' needs. However, Fairtrade will be seeking to further develop its understanding of this expenditure and will, where appropriate, work with SPOs to reduce reliance on Premium funds for running costs. WACP training modules already include several that are focused on improving financial and Premium management within SPOs.

	<b>Audit Year 2016/2017</b>
Sampled Fairtrade WACP SPOs	16.10%
All Fairtrade Cocoa SPOs in Côte d'Ivoire	23.10%

*Percentage spent on Running Costs by WACP SPOs  
versus all Fairtrade cocoa SPOs in Côte d'Ivoire  
(2016/2017 Premium Use Data)*

<b>Major Category</b>	<b>Minor Category</b>	<b>Sub-Category</b>
Investment in producer organizations	Facilities and infrastructure	Crop collection services (transport/ collection)
Investment in producer organizations	Facilities and infrastructure	Crop storage infrastructure (warehouses)
Investment in producer organizations	Facilities and infrastructure	Export and packing facilities
Investment in producer organizations	Facilities and infrastructure	Office facilities (IT/furniture)
Investment in producer organizations	Facilities and infrastructure	Processing facilities
Investment in producer organizations	Facilities and infrastructure	Quality and checking facilities
Investment in producer organizations	Facilities and infrastructure	Rental or purchase of buildings
Investment in producer organizations	Facilities and infrastructure	Rental or purchase of land
Investment in producer organizations	Human resources and administration	Costs of debt/banking/financing/loans
Investment in producer organizations	Human resources and administration	Office running costs
Investment in producer organizations	Human resources and administration	Staff costs
Investment in producer organizations	Human resources and administration	Other HR and administration costs

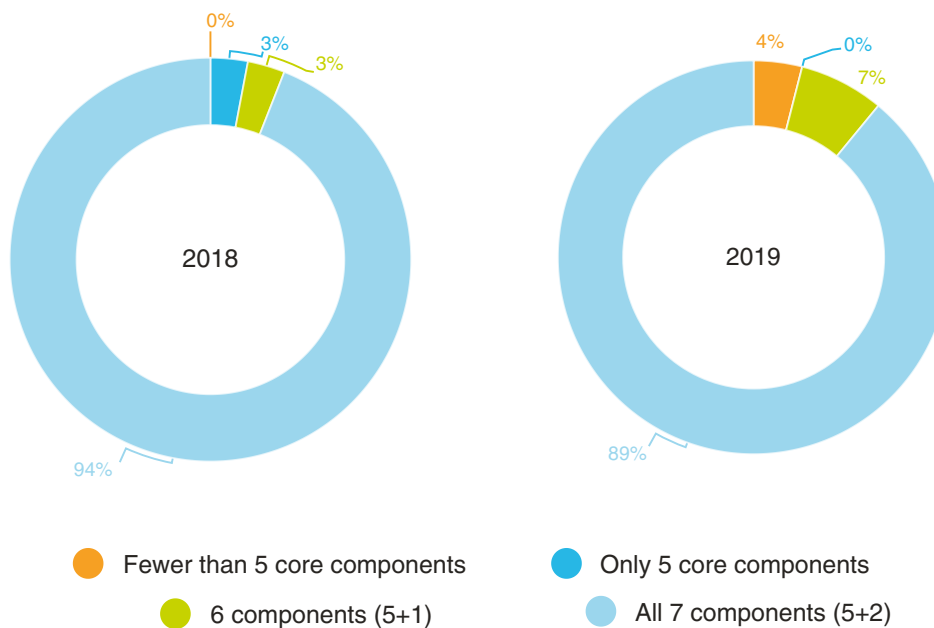
*Premium Use Categories included under SPO Running Costs*

# INDICATORS TO TRACK OUTPUT #1: FUNCTIONAL SPOS

## INDICATOR #8: INTERNAL MANAGEMENT SYSTEMS

Fairtrade has dedicated significant WACP training time in 2018 and 2019 to training SPOs on the concept of an Internal Management System (IMS), the requirements of an IMS, and its benefits. There are a total of seven components for an IMS for Fairtrade cocoa SPOs: (1) Up-to-date records of members, (2) Compliance management, (3) Allocation of tasks and responsibilities, (4) Membership agreements (5) Plan of training and support activities, (6) Collection of household and farming data to enable farm assessments, and (7) Development and review of farm improvement plans. Having an IMS became mandatory in 2019 for SPOs in Year 3 according to the revised Fairtrade Cocoa Standard.

Here, we see that the percentage of WACP SPOs with completed or near-completed IMS is high. There was a slight drop between 2018 and 2019 due to some of the SPOs missing one or more components of their IMS (every SPO had at least some form of IMS). Closer analysis of the data and discussion with enumerators revealed that SPOs were having problems with data archiving with regard to member records. This may be because recent growth in both Fairtrade cocoa SPOs and membership within these SPOs have left SPO management struggling to keep up. Encouragingly, around 94 percent of the WACP SPOs sampled said they had a completed IMS in 2018; 89 percent said they had in 2019.



*Percentage of SPOs with 5, 6, and 7 components of an Internal Management System.*

In late 2019, Fairtrade commissioned an external consultant to review the utilization of IMS by a sample of SPOs and, if relevant, propose a process for improving the situation. The review found:

- How data is collected, shared and analysed within Côte d'Ivoire's cocoa value chain is hugely complex, involving numerous partners and touching on many competing and interrelated issues (e.g. traceability, sustainability, child labour and environmental protection). SPOs fit uneasily into this data chain, collecting and sharing data as directed by their regulator,

certifiers and commercial partners, but gaining little or no value from the data flow. In most cases SPOs are providing data to multiple partners.

- The sample of SPOs are all implementing their own IMS projects with a range of different partners. Some of the SPOs researched were highly advanced in their data collection and automation using several platforms that could form the basis of a model/framework to be used by other SPOs. But other SPOs have only basic data management (on laptops and

spreadsheets), still use paper receipts and invoices and rely on the SPO delegates (personnel responsible for managing the membership of the various communities, known as sections, of the SPO) to enforce key compliance requirements.

- Traders often operate their own sophisticated systems which produce high value data on farmers, their farms, dependents and cocoa flows. But these systems and the data are proprietary. In the examples seen, little or none of the data was shared with SPOs. The traders often post contractors to the SPOs to collect, analyse and send data to their systems, so none of the SPO staff know how to extract value from it.

- Despite the lack of effective IMS in SPOs studied, they are collecting rich, detailed and relevant data on farmers, their dependents, farms and cocoa deliveries. Most SPOs have

adequate data to make any farmer bankable, yet most farmers have no bank account and only a small proportion are using micro insurance services. This is partly because the data being created by SPOs is disaggregated and little of it is being shared internally or analysed.

- As a result of the above factors, the SPOs studied have little sense of ownership of the data they produce and share, nor do they know all its value or how to extract its value.

In 2020, Fairtrade will issue a tender for a pilot project with the key objective of empowering SPOs to have ownership of their data, be able to understand its value and have the knowledge to exploit and manage data effectively. Based on the results and subsequent donor funding the pilot project would be rolled out to a wider number of SPOs in 2020/2021.

## INDICATOR #9: BEST PRACTICES ON SOCIAL COMPLIANCE

One of the WACP indicators is looking at the percentage of WACP SPOs that achieve high audit ranks on each of the three social compliance topics: child labour, forced labour, and gender-based violence. High scores (above 3) mean that this SPO is going beyond the minimum requirements into development requirements on that topic and is achieving best practice. A score of 4 on a social compliance criterion generally means that

the SPO has a relevant policy, and a 5 generally means that they have both a relevant policy as well as an Internal Management System (IMS) or equivalent which monitors for unacceptable practices. Having policies and an IMS help to continuously monitor for and respond to non-compliances, including ensuring that persons withdrawn from the unacceptable labour practices are safely remediated.

2018 data extraction	2019 data extraction
15%	21%

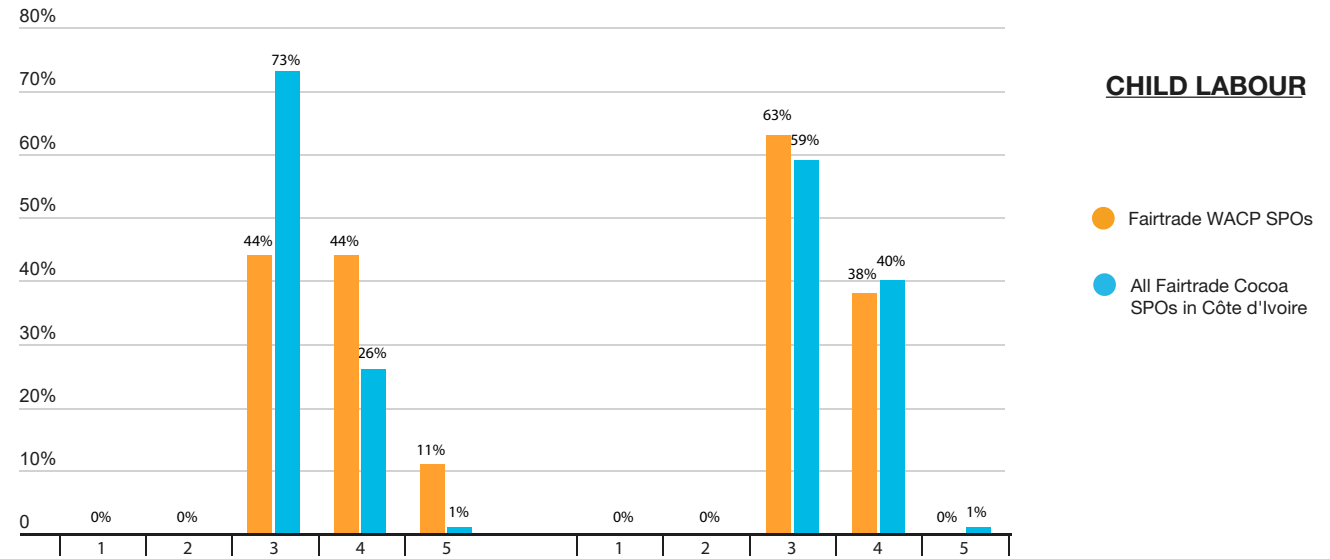
*Percentage of WACP SPOs with a rank 5 on either child labour, forced labour, or gender-based violence compliance criteria in their last posted audit*

Looking at the sampled WACP SPOs, at the time of the 2018 data extraction, 15 percent of them scored a 5 on either child labour, forced labour, or gender-based violence compliance criteria during their last audit. At the time of the 2019 data extraction, 21 percent scored a 5, showing a slight increase. It is important to note that the last audit for any given SPO could have taken place anytime during the previous three years.

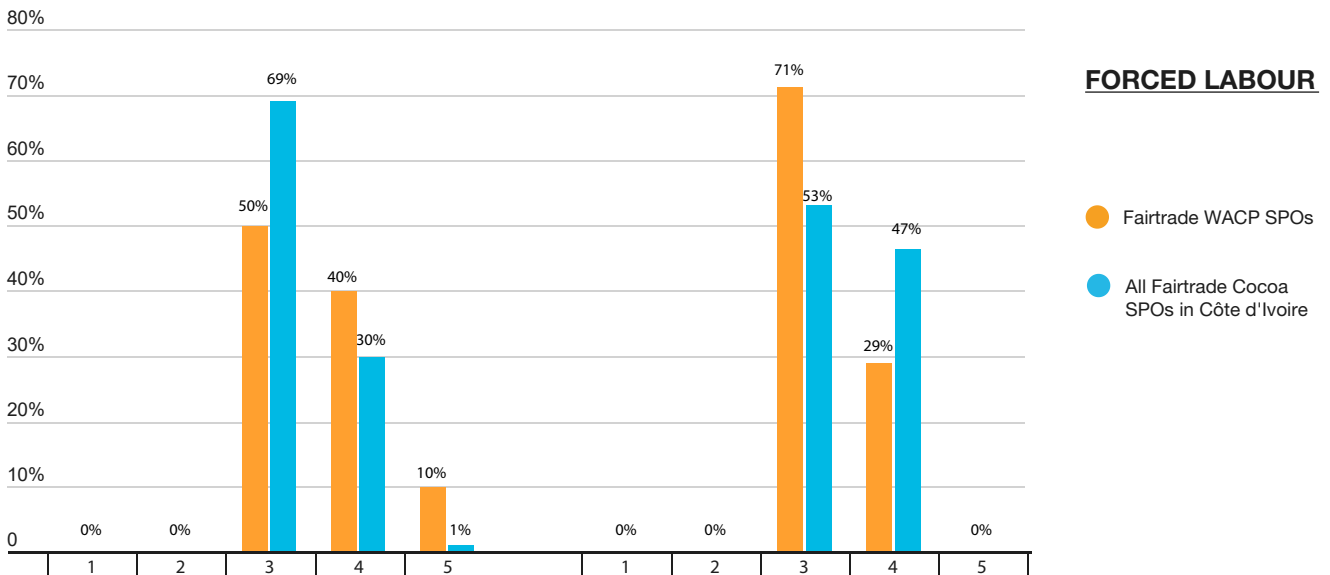
We also compare here the sampled WACP SPOs, which were audited in 2017 and 2018 respectively with all the Fairtrade cocoa SPOs in Côte d'Ivoire which were audited in those years. We find that the sampled WACP SPOs generally scored a

higher percentage of 4s and 5s for all topics in 2017, and had a similar distribution for the child labour compliance criterion in 2018. Because not all SPOs are audited every year, this does not necessarily indicate a decline for any given SPO. The sampled WACP SPOs have fewer high scores for forced labour and gender-based violence compliance criteria compared to all Fairtrade cocoa SPOs in Côte d'Ivoire in 2018.

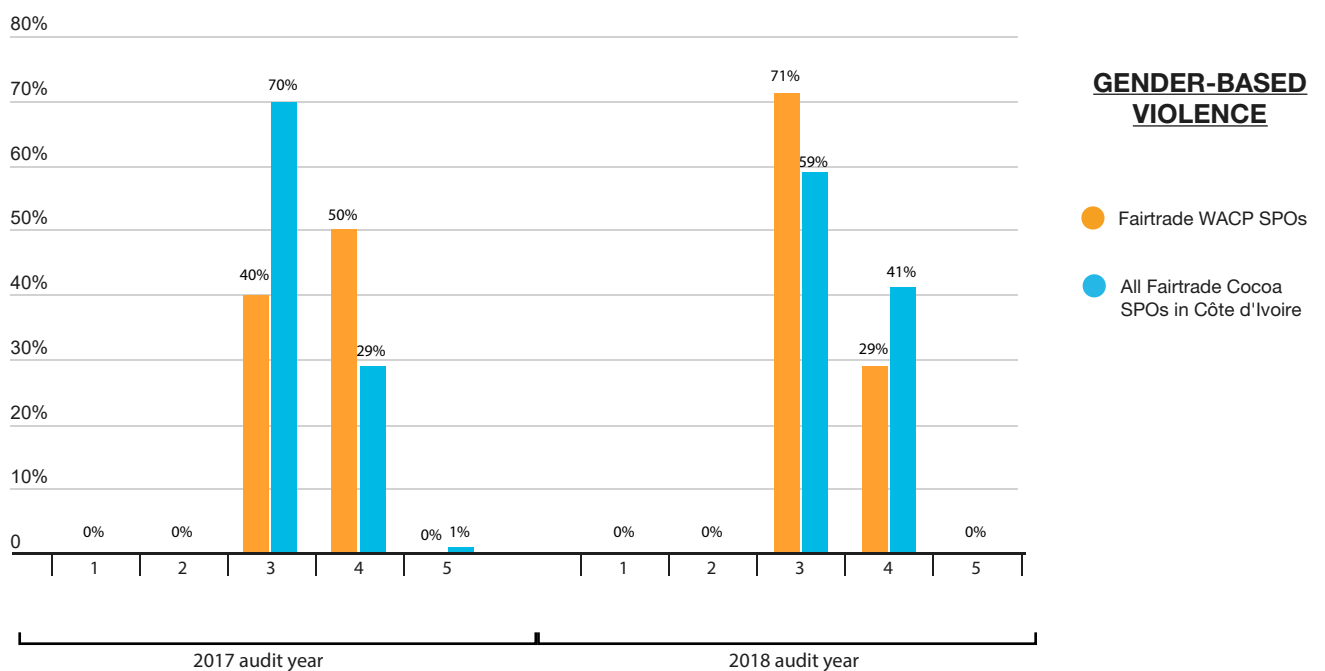
**CHILD LABOUR**



**FORCED LABOUR**



**GENDER-BASED VIOLENCE**



Distribution of FLOCERT Audit Scores for Child Labour, Forced Labour, or Gender-Based Violence Compliance Criteria of WACP SPOs versus all Fairtrade Cocoa SPOs in Côte d'Ivoire (2017 and 2018 audit years)



In 2019, Fairtrade joined the International Cocoa Initiative (ICI) as a Non-Profit Contributing Partner. The partnership allows the two organizations to learn from each other, improve their existing operating models, and reach more children and their families in cocoa communities in Côte d'Ivoire and Ghana to achieve a shared goal of eliminating child labour and enabling child protection.

Since March 2019 when Fairtrade joined the organization, ICI and Fairtrade have exchanged information on the approaches and results of their respective Monitoring and Remediation System and collaborated on an ICI review of the effectiveness of such systems. Currently, it is estimated that 15 percent of the total number of cocoa-growing households in Côte d'Ivoire and Ghana are covered by a Child Labour Monitoring and Remediation Systems (CLMRS) - whether an ICI CLMRS or another form.

Both Fairtrade and ICI would like to see this figure increase, but there are challenges to scaling this up. For example, the extent to which farmers are organized in a cooperative structure and the ability of such systems to support farmer training and capacity building can require significant set-up efforts. ICI estimate that their Child Labour Monitoring and Remediation Systems cost approximately US\$70 per farmer per year to implement. The initial support to farmers' groups is provided for three years, after which the system is expected to function independently, implying set-up as well as ongoing running, and prevention and remediation costs. Both organizations are currently looking to address the challenge to scale up that these costs pose, without compromising the robustness and impact of the system, by looking at a number of factors including further mainstreaming in supply chain and community structures, risk-based mechanisms, and increased collaboration with government social services. Human Rights Due Diligence legislation does offer one solution for scaling up funding by insisting all companies that place cocoa or cocoa products in the consumer market help pay for these systems as part of the true cost of production, thereby creating a level playing field.

The two organizations will continue to work together, exploring how CLMRS can be more easily embedded in supply chains and across communities and further scaled up. Operational collaboration in SPOs where both organizations operate is expected to start soon, with the aim of supporting best practice sharing and improving the two approaches, as well as piloting innovative approaches such as risk-based monitoring.

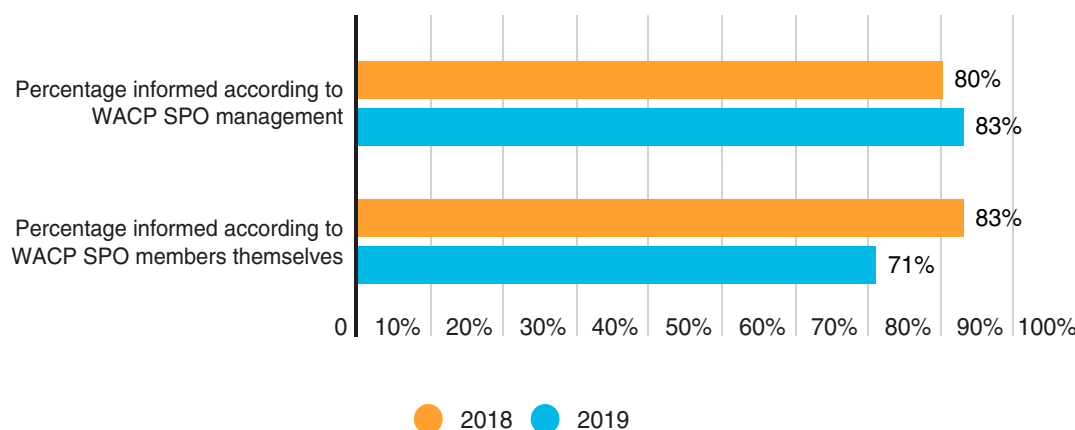
In addition to these fundraising and operational efforts, the two organizations are also working together at a policy and strategic level. Efforts include collaboration on the development of a regional standard for sustainable cocoa in West Africa, support for due diligence measures in consuming countries and joint advocacy towards the European Union on appropriate mechanisms to prevent and address child labour risks in the cocoa sector. These efforts will be strengthened in 2020 in the context of the revision of the Fairtrade Cocoa Standard, the release of results of an EU-funded independent evaluation of Fairtrade monitoring and response, and increased policy and advocacy collaboration. Both organizations look forward to building on the strong foundation of collaboration developed with Fairtrade in 2019 to further strengthen our collective impact on the lives of children and their families.

## INDICATOR #10: FAIRTRADE STANDARDS ACCESSIBLE AND UNDERSTOOD BY MEMBERS

SPO membership awareness of the Fairtrade Standards is critical as it facilitates the members’ awareness of their ownership of their SPO, promotes SPO engagement and encourages participation in Annual General Meeting and other key events which make the SPO leadership accountable. Democracy, participation and transparency are at the heart of the Fairtrade Standards.

During the 2018 data collection, around 80 percent of the sampled WACP SPO members were informed according to both (1) SPO management and (2) the SPO members themselves.

These figures were derived by asking the SPO management the percentage of their members they estimated they had informed about Fairtrade environmental and labour Standards, and by asking selected households in selected SPOs if they had been informed of these same Standards. When the WACP SPO managers were asked how they would inform the remaining members, most of them said through trainings. During the 2019 data collection, there was a greater divergence than in 2018 – 83 percent of members were informed according to the WACP SPO management respondents, while only 71 percent of members were informed according to the sample of households.



*Percentage of SPO members informed about Fairtrade environmental and labour Standards according to (1) WACP SPO management and (2) WACP SPO members themselves (2018 and 2019)*

A total of 64 percent of WACP SPOs had informed their members of these Standards in 2018, with a dip to 36 percent in 2019. To get a “yes” on this indicator, the SPO must have informed 80 percent or more of their members. Similarly to Indicator #4, this dip in 2019 implies that there is some work

to do in terms of ensuring that all SPO members are informed about Fairtrade Standards and understand Fairtrade. However, comparing WACP SPOs to all Fairtrade cocoa SPOs in Côte d’Ivoire for both the 2017 and 2018 audit years, we see that the WACP SPOs are doing better.

2018	2019
64%	36%

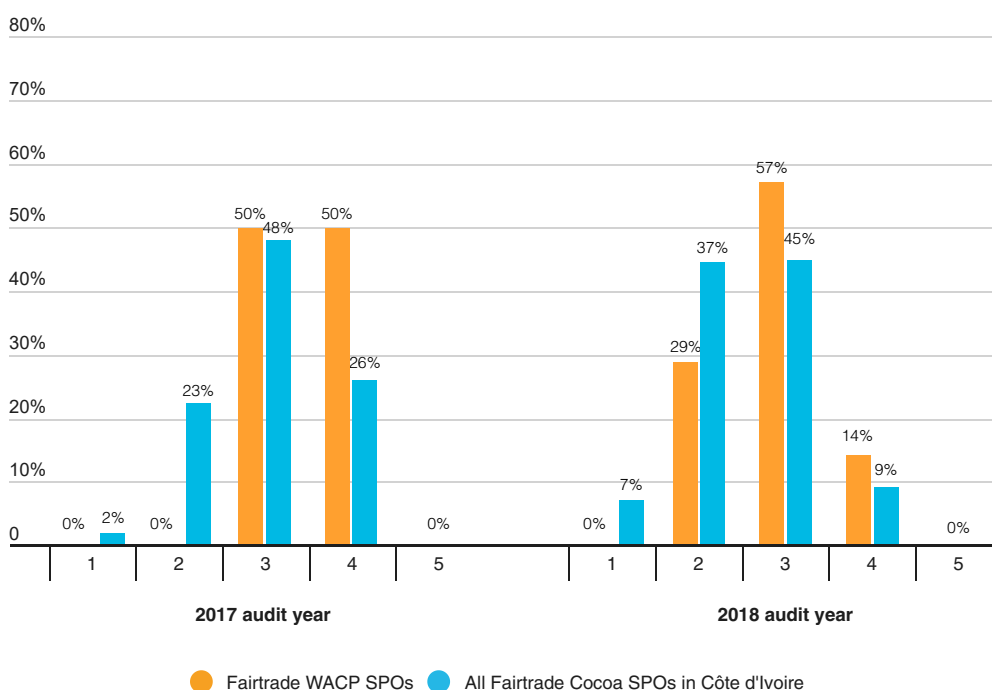
*Percentage of WACP SPOs with environmental and labour Fairtrade Standards accessible and understood by membership (2018 and 2019)*

In 2018, Fairtrade Africa identified that the ‘cascading’ of WACP training from SPO management and SPO delegates (personnel responsible for the relations and transfer of information between SPO members and the SPO management) to SPO members needed to improve. SPOs identified lack of capacity and financial means to support the transfer of knowledge.

Based on the SPOs’ own proposal, Fairtrade Africa and the SPOs implemented a Training of Trainers approach in SPOs in late 2019. Cooperatives were first requested to identify potential master trainers among their staff for capacity building. Through a participative process (involving the SPO Board of Directors, SPO operational team, Fairtrade team), a number of SPOs trainers were selected to ‘cascade’ the training provided by Fairtrade under the supervision of FTA field staff. The trainers’ activities

are jointly funded by Fairtrade Africa and the SPO. In Côte d'Ivoire, 112 cooperative trainers worked alongside FTA staff. A total of 28 SPOs were coached by Fairtrade Africa staff who then

accompanied them to ensure trainings reached 10,626 men and 3,512 women. WACP MEL data collection in 2020 will indicate whether this Training of Trainers approach is bearing fruit.



*Distribution of FLOCERT Audit Scores (out of 5) for informing SPO members about Fairtrade environmental and labour Standards, WACP SPOs versus all Fairtrade Cocoa SPOs in Côte d'Ivoire (2017 and 2018 audit years)*

## INDICATOR #11: AVOIDING DAMAGE TO PROTECTED OR HIGH CONSERVATION VALUE AREAS

The learning workshop with SPOs, their consumer brands, and Fairtrade in Yamoussoukro, Côte d'Ivoire in May 2019 showed that SPOs cared about ensuring that the expansion of production by their members did not lead to deforestation. In particular, they were keen to ensure there were no incursions by members into protected areas or other areas of high conservation value (HCV areas). For this reason, we added an indicator to the audit results on avoiding damage to protected areas.

For this compliance criteria, a 3 means the SPO has passed and there is no evidence that its members are conducting damaging activities in protected or HCV areas. Those SPOs with a 4 or 5 on this compliance criterion have achieved best practice by avoiding impacts on protected or HCV areas and effectively controlling member activities in protected areas (4) or actively promoting conservation (5).

During the 2019 data extraction, 21 percent of the WACP SPOs scored 4 or 5 on this compliance criterion. Comparing the WACP SPOs with all Fairtrade cocoa SPOs in Côte d'Ivoire, we see

that the WACP SPOs audited in 2017 scored almost twice as many 4s as their comparison SPOs. The WACP SPOs audited in 2018 scored slightly fewer 4s (11 percent versus 14 percent) compared to their comparison SPOs but had lower percentage of failures (zero compared to four percent).

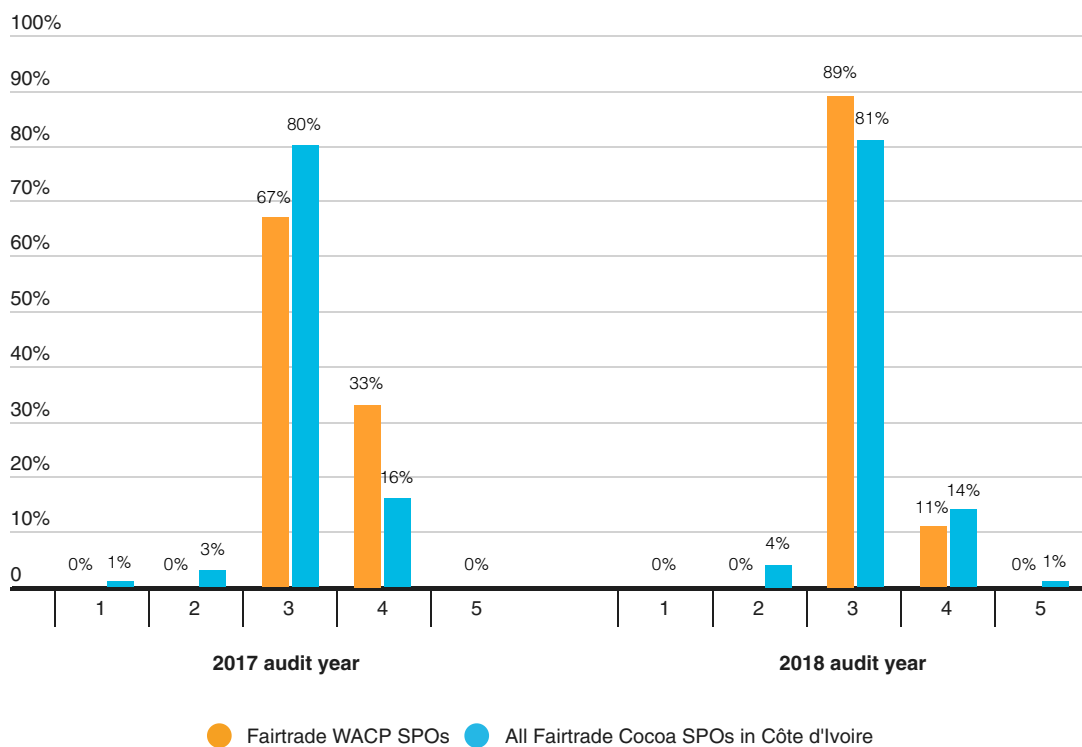
2018 Data Extraction	2019 Data Extraction
Not available	21%

*Percentage of WACP SPOs implementing best practices for avoiding damage to Protected or High Conservation Value Areas*

In July 2018, the law in Côte d'Ivoire was strengthened. Presidential decree No. 444 made it a first degree failing for FLOCERT to certify SPOs with members in protected areas. From this point the approach to auditing shifted: SPOs would now have to put in place agreed remedial action to address the issue before their next audit. Since July 2018 the SPO has been required to remove the member who is farming in a protected area from their member list immediately. In all cases traceability and segregation of non-/member, non-/certified cocoa must be in place at delivery level until sale in order for certification to be maintained.

Fairtrade is increasingly looking into how we can use data to ensure that our production does not damage the environment. We are particularly conscious that there has been significant

farm mapping in West Africa by signatories to the Cocoa and Forests Initiative. In the consultation on the Ivorian Sub-Regional Standard for sustainable cocoa (ARS 1001-3) we advocated that it would be in the public good to make such data freely accessible to cocoa farmers and their SPOs regardless of commercial relationships. Fairtrade as an organization recently completed an analysis of its environmental impact and has been working on the Atlas Project, using Fairtrade and external geospatial data to map the overlap between Fairtrade production areas and historical deforestation<sup>15</sup>. During 2020 and 2021 Fairtrade will be reviewing its Cocoa Standard. This will provide an opportunity to review assurances on deforestation through farm mapping and monitoring loss of forest cover from a commodity and regional perspective.



**Distribution of FLOCERT Audit Scores for Avoiding Damage to Protected or High Conservation Value Areas, WACP SPOs versus all Fairtrade Cocoa SPOs in Côte d'Ivoire (2017 and 2018)**

<sup>15</sup> More information is available at <https://iseal.maps.arcgis.com/>

# INDICATORS TO TRACK OUTPUT #2: MORE ENGAGED AND KNOWLEDGEABLE SPO MEMBERS

## INDICATOR #12: SPOS BEING RUN EFFECTIVELY

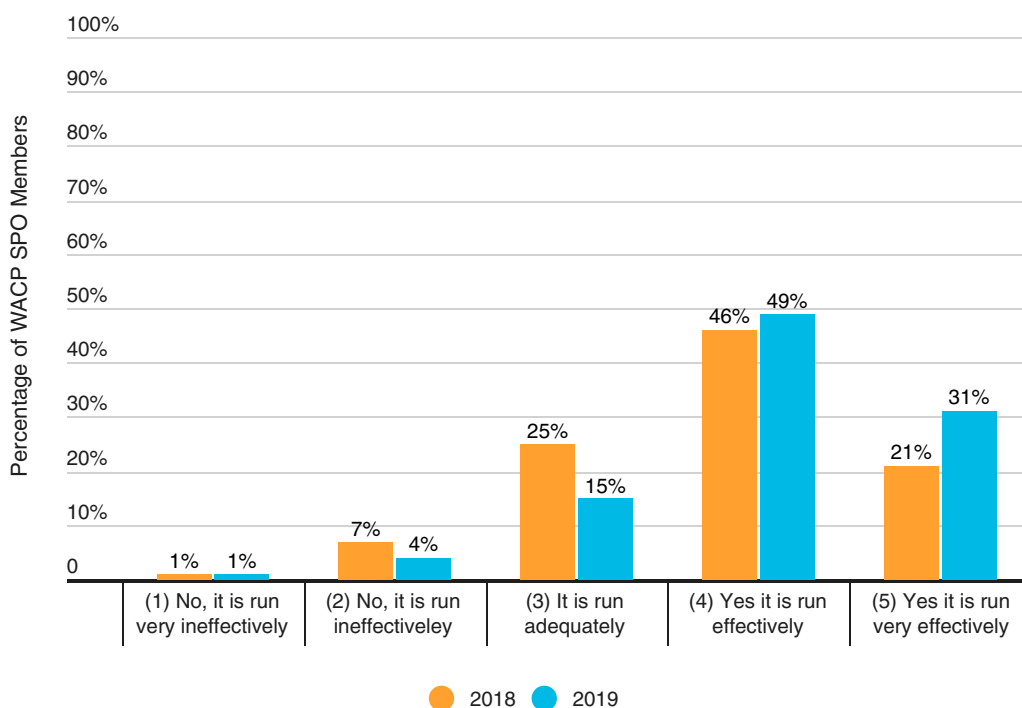
During the 2018 data collection, 65 percent of those WACP SPO members surveyed said their SPO was being run effectively. During the 2019 data collection, 81 percent of those members surveyed said that their SPO was being run effectively. Note that the same SPOs are not being surveyed each year so the 2018 and 2019 figures are not directly comparable. However, it is positive to see that an average of 73 percent of members over the two years feel their SPO is being run effectively.

Looking at the distribution of responses for this same question, we see that only between five percent (in 2019) and eight percent (in 2018) feel that their SPO is being run ineffectively. Delving deeper into the data, these negative responses tend to be clustered around particular SPOs and do not occur evenly throughout the sample (e.g. in one SPO, only 25 percent say their SPO is run effectively while in many others, 80-90 percent do).

This data collected through the WACP MEL programme combined with Fairtrade Africa's interactions with the SPOs' membership is critical. When members complain about the leadership of their SPOs, Fairtrade Africa targets these SPOs to receive WACP thematic training on governance and to improve the effectiveness of their engagement with community delegates.

2018	2019
65%	81%

Percentage of sampled WACP SPO members who think their SPO is effectively run at the time of data collection (2018 and 2019)



SPO member opinion as to the effectiveness of their SPO at time of data collection (2018 and 2019)



Zakoue Adeline, Director of COOPAYAAF in Côte d'Ivoire, appreciates the feedback she gets from Fairtrade Africa and MEL activities:

"MEL monitors and evaluates our actions and allows us to remain in conformity with the Standards and to be more credible to other organizations and our producers. I think it is always good to be monitored by a certification body such as Fairtrade with its different departments like MEL in order to always learn from our mistakes. If we were not monitored, in the long run, we might not always be compliant and we would risk losing our certification. With the support of MEL, we have put in place new techniques for the cooperative to move forward. We would like to have even more Fairtrade support in this direction as we clearly see changes in our organization."



*Zakoue Adeline, Director of the COOPAYAAF Cooperative, Côte d'Ivoire*

## INDICATOR #13: SPOS UNDERSTANDING MEMBER PRIORITIES AND ACTING IN THEIR BEST INTERESTS

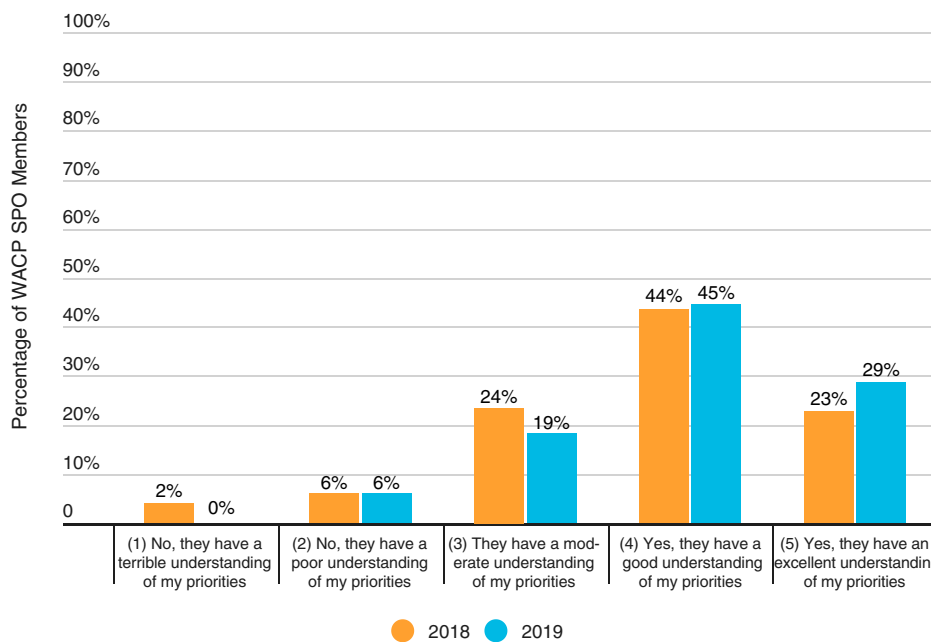
Over both the 2018 and 2019 data collection, around 93 percent of WACP SPO members surveyed said their SPO understands their priorities and acts in their best interests. This is a very positive finding.

Looking at the distribution for each question for both 2018

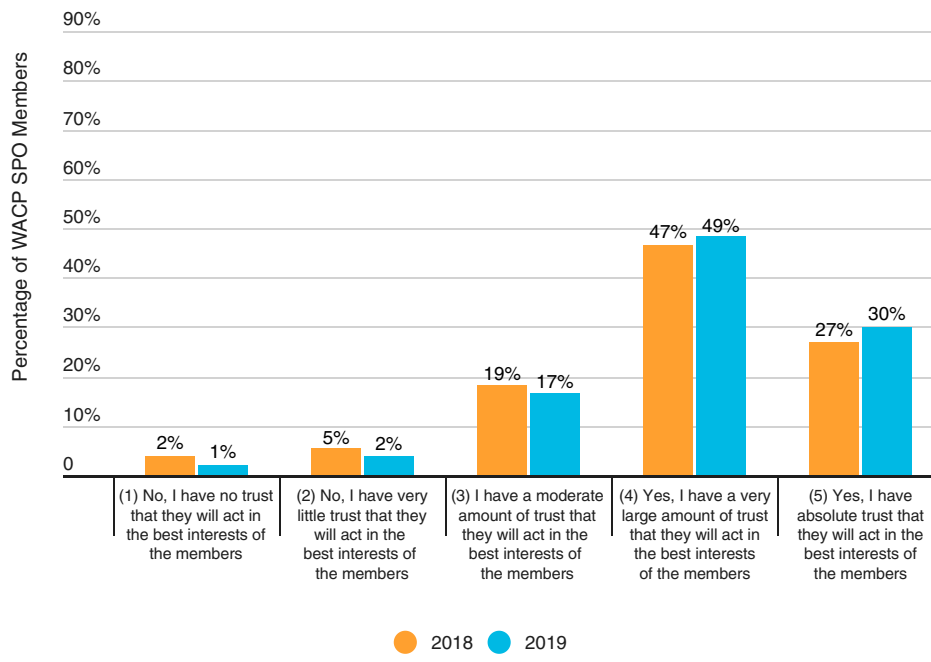
and 2019, we find that there is a consistently high number of respondents in the 4 and 5 range. As with the previous indicator, those members answering 1 or 2 tend to be clustered around particular SPOs and not distributed evenly throughout the sample. Those SPOs with more negative responses are targeted for attention by Fairtrade Africa.

2018	2019
92%	93%

*Percentage of sampled WACP SPO members who believe their SPO understands their priorities and acts in their best interests (2018 and 2019)*



**Sampled WACP SPO member opinion as to whether their SPO understands their priorities (2018 and 2019)**

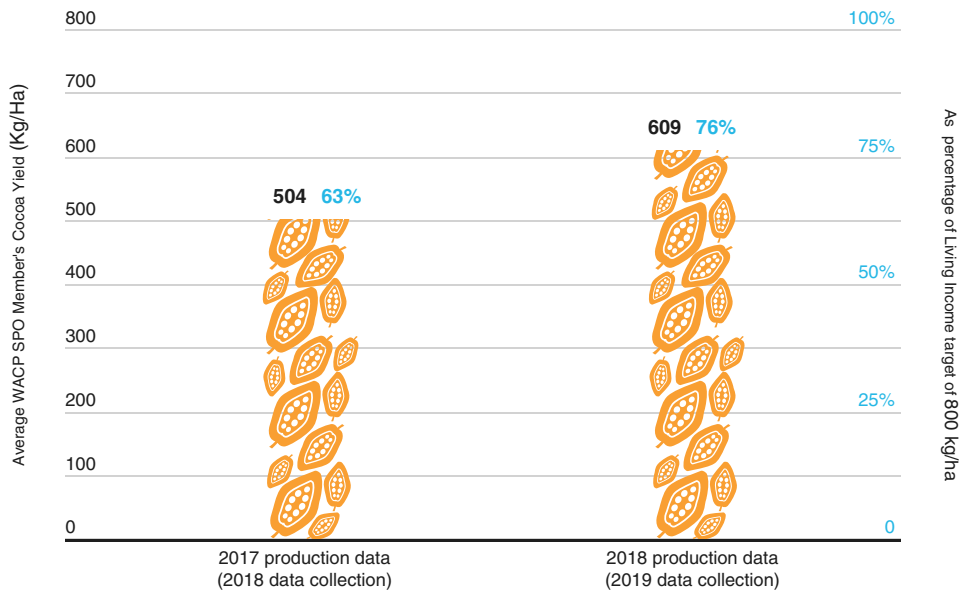


**Sampled WACP SPO member opinion as to whether they trust the SPO to act in members' interests (2018 and 2019)**

## INDICATOR #14: COCOA YIELD

The 2018 data collection (using 2017 production data) revealed that those WACP SPO members sampled had an average yield of 504 kg/ha. In 2019 (using 2018 production data), those sampled had an average yield of 609 kg/ha. It is important to recall that, at the household level, different SPOs were sampled

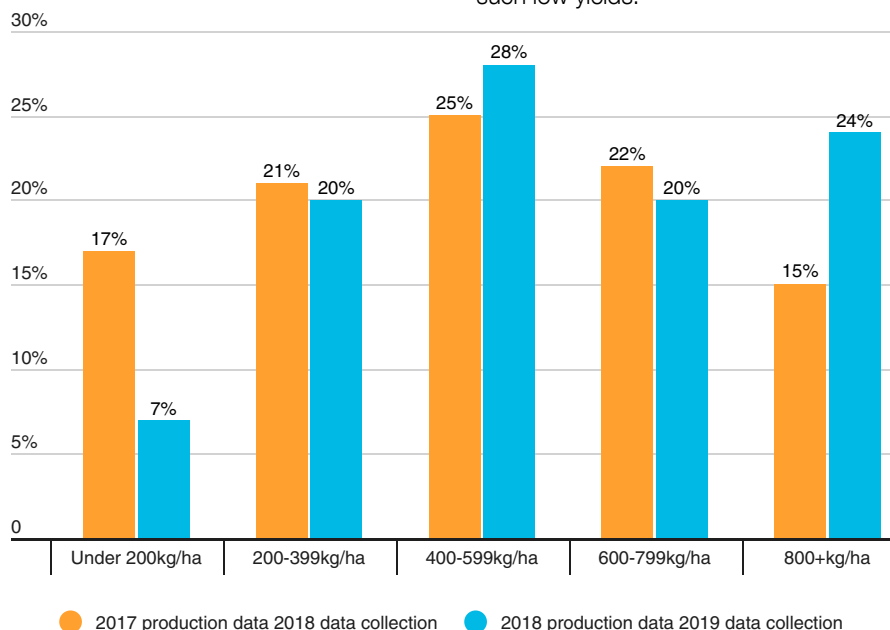
in 2018 versus 2019 – therefore, the difference in yield between years is not necessarily an increase. We will be able to see in 2021, when we sample the SPOs sampled in 2018 again, whether yield has increased at the member household level.



**WACP SPO member's cocoa yield versus a target of 800 kg/ha**

Fairtrade International has set a target cocoa yield of 800 kg/ha. At this point, Fairtrade has calculated that a cocoa farmer with a household and farm size fitting the model will be able to achieve a living income when combined with Fairtrade Living Income Reference Prices. The yields found in both years represent between 63 percent and 76 percent of the Living Income target yield of 800 kg/ha.

Looking at the distribution of yields across households, we see that a relatively small percentage of households are reaching the living income yield target (between 15 percent and 24 percent, depending on the year). Likewise, a small percentage of households have very poor yields (between seven percent and 17 percent produce less than 200 kg/ha). The SPOs involved can target these households for support while utilizing local knowledge to discover the reasons why certain farmers have such low yields.



**Distribution of WACP SPO member household cocoa yields (2017 and 2018)**

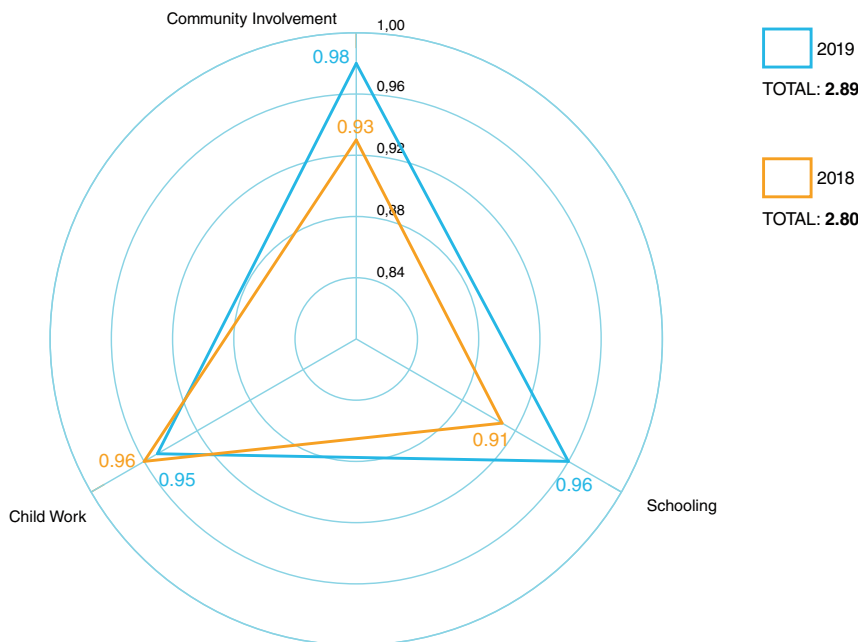
## INDICATOR #15: CHILD RIGHTS INDEX

The Fairtrade International Child Rights Index (Household) is a bespoke index developed to measure the respondent's awareness of child rights. The index score is calculated by assigning points to each of the following dimensions: (1) Community involvement in stopping child labour, (2) Importance of schooling for boys/girls, and (3) Attitude towards child work. Each of these dimensions is weighed equally and the maximum index score is 3 points. A score of 2 is generally considered good while a score below 2 generally shows potential for improvement.<sup>16</sup>

Looking at the results from the 2018 and 2019 data, we find that the SPOs in the sample are doing well, with a score in both years

approaching the maximum of 3. This means that respondents have internalized values around the importance of stopping child labour, the importance of children (including girls) going to school, and ensuring that child work does not interfere with schooling. Note that the households for a particular WACP SPO are only sampled once in a three-year cycle, meaning that the results of the two years shown here are from two different groups of WACP SPOs.

Discussions with members of different SPOs indicate that awareness of child rights has increased due to SPO management rolling out trainings received through WACP.



*Radar chart showing the score of sampled WACP SPO member households on each of the three Child Rights Awareness dimensions (2018 and 2019)*

SPOs appreciate the work being done by Fairtrade Africa in the area of child rights and preventing child labour says Benie Louis Beranger, Fairtrade contact person with Camaye in Abengourou, Côte d'Ivoire:

“Since the cooperative became Fairtrade certified, we have really seen changes in a number of areas, including child labour. The producers in the cooperative understand children's rights to the point where they are now the ones who are challenging their children about certain practices that they don't find productive for them. We are satisfied with the progress we have made in the fight against child labour.”



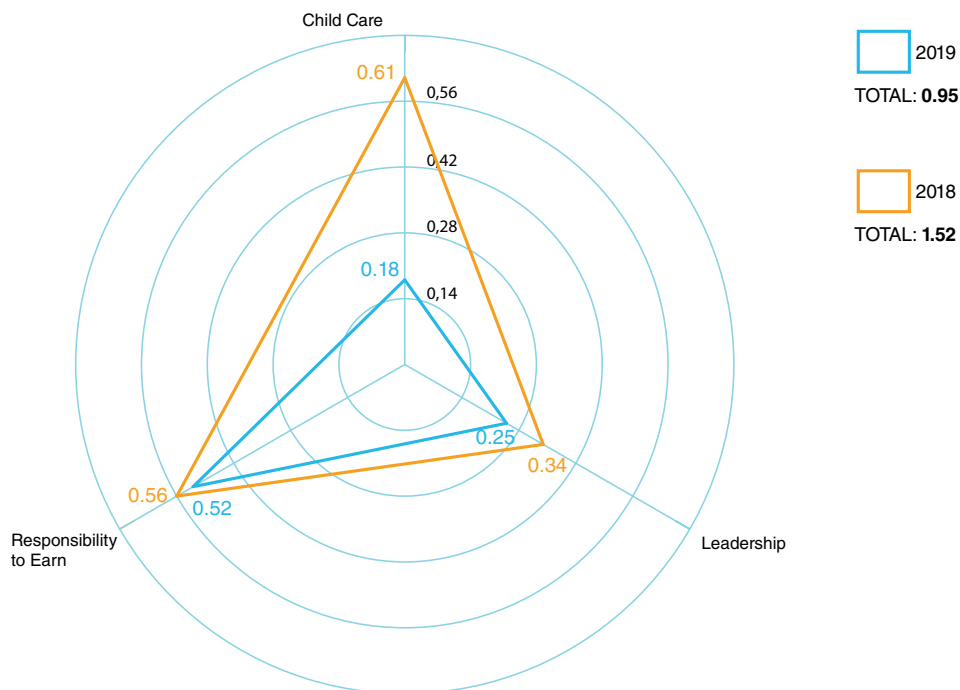
*Benie Louis Beranger, Fairtrade contact person at CAMAYE, Côte d'Ivoire*

<sup>16</sup> The methodology for the Fairtrade International indices are evolving as we are learning from the various findings. Hence, it is likely that these may undergo changes in the coming years. For more information on the indices, including more details on the methodology, please visit <https://www.fairtrade.net/impact/monitoring>

## INDICATOR #16: GENDER INDEX

The Fairtrade International Gender Index (Household) is a bespoke index developed to measure the respondent's awareness about gender issues. The index score is calculated by assigning points to each of the following dimensions: (1) Which gender should take the primary role in child care, (2) Which gender makes better leaders, and (3) Which gender has the greater responsibility to earn money. Each of these dimensions is weighed equally and the maximum index score is 3 points. A score of 2 is generally considered good while a score below 2 generally shows potential for improvement.<sup>17</sup> Note that the households for a particular WACP SPO are only sampled once in a three-year cycle, meaning that the results of the two years shown here are from two different groups of WACP SPOs.

Looking at the results from the 2018 and 2019 data, we find that the SPOs in the sample are doing quite poorly, with a score in both years of 1.5 or below. In 2019, the score was less than 1. In 2018, the leadership component was the lowest scoring (meaning that many respondents said that men made better leaders than women, as opposed to saying they had equal potential). In 2019, the child care component was the lowest scoring (meaning that many respondents said it was the women's primary responsibility to take care of young children, as opposed to saying it should be shared between both partners). In aggregate, these scores reveal that traditional gender roles and expectations are still entrenched in the mindsets of many respondents.



Radar chart showing the score of sampled WACP SPO member households on each of the three Gender Index dimensions (2018 and 2019)

To empower women in Fairtrade cocoa cooperatives and push back against entrenched gender norms, Fairtrade Africa has launched the Women's School of Leadership. This school trains women in Fairtrade cocoa cooperatives (and a small number of male allies) to be leaders in their households, communities, and SPOs and empowers them through training in such topics as financial management, business development, leadership, and more. It is hoped that these trained women will become multipliers and push positive change around gender issues, as well as be examples to other women.

The school started Phase 1 in 2017 with a small cohort from seven Fairtrade SPOs but has expanded to include several hundred women in the upcoming Phase 3. By 2023, 28 SPOs will have participants in the school. A separate MEL process is currently ongoing to fully assess the school's impact at multiple levels.

<sup>17</sup> The methodology for the Fairtrade International indices are evolving as we are learning from the various findings. Hence, it is likely that these may undergo changes in the coming years. For more information on the indices, including more details on the methodology, please visit <https://www.fairtrade.net/impact/monitoring>

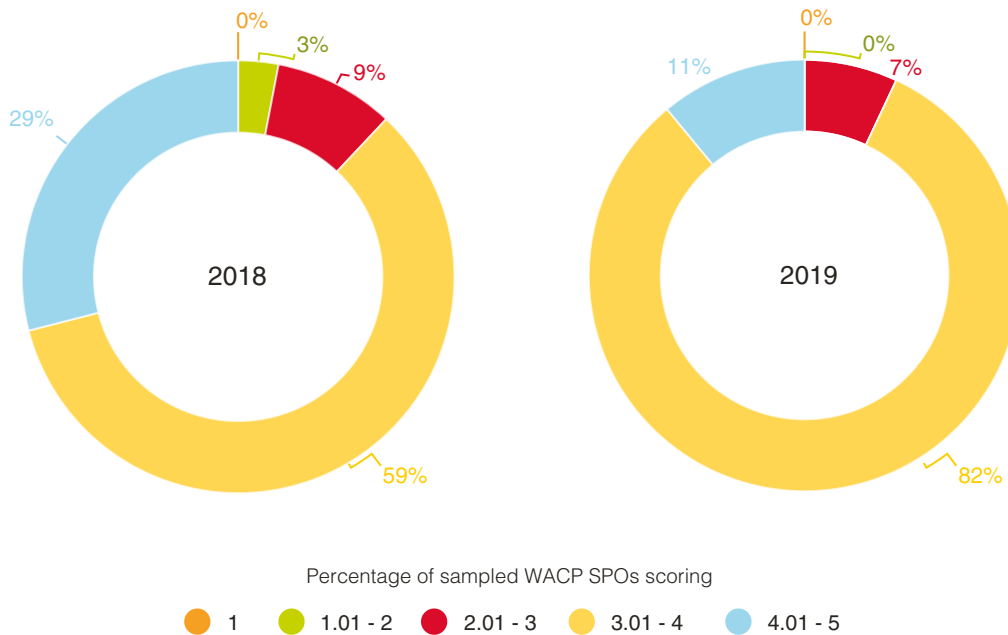


# INDICATORS TO TRACK OUTPUT #3: SPO MANAGERS HAVE NECESSARY SKILLS, TRAINING, AND CAPACITY

## INDICATOR #17: SPO MANAGEMENT KNOWLEDGE AND SKILLS

One of the key objectives of the WACP is to strengthen the capacity of SPO managers. For this indicator, we asked WACP SPO managers to self-report their knowledge and skills on a 1-5 scale on the following topics: (1) SPO Governance, (2) SPO Management, (3) Ensuring Gender Equality in their SPO, (4) Preventing Child Labour in their SPO, and (5) Ensuring their SPO and its members adhere to Fairtrade Standards.

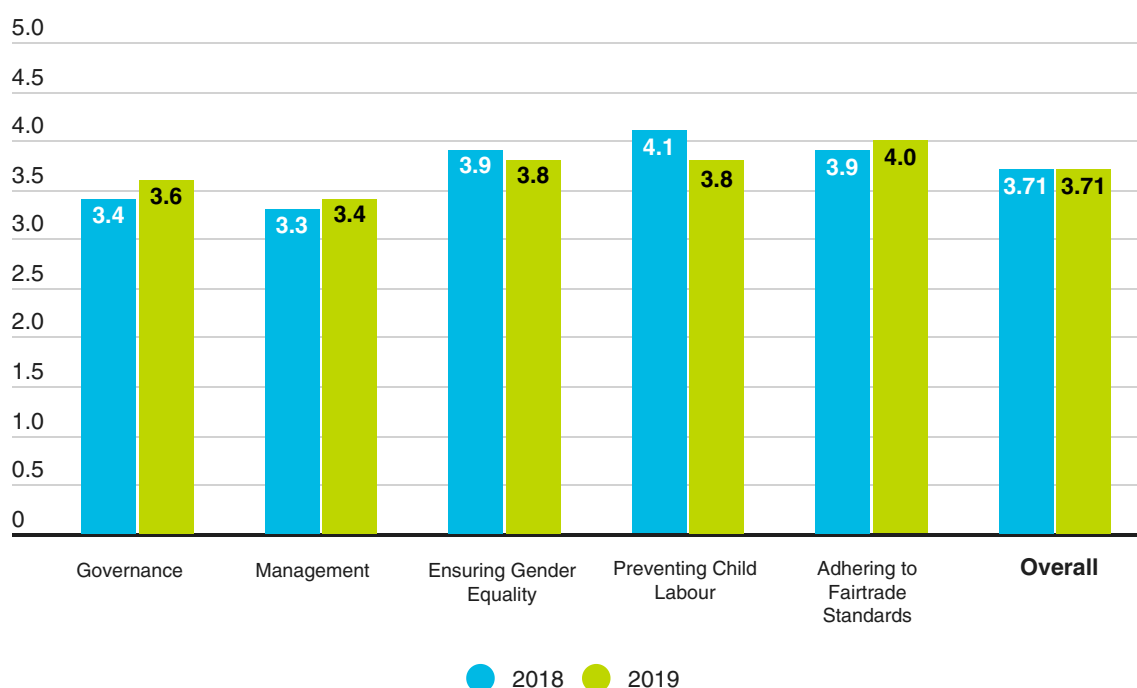
On a positive note, we see that on average across all five dimensions capacity is high. In 2018, 88 percent of WACP SPO managers surveyed had an average score of 3 or higher, while 93 percent of managers surveyed had an average score of 3 or higher in 2019. Only 12 percent had an average score below 3 in 2018 and 7 percent in 2019.



*Percentage of SPOs having this level of knowledge and skills averaged across five dimensions: SPO Management, SPO Governance, Preventing Child Labour, Ensuring Gender Equality, and Adhering to Fairtrade Standards (2018 and 2019)*

Looking at the average scores for each of the dimensions disaggregated, we find that WACP SPO managers rate their knowledge/skills highest in ensuring gender equality, preventing child labour, and adhering to Fairtrade Standards and lower in SPO governance and management. When looking at the scores for ensuring gender equality and comparing it to the household level scores for the gender index, it seems that managers are gaining the skills necessary to push change at the SPO level

but changing gendered cultural norms at the household level is more difficult. Fairtrade knows from its work that other contextual factors – such as lack of funds for roll-out, disempowering factors such as women not owning land, low levels of female education, etc. – make scaling up from the skill-building level to change at the community level hard. This points to potential additional areas of support around these topics for Fairtrade Africa.

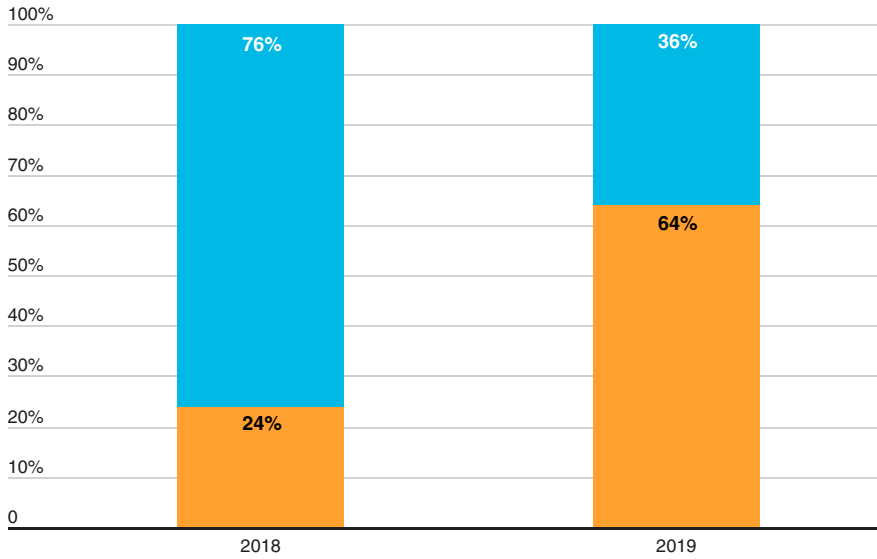


*Average level of knowledge and skills of SPO management for each of the five dimensions (2018 and 2019)*

## INDICATOR #18: SUFFICIENT WACP TRAININGS

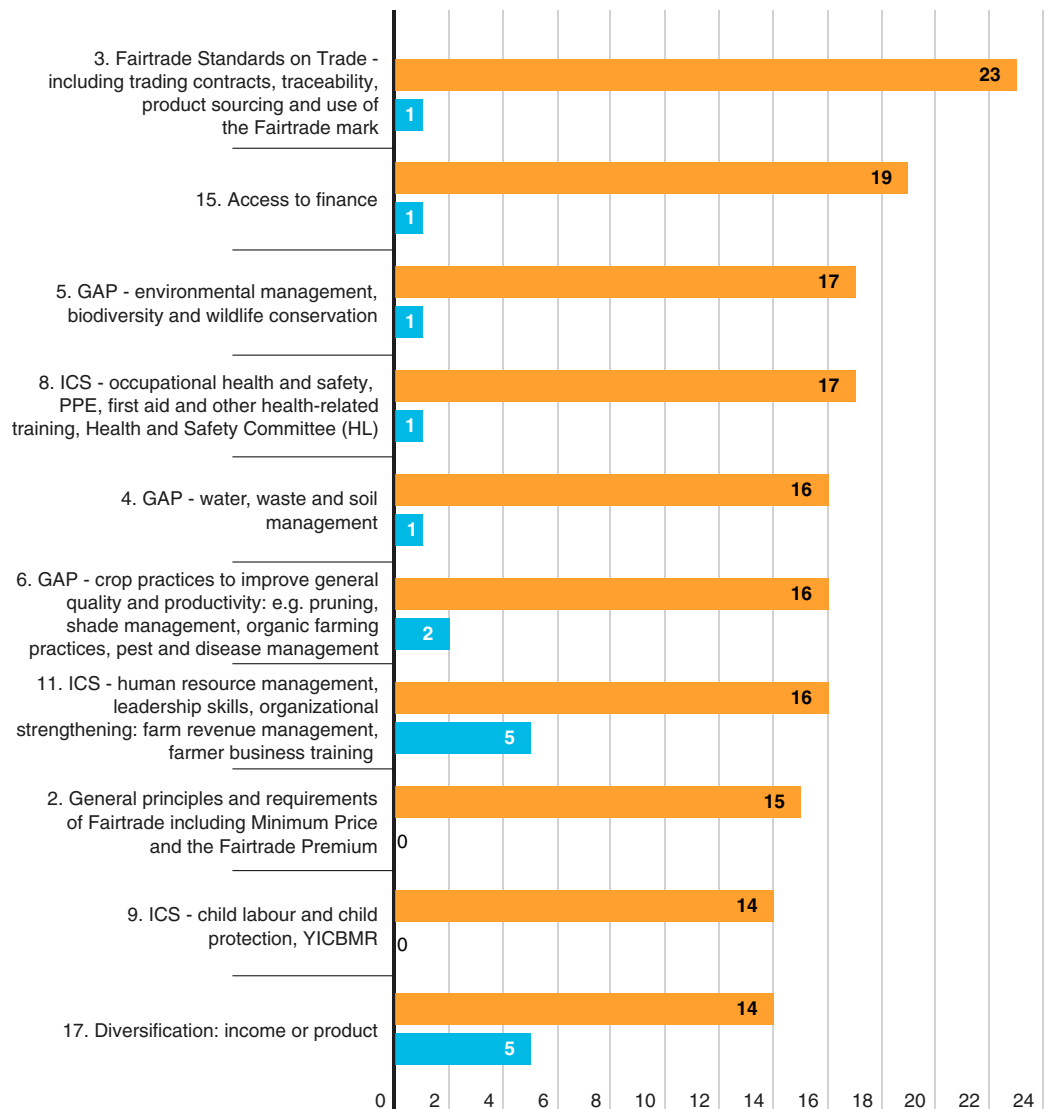
During the 2018 and 2019 data collection, we asked WACP SPO managers if they had received sufficient WACP trainings to address their training needs. If they answered “yes”, this meant that they felt fully trained; if they answered “no”, then they felt like they needed additional trainings. We also asked them what topics they felt they needed training on if they answered no. The types of additional WACP trainings desired varied over the two years, but both years saw a peak in Internal Control Systems (11): human resource management, leadership skills, organizational strengthening, farm revenue management, farmer business training, and Diversification (17): income or product. These topics are already the focus of WACP trainings so the results emphasize that these topics should continue to be covered in future offers.

Over the two years, it is encouraging to see an upward trend with 24 percent of WACP SPOs saying they had received sufficient trainings in 2018, rising to 64 percent in 2019. This reveals that the WACP training modules are addressing their most important training needs and the SPOs currently in the highest level of training intensity will soon be ready to make way for other SPOs needing more intense trainings. As part of an evaluation of the entire WACP conducted in 2020, Fairtrade will develop a list of criteria indicating when a particular SPO will “graduate” out of the programme.



Percentage of SPOs saying they have/have not received sufficient WACP trainings to address their most important training needs (2018 and 2019)

- Sufficient WACP Trainings to address most important training needs (i.e. the SPO feels fully trained)
- Insufficient WACP Trainings to address most important training needs (i.e. the SPO feels like it needs more trainings)



Types of additional WACP Trainings desired (2018 and 2019). Note: only top 10 types shown for each year due to reasons of space

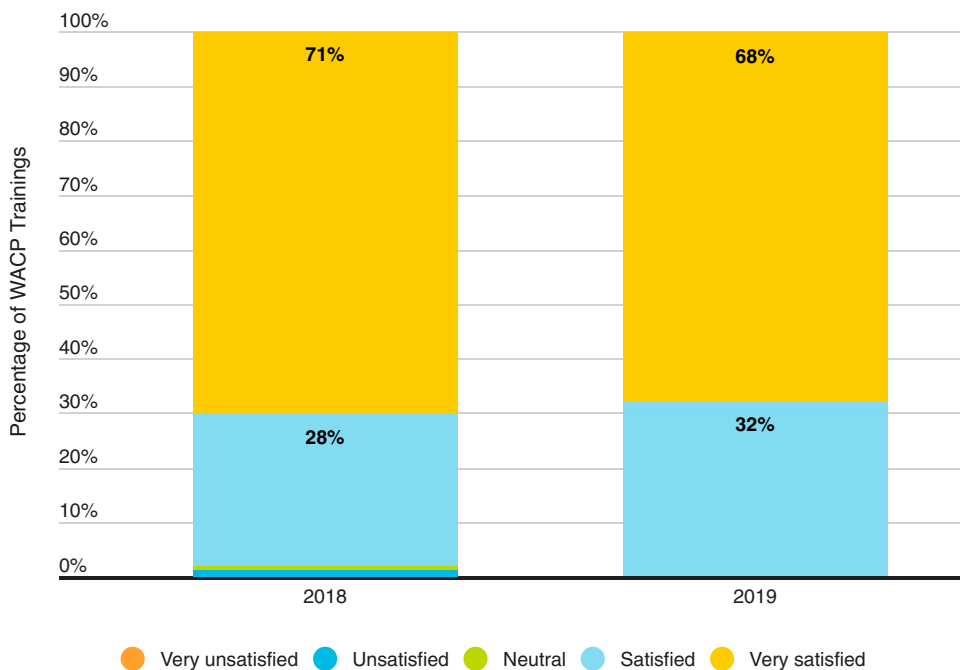
- 2018 number of times mentioned
- 2019 number of times mentioned

# INDICATORS TO TRACK OUTPUT #4: EFFECTIVE WACP TRAINING PROGRAMME

## INDICATOR #19: WACP TRAINING SATISFACTION

The WACP SPOs sampled have a high level of satisfaction with the WACP trainings. In 2018, 98 percent of trainings received a

“satisfied” or “very satisfied” rating, while 100 percent of trainings received one of these ratings in 2019.



*WACP SPOs' Levels of Satisfaction with WACP Trainings (2018 and 2019)*

Kindo Rasmane, President of Board, COOPAPIG (Ecookim), located in Bangolo, Côte d'Ivoire, is very happy with the WACP trainings:

“I am very happy to work with Fairtrade. We were not doing well before and were having a lot of trouble. Today with Fairtrade trainings, our situation has changed. My farm is doing well and my yield has also increased. Then my condition changed. I am currently building a house for my family. I was trained on how to manage incomes well. So, I used the Fairtrade Premium to educate my children. Today we no longer wait for the price of cocoa to be fixed before registering them. Fairtrade training has changed our lives. Today we know good agricultural practices, we pay attention to our health, and we have applicators to apply pesticides when we deal with pests and diseases. We also bought trucks to collect cocoa in the communities. We built a school and a hydraulic pump thanks to the Fairtrade Premium. We will always be with Fairtrade.”

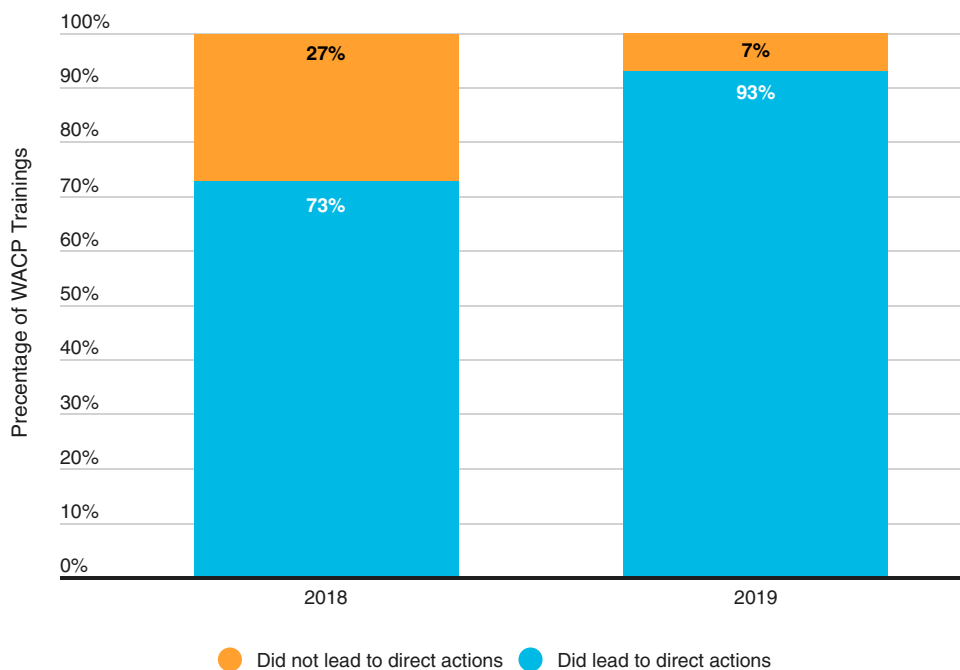
## INDICATOR #20: WACP TRAINING IMPROVEMENTS

It is important to know how satisfied WACP SPOs are with the trainings, but also to what degree these trainings are leading them to take direct action as a result (create some policy, roll out training to members, etc.). In 2018, 85 percent of SPOs report that they took at least one direct action as a result of WACP

trainings, rising to 89 percent in 2019. Looking at whether direct actions were taken on a training-by-training basis, we see that 73 percent of trainings in 2018 led to a direct action, rising to 93 percent in 2019.

2018	2019
85%	89%

*Percentage of WACP SPOs whose management report that Fairtrade trainings in West Africa were directly responsible for improvements to their SPO (2018 and 2019)*



*Percentage of WACP trainings that did/did not lead to direct actions as a result of the knowledge or skills learned at the trainings (2018 and 2019)*

As is shown by the following table, direct actions by SPOs varied by training topic but usually included strengthening of systems,

creation of policies or processes, rolling out of trainings or programmes for members, or improved practices (e.g. GAP).



Type of Training	2018 Data Collection Example of Action Taken	2019 Data Collection Example of Action Taken
3. Fairtrade Standards on Trade - including trading contracts, traceability, product sourcing and use of the FAIRTRADE Mark	Meetings in the sections to inform farmers	Application of member training
6. GAP - crop practices to improve general quality and productivity: e.g. pruning, shade management, organic farming practices, pest and disease management	Technicians supervise farmers during in-planting activities	Improvement of GAP crop practices
8. ICS - occupational health and safety, PPE, first aid and other health-related training, Health and Safety Committee (HL)	Member training	Know how to behave in an emergency
(9) ICS - child labour and child protection, YICBMR	The SPO in partnership with ICI are implementing child Labour Monitoring and Remediation Systems to ensure that child labour is reduced to the minimum	Establishment of a children's working committee and training of planters on child labour in the CEP (Farmer Field School)
(10) ICS - organizational management of Fairtrade Premium, Premium Committees and Fairtrade Premium/organizational development plans	The PO has approved its five-year strategic plan to inform strategic use of its Premium	PO has strengthened its Internal Management Systems
17. Diversification: income or product	Direct programmes with members	Encouraging members to diversify by giving them coffee plants

Yeoue Cedric Armand, a farmer from Coopapig (Ecookim), located in Bangolo, Côte d'Ivoire, said the SPO trainings enabled by the WACP programme have helped his farm:

"Fairtrade helped us a lot. Before being Fairtrade certified, I had many problems with diseases on my cocoa farm. Diseases like black pods, rot pods, productivity issues, etc. I did not know how to deal with them. Also, we didn't have enough ideas about planting. Since we joined Fairtrade, we have trainers who come to train us on good agricultural practices and who come into our fields to see our problems and help us find solutions. When I followed the advice and recommendations, I saw many changes. The farm is healthier than before and produces a lot. We ask Fairtrade to always support us and help us to always move forward. Today we have enough knowledge about cocoa farming."



*Yeoue Cedric Armand, farmer from Coopapig (Ecookim), Bangolo Côte d'Ivoire*

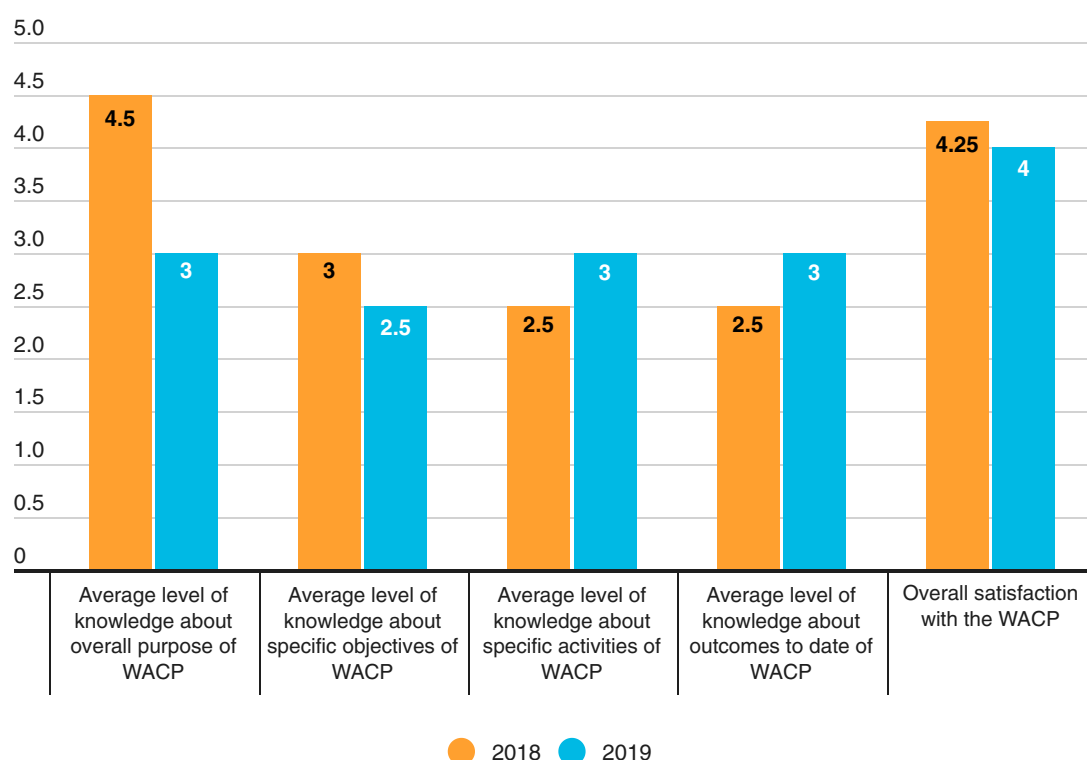
## INDICATORS TO TRACK OUTPUT #5: CONSUMER BRAND SATISFACTION

### INDICATOR #21: CONSUMER BRAND KNOWLEDGE AND SATISFACTION

One of the WACP indicators requires collecting data from the Fairtrade consumer brands that buy cocoa from the WACP SPOs. Here, we are interested in knowing the consumer brands' level of knowledge of WACP's purpose, objectives, activities and outcomes, as well as their overall satisfaction with the programme. This data is crucial to get the pulse of the consumer brands and ensure that the WACP is being communicated to them effectively. The intermediate impact in our WACP Theory of Change is sustained access to Fairtrade cocoa markets for SPOs.

We found that there is work to be done in ensuring the consumer brands are fully knowledgeable about WACP. To date, knowledge about the purpose, objectives, activities, and outcomes of WACP are moderate at best, with a slight decline over time. However, despite this moderate level of knowledge, satisfaction with the WACP is relatively high, scoring 4 out of 5 on the scale.

Note that these data represent a minority of consumer brands as it was not possible to ensure all consumer brands completed the survey. Increasing the response rate of this consumer brand survey is a priority for 2020 and beyond.



*Average level of knowledge or satisfaction by WACP licenses on various dimensions (2018 and 2019)*

# CONCLUSION

## KEY FINDINGS

The WACP Indicator dataset reveals a host of data points and trends, some positive and others less so. Below, we categorize the indicators with stand-out findings into two categories: (1) Positive (i.e. monitoring results indicate that WACP may be making a difference), (2) Area of Concern (i.e. monitoring results

indicate that this is an area to work on or look into more closely). Indicators not listed in either category are those where more data is needed to make an assessment (e.g. because they rely on household data that is collected from a given SPO only every three years, or because they rely on another incomplete dataset).

### Positive

#### - Best practices in Social Compliance (#9):



On average, over the two audit years, WACP SPOs are scoring higher than the comparison SPOs on child labour issues. An increasing percentage of WACP SPOs are achieving best practice regarding child labour, forced labour, or gender-based violence. However, we remain conscious of our aim to increase the use of monitoring and remediation systems.

#### - Avoiding Damage to Protected or High Conservation Value Areas (#11):



Over 20 percent of WACP SPOs are achieving best practice on avoiding damage to protected or high conservation value (HCV) areas. On average, over the two audit years, WACP SPOs are scoring higher than the comparison SPOs.

#### - SPOs understanding member priorities and acting in their best interests (#13):



A high percentage of sampled WACP SPO members feel that their SPO understands their priorities and acts in the members' best interests.

#### - Child Rights Awareness (#15):



The high score on the index over both years reveals that a large percentage of sampled WACP SPO members have internalized positive values around stopping the worst forms of child labour, the importance of child schooling, and ensuring that when children contribute to the household work, they do so appropriately (only after school, non-hazardous tasks, etc).

#### - SPO Management Knowledge and Skills (#17):



Self-reporting of knowledge and skills by WACP SPO management around SPO governance, SPO management, gender, child labour, and Fairtrade Standards is high. Knowledge and skills scores are going up over time, implying a positive effect of the WACP trainings.

#### - Sufficient WACP Trainings (#18):



The percentage of WACP SPOs stating that their training needs had been satisfied almost tripled between 2018 and 2019, rising from 24 percent to 64 percent.

#### - WACP Training Satisfaction (#19):



The satisfaction rate for WACP trainings is at or near 100 percent.

#### - WACP Training Improvements (#20):



The vast majority of WACP SPOs are taking direct action as a result of the trainings.

### Areas of Concern

#### - Fairtrade International Economic Progress Index (#1):



Fairtrade farmers are still not earning living incomes and score poorly in economic progress, particularly in their ability to acquire new assets.

#### - Trader Adherence to Fairtrade Standards (#3):



There are too many incidences of major non-compliance with relevant Fairtrade Standards among traders, particularly with regard to contracts.

#### - Adherence to Fairtrade Standards (#4):



More WACP SPOs had at least one major non-compliance at the time of data extraction in 2019 compared to 2018. Even though WACP SPOs have a lower percentage of major non-compliances than their comparison SPOs, this rise in major non-compliances indicates that SPOs need to continue working with their members to ensure Standard compliance. WACP provides and will continue to provide trainings on the Fairtrade Standards.

#### - Gender (#16):



Data from both years reveals that WACP SPO members still hold very traditional values around gender roles and expectations, which can contribute to female disempowerment and lack of opportunities for women and girls. As mentioned in the report, the Women's School of Leadership is scaling up and will cover 28 SPOs by the end of 2023.

#### - Consumer Brand Knowledge and Satisfaction (#21):



Consumer brand knowledge about WACP objectives, activities, outcomes are only moderate. National Fairtrade Organizations will intensify their efforts to engage with consumer brands. This report should also increase understanding of the WACP.

## REFLECTIONS AND NEXT STEPS

This first WACP Monitoring report is an important landmark for the programme. It allows us to take stock of how far we have come since mid-2016 and provides a dataset that will contribute to the evolution of the WACP.

We feel there is much to be proud of in the results from the WACP. We hope this document and future work will help us improve our communication of the progress towards the outcomes and impacts in the WACP Theory of Change.

It is particularly pleasing to see that members of WACP-trained SPOs are reporting high levels of satisfaction, that the SPO understands their priorities and is acting in their best interests. This reflects a key element of the outcome that SPOs desired when we asked them what they would want from future training.

WACP SPOs sold 60 percent of their combined production volume on Fairtrade terms. We will strive to improve the intermediate impact of the WACP with sustained access to Fairtrade cocoa markets. This continues to be a high priority for these SPOs and their members. We are also conscious that selling a higher percentage of cocoa on Fairtrade terms is a dearly-held objective of all Fairtrade SPOs.

While the implementation of the new Fairtrade Minimum Price has brought benefits to SPO members and their families, the net impact in relation to sales on Fairtrade terms and how this will impact our intermediate impact indicators in 2020 remains to be seen.

We are also pleased that the additional human capacity and capabilities that the WACP has allowed us to build in Fairtrade is leading to a culture of systematic analysis and action to address areas for improvement. Examples of this behaviour include the analysis of the implementation of Internal Management Systems and the development and implementation of the Women's School of Leadership.

However, we also acknowledge the significant areas of work we need to undertake, including:

- Monitoring and, where necessary, adjusting the new approach we have taken since 2019 to improve SPO member awareness of the Fairtrade Standards which is currently running at 71 percent based on the household survey.
- Better understanding of the reasons behind the use of Fairtrade Premium for SPO running costs which is currently running at 16 percent of the Fairtrade Premium.
- Continued work to raise consumer brand awareness of the WACP and ensure that we are exploring, building mutual understanding of, agreeing and meeting the shared needs of SPOs and consumer brands through the WACP.

The consultation on the Fairtrade Cocoa Standard in 2020 will also provide the opportunity to work with our partners at ICI and others to explore how and if we can mainstream monitoring and remediation. Farm mapping and forest cover loss monitoring will also be a subject for exploration during that consultation.

Depending on the outcome of the consultation we could see new areas of training emerge for incorporation into the WACP as we work in partnership with SPOs, their members, consumer brands, traders and governments. The results of the consultation in tandem with the external evaluation of the WACP being conducted in 2020 and our consultation on the cocoa strategy will shape the future of the WACP.

## ABOUT THE DATA USED IN THIS REPORT

This report uses multiple sources of data to report on the West Africa Cocoa Programme indicators. These sources include SCORE (audit data), CODImpact (voluntary data collected immediately after the audits), SCOPE Insight (SPO evaluation tool overseen by Fairtrade Africa), a consumer brand survey (conducted on the WACP licensees by the relevant NFOs), and the yearly WACP monitoring (described in the early sections of this report).

Each of these sources of data has different years of data available. For example, SCORE and CODImpact data is available only when a given producer organization has been audited. After that producer organization has been audited, the data is not available immediately – some time is needed to clean and prepare the data. This could mean that a given SPO, during a data extraction in 2019, only has data available from these sources as recently as 2016 or 2017.

The data collected during the WACP monitoring is generally more contemporary. However, depending on the type of question or the nature of the data collected for a particular indicator, the data year may nevertheless differ across different indicators. For example, asking a respondent about their skills, perceptions, or opinions might mean the data reflects the same year (e.g. data on this indicator collected in 2019 would refer to 2019), while asking a respondent about their cocoa production would mean that the data refers to the past year (e.g. data on this indicator collected in 2019 would refer to 2018).

For these reasons, please pay close attention to the data years reported in each indicator and keep the explanation above in mind in order to understand why they are not consistent across all indicators. No responsibility is accepted by Fairtrade for incorrect or incorrectly interpreted data.





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