

# ANNUAL REPORT



FAIRTRADE  
AFRICA



# 2020



EUROPEAN UNION

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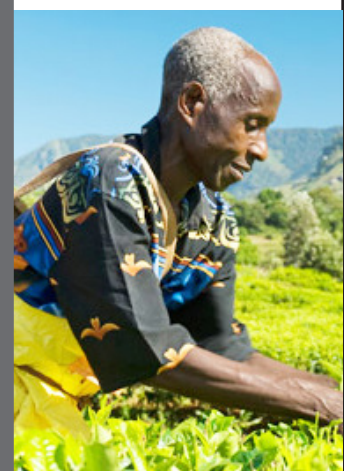
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## LIST OF ABBREVIATIONS

B2B	Business to Business
ECAN	Eastern and Central Africa Network
FCS	Farmer's Cooperative Society
FPC	Fairtrade Premium Committees
FT	Fairtrade
FTA	Fairtrade Africa
FTA-ECAN	Fairtrade Africa's Eastern & Central Africa Network
FTA-MENA	Fairtrade Africa's Middle East and North Africa
FTA-SAN	Fairtrade Africa's Southern Africa Network
FTA-WAN	Fairtrade Africa's West Africa Network
MENA	Middle East and North Africa Network
MS	Mission Statement
PN	Producer Network
PO	Producer Organisation
SAN	South Africa Network
SO	Strategic Objective
SPO	Small Producer Organisations
VSLA	Village Savings and Loans Association
WACP	West Africa Cocoa Programme
WAN	West Africa Network
YICBMR	Youth Inclusive Community Based Monitoring and Remediation



## WORD FROM THE DESK OF THE EXECUTIVE DIRECTOR

The year 2020 was challenging and exciting for Fairtrade Africa. The year was one of transition, with the retirement of the Dr Nyagoy Nyong'o as Executive Director after more than 7 years of excellent service to the organization. Dr Nyagoy's tenure saw Fairtrade Africa soar very high in achieving its mission. As we slowly search for an expert to occupy her big shoes, we as the Fairtrade Africa family cannot thank her enough for the committed and relentless service to the development of fair trade in Africa.

The year too, saw the coming into effect of the new governance structure of Fairtrade Africa under the Commerce Equitable Afrique Company and a new board voted into office by the General Assembly.

While we continued to grow, launching a new strategy and making significant strides in meeting the needs of farmers and workers, the global disruption arising out of the COVID-19 pandemic also affected our activities. The good news is, the resilient structures, together with the rapid and targeted response to mitigate the adverse effects of the pandemic, kept the organisation on a growth trajectory. At the close of the year, the total number of Fairtrade certified producer organisations was 627 representing 1.22 million farmers and workers, a 4% growth from 2019. Similarly, the average growth in Fairtrade Premiums (an additional sum of money paid to farmers and workers to invest in projects they choose) rose by 12.24%.

The year 2020 was the final year of our strategic plan for the period 2016-2020. It was an opportunity to craft a new strategic plan for the next five years, 2021-2025. With the approval of the General Assembly, we now have a strategic roadmap for

the next five years. Our Strategic Plan is representative of the extensive consultations we held with producers, partners within and without Africa, and staff. It reflects emerging trends in climate change, trade imbalances, gender, workers' rights, child protection, slowing growth in several key markets and the proliferation of competing corporate schemes and certification labels. Above all, it places a decent living income and living wage at the centre of our work.

We made investments to increase the volume of product sales on Fairtrade terms in existing and new markets. We invested in producer capacity and market access by improving the commercial interactions and communications between the certified producer organisations and commercial partners. Beyond the marketing events, we formed new partnerships to enhance producer organisations' capacities to build and sustain markets.

Our policy and advocacy programmes raised the voice of our members and increased their influence at national, regional, and continental levels. In Kenya, we campaigned and lobbied for policy reforms in the mining sector at various government levels; in Côte d'Ivoire and Ghana, we lobbied for the review of the living income benchmark; in Madagascar, we worked with the Anti-Corruption Bureau to extend the anti-corruption awareness campaign in the vanilla sector.

We successfully maintained effective and accountable organisational structures, established communication channels and engaged and retained highly competent, motivated staff as a critical component to building a strong and settled producer network. Further, we supported products and producer-led networks and provided technical services to the broader Fairtrade system.

With the COVID-19 pandemic still testing our resilience, we have no doubt that we will continue to adapt our systems to the changing realities and emerge stronger in 2021.

***From the Desk of  
the Executive Director,  
Fairtrade Africa***



# PREFACE

## 1.1 FAIRTRADE AFRICA

Fairtrade is an alternative approach to conventional trade based on a partnership between producers and consumers. When farmers sell on Fairtrade terms, they get a better deal and an opportunity to improve their lives and plan for their future

Established in 2005, Fairtrade Africa (FTA) is a non-profit umbrella organisation representing all Fairtrade certified producers. Fairtrade Africa is owned by its members, who are African producer organisations certified on international Fairtrade standards producing traditional export commodities such as coffee, cocoa, tea, cotton, bananas, mango and non-traditional commodities including shea butter and rooibos tea.

In the year 2020, Fairtrade Africa completed a legal and governance restructuring process. We are now registered as Commerce Equitable Afrique (CEA) but trading as Fairtrade Africa.

The Secretariat is based in Nairobi, and works through four regional networks with offices in the following countries:

- The West Africa Network (WAN) with the regional office in Accra, Ghana and a country office in Abidjan Côte d'Ivoire.
- Eastern and Central Africa Network (ECAN) with a regional office in Nairobi, Kenya and a country office in Ethiopia;
- Southern Africa Network (SAN) with a regional office in Blantyre, Malawi, and a country office in Cape Town South Africa;
- Middle East and North Africa (MENA) region supported by the office in Cape Town, South Africa.

Fairtrade Africa is part of the global Fairtrade system; the producers' face of the Fairtrade International, a non-profit multi-stakeholder association bringing together all actors in the global system and responsible for setting the Fairtrade standards.

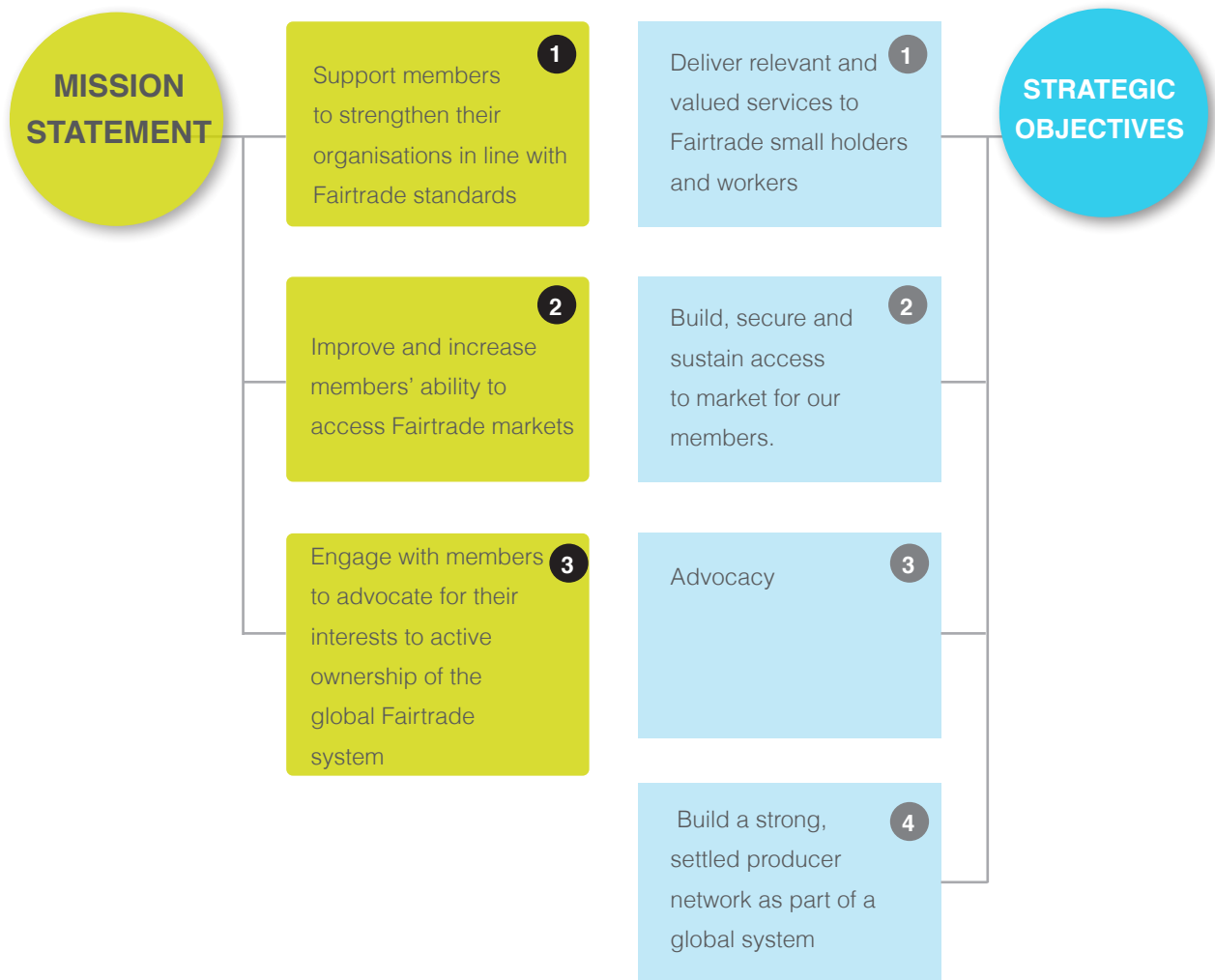
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## THE 2016-2020 STRATEGIC PLAN

### 2.1 OVERVIEW

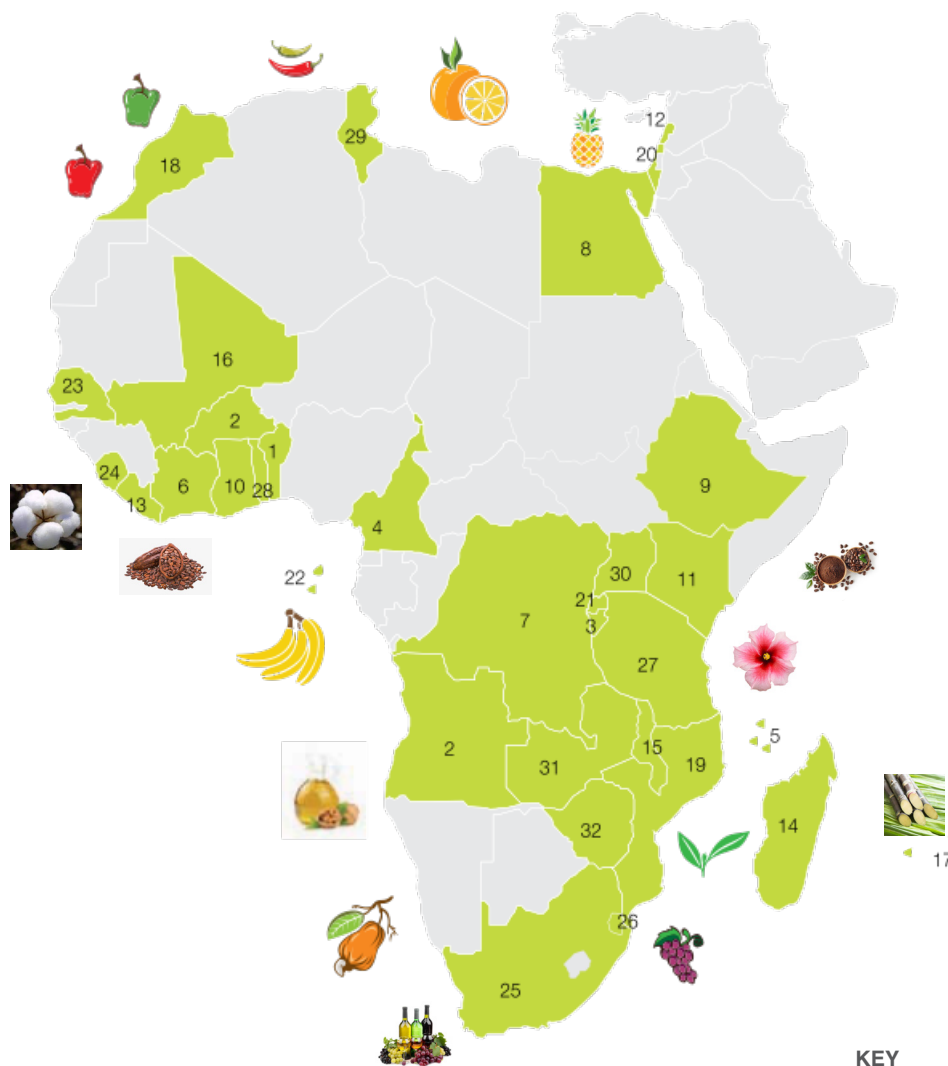
Over the last five years of the strategic period 2016-2020, Fairtrade Africa has lived up to its mission. Beginning with the decentralisation of producer support services from Fairtrade International to Fairtrade Africa in 2016, the organisation has grown tremendously,

increasing the number of certified producer organisations, production and sales volume, Fairtrade Premium received by producers and project funding have increased too. The growth has resulted from consistent hard work and determination in executing the four strategic objectives to achieve Fairtrade Africa's mission with the ultimate goal of reaching its vision. Fairtrade Africa



prioritised certain products and countries in implementing its programmes based on sales growth and premium contribution, the number of certified producer organisations and production, and strategically important system-wide considerations. In five years,

Fairtrade Africa has expanded its footprint to 32 countries on the continent and increased the variety of agricultural commodities to cover flowers, cotton, cocoa, tea, coffee, sugar, nuts, herbs and spices, fruits and vegetables, wine, and oils.



FLOWERS		Egypt Ethiopia Kenya Tanzania Zimbabwe
COTTON		Cameroon Mali Senegal Benin Burkina Faso
COCOA		Cote d'Ivoire Ghana Sierra Leone Sao Tome & Principe Liberia Togo
TEA		Kenya Uganda Rwanda Tanzania Malawi
COFFEE		Burundi DRC Ethiopia Kenya Uganda
SUGAR		Malawi Mauritius Mozambique Swaziland Zambia
WINE, FRUITS & VEGETABLES		South Africa Tunisia Ethiopia Mozambique Sierra Leone
NUTS, OILS HERBS & SPICES		Palestine Morocco Madagascar Comoros Islands Lebanon

**KEY**

 Fairtrade presence in Africa and Middle East

- |                       |                |                           |                  |
|-----------------------|----------------|---------------------------|------------------|
| 1. Benin              | 8. Egypt       | 16. Mali                  | 24. Sierra Leone |
| 2. Burkina Faso       | 9. Ethiopia    | 17. Mauritius             | 25. South Africa |
| 3. Burundi            | 10. Ghana      | 18. Morocco               | 26. Swaziland    |
| 4. Cameroon           | 11. Kenya      | 19. Mozambique            | 27. Tanzania     |
| 5. Comoros Islands    | 12. Lebanon    | 20. Palestine             | 28. Togo         |
| 6. Cote d'Ivoire      | 13. Liberia    | 21. Rwanda                | 29. Tunisia      |
| 7. Dem. Rep. of Congo | 14. Madagascar | 22. São Tomé and Príncipe | 30. Uganda       |
| 8. Egypt              | 15. Malawi     | 23. Senegal               | 31. Zambia       |
|                       |                |                           | 32. Zimbabwe     |

## 2.2 ACHIEVEMENTS

### 2.2.1 OBJECTIVE 1

#### DELIVER RELEVANT AND VALUED SERVICES TO FAIRTRADE SMALLHOLDER FARMERS AND WORKERS

Fairtrade Africa believes that strong and well-functioning producer farmer organizations have a key role to play in supporting access to better terms of trade, improving productivity and profitability of their farms and businesses, and developing their communities.

In the year 2020, Fairtrade Africa facilitated the creation of the right environment for more robust and more resilient producer organisations through capacity building on Fairtrade standards compliance (certification support and training on standards); management of Fairtrade premium and capacity building on good agricultural practice, workers' rights, climate change, leadership and governance, gender and financial management. These training and other capacity-building programmes enabled



producer organisations to maintain Fairtrade certification and accrue direct benefits such as access to markets, better working conditions, sustainability in business operations, inclusivity in supply chains and other benefits.

However, the outbreak of the COVID-19 pandemic led to a shift in service delivery from field visits to remote support, using various media such as virtual meetings. In addition, Fairtrade Africa introduced other support mechanisms such as **Fairtrade Africa COVID-19 Relief Fund** to mitigate the impact of the pandemic on producer organizations. Capacity-building activities also included improving capacity and performance in leadership and governance, good agricultural practices, workers' rights, gender mainstreaming, identification and mitigation of child and forced labour, and financial management. The outcomes of the activities enhanced the producer organisation's social, environmental and economic sustainability standing and competitiveness in the marketplace.

In 2019, small producer organisations invested Fairtrade Premiums to develop facilities and infrastructure, enhance human resources and administration, conduct training and capacity building of staff, the board and committees in producer organisations etc. See below the premiums received in 2019 for key products.

### **Fairtrade Premium Use – HLOs**

In the same period, the hired labour organisations used 73% of their premiums to provide services for workers and their families, 18% for community services and 5% for training and empowerment of workers (figure 3). The 73% of the premiums going to services for workers and their families mainly comprised of 31% education services to workers, 6.43% finance and credit services, 1.80% investment in housing, 5.3% health care, 3.63% payments to workers and their families and 24.71% to other services for workers and their families.



## FAIRTRADE PREMIUM

### TOTAL PREMIUMS RECEIVED





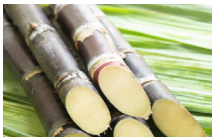


Product		Premium received in 2019 (Euro)
Cocoa		37,527,406
Flowers and Plants		7,630,254
Coffee		5,599,065
Banana		2,453,877
Cane Sugar		2,275,895
Tea		1,830,639
Wine grapes		1,396,646

Table 1: Premium in 2020

Figure 2:

Use of Premium by Farmers

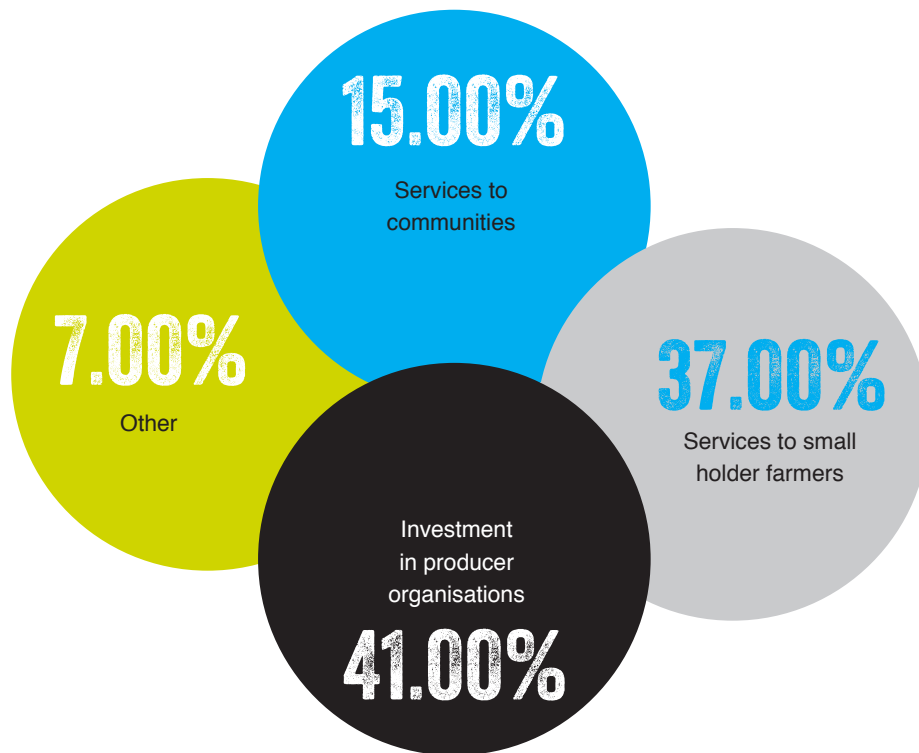
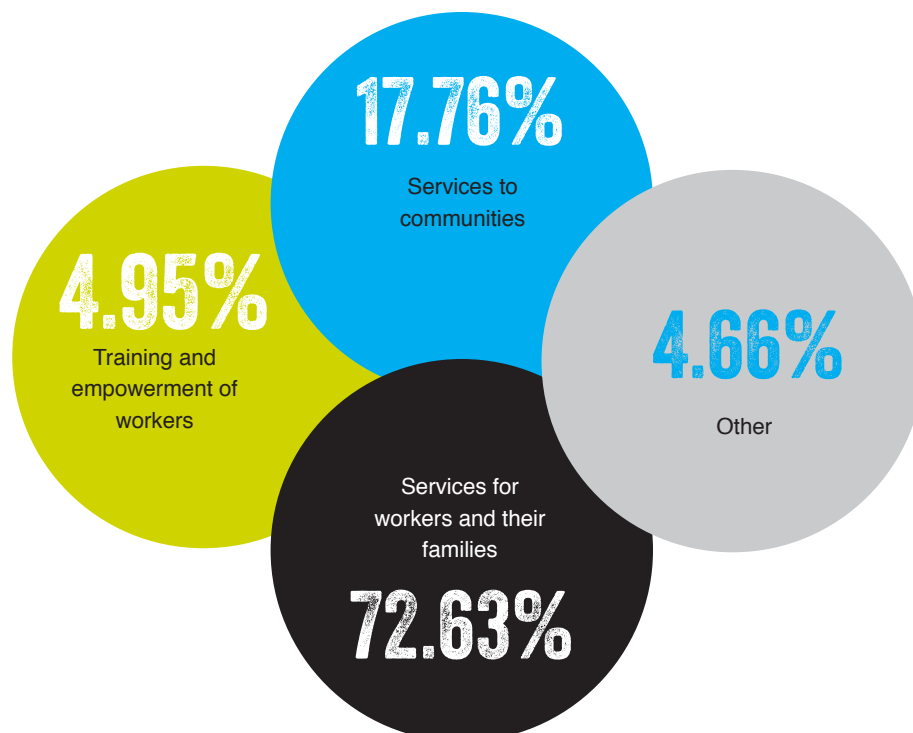


Figure 3:

Use of Premium by Workers





FAIRTRADE



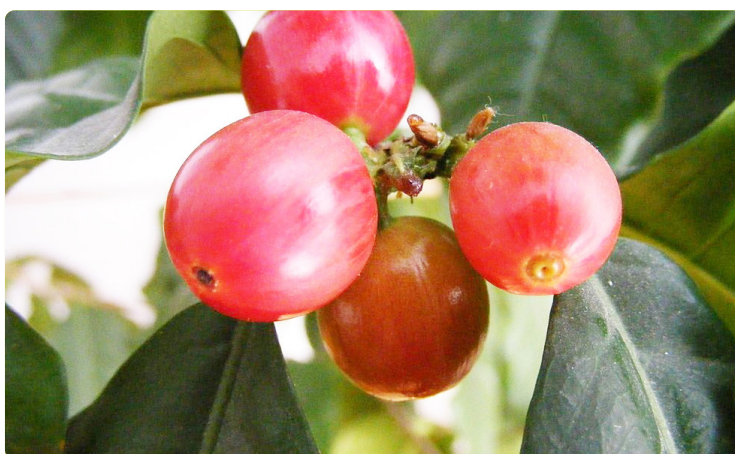
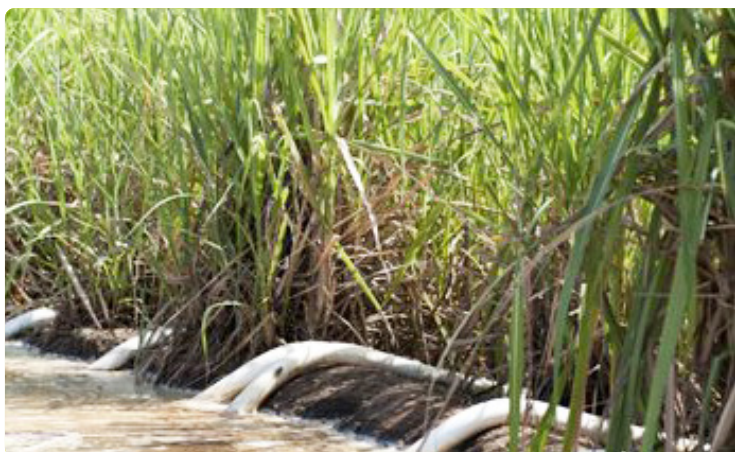
## 2.2.2 OBJECTIVE 2:

### BUILD, SECURE AND SUSTAIN ACCESS TO MARKET FOR OUR MEMBERS

During the year, Fairtrade Africa made substantial investments under this objective to increase product sales volume on Fairtrade terms in existing and new markets. These investments were in market training, development of communication materials, market intelligence and market promotion events, as well as access financing to grow markets.

- I. **Market Training:** Market training initiatives improved communication between Producer Organisations and commercial partners, leading to invitations to local and regional forums thus increasing the visibility and sales on Fairtrade terms
  
- II. **Conference, trade fairs and business-to-business initiatives:** Producer organisations Fairtrade staff, international coffee roasters, traders and professionals participated in the market-oriented events:
  - **African Fine Coffee Conference and Exhibition** in Kenya attracted 20 Fairtrade Africa Producer Organizations participated making contact with new buyers and markets. The
  - **Biofach 2020 Trade Fair in Germany** brought together POs and traders involved in organic production and sales. The fair presented an opportunity to explore new markets with Wollenhaupt and Clipper Teas keen on value added specialty teas.





III. **Access to Financing** – the Equity Program Phase II implemented in Côte d'Ivoire, Ghana, Burkina Faso, Mali, Togo and Benin supported eight Fairtrade-certified cocoa cooperatives apply for funding worth EUR500,000 from Enabel Belgium-Trade for Development Centre (TDC) to improve management and access to local, regional and international markets.

Below see examples of how POs benefited from the above activities

- In a cupping training session, Mutira Farmers' Cooperative Society in Kenya and Yirgacheffe Coffee Farmers' Cooperative Union in Ethiopia washed Arabica scored the highest cup score of 86+.
- In Ethiopia Sidama Coffee Cooperative Union sold Fairtrade coffee to Oxfam; Benji Maji Farmers' Cooperative Union sold Fairtrade coffee to Singapore.
- Bundikakemba Growers Cooperative Society Ltd, a cocoa-producing organization in Uganda signed a contract to supply a German Fairtrade buyer.
- In Madagascar resulted in two vanilla producer organisations accessing Fairtrade market for cured vanilla
- The intra Africa trade initiative saw Satemwa Tea Company start market prospecting activities in Zambia.

## 2.2.3 OBJECTIVE 3: ADVOCACY

In the year 2020, Fairtrade Africa continued to amplify the voice of its members through advocacy to increase Fairtrade's influence in national, regional, and continental policies, rules and agreements which affect members' ability to trade. Significant investments were made in working through partnerships and coalitions, campaigning and lobbying, and capacity building.

### Highlights to the achievements include:

- I. In Kenya, a position paper was presented to the government highlighting draft policy reