

Coopérative Certifiée FAIR TRADE

Les 07 PRINCIPES COOPERATIFS

01-Adhésion volontaire et ouverte à tous

Démocratique par Les

des membres

WEST AFRICA

COCOA PROGRAMME

MONITORING REPORT

First Edition

Executive Summary



FAIRTRADE
INTERNATIONAL

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Fairtrade International is a non-profit, multi-stakeholder association that promotes fairer conditions for international trade, empowers small-scale farmers and workers, and fosters sustainable livelihoods. Fairtrade International develops and maintains the internationally-agreed Fairtrade Standards, owns the FAIRTRADE Mark, and supports the international Fairtrade system. Three regional Fairtrade producer networks representing 1.7 million farmers and workers co-own the international Fairtrade system, which also includes the independent certification body FLOCERT, and Fairtrade organizations in more than 30 countries that promote Fairtrade to business and consumers. For more information, visit www.fairtrade.net



Established in 2005, Fairtrade Africa (FTA) is the independent non-profit umbrella organization representing all Fairtrade certified producers in Africa. Fairtrade Africa is owned by its members who produce traditional export commodities such as coffee, cocoa, tea, cotton, bananas, mangoes and non-traditional commodities including shea butter and rooibos tea. Currently, the organization represents over one million producers across 33 countries in Africa.

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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.

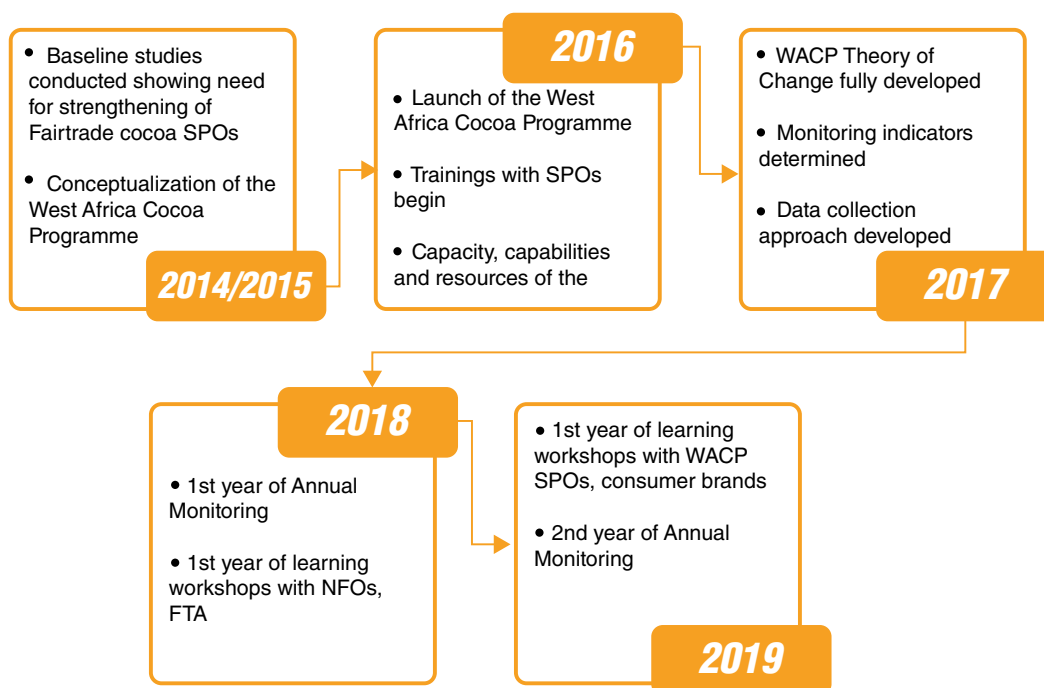


Figure 2: Timeline of WACP MEL Activities

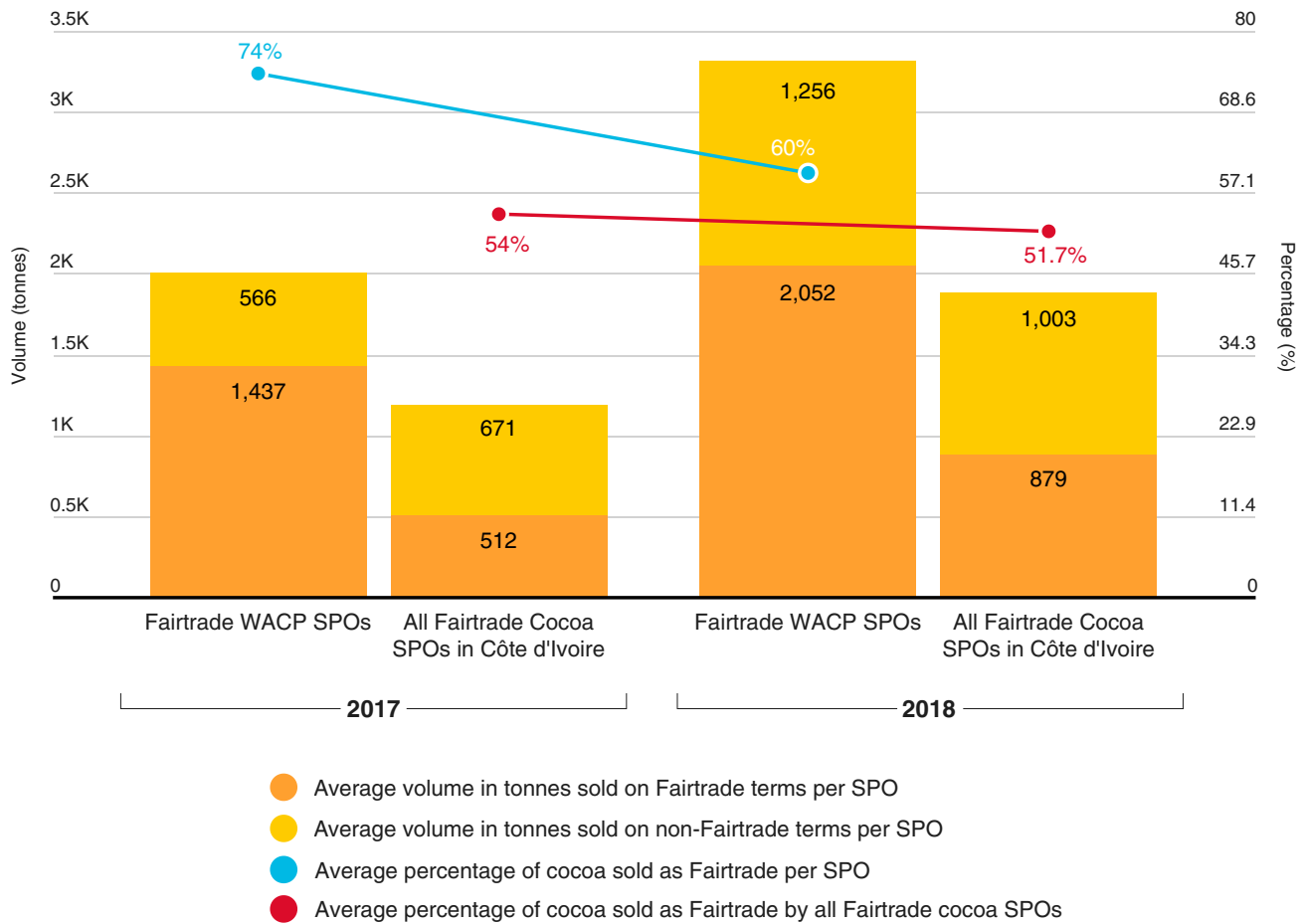
What has Fairtrade learned after two years of monitoring?

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.

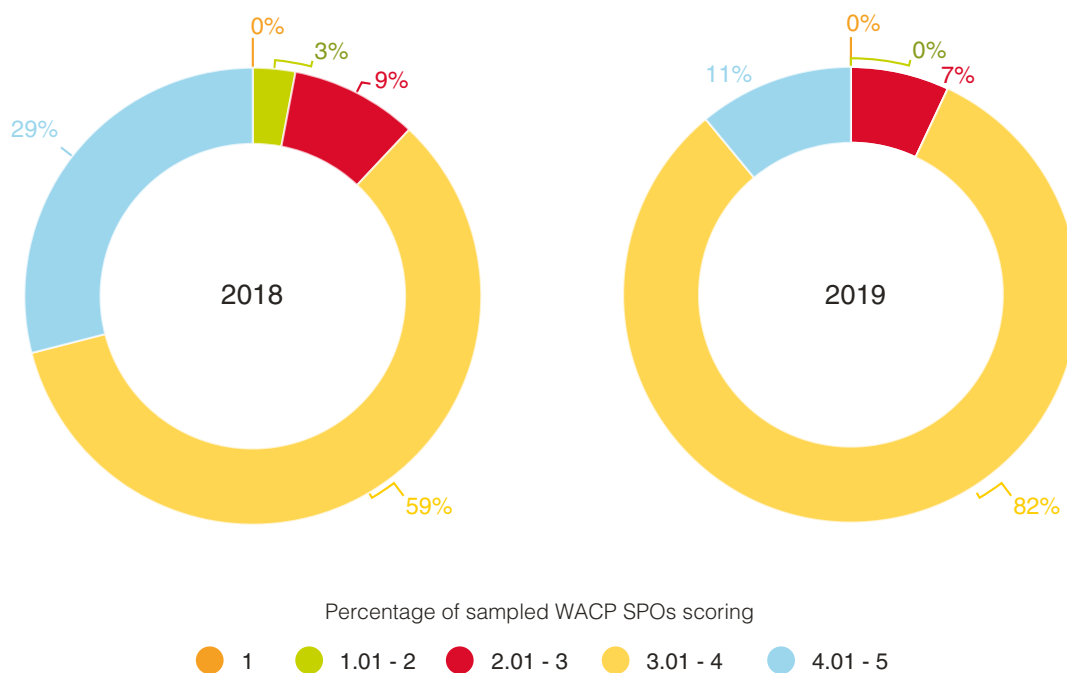


Figure 4: Percentage of WACP SPOs averaging self-assessment scores in each quintile

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.

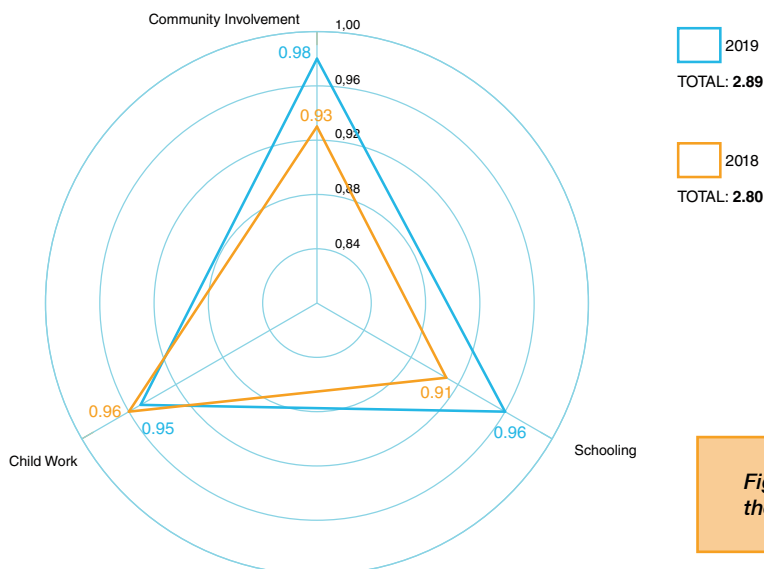


Figure 7: WACP SPO Member scores on the FI Child Rights Index, 2018 and 2019

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



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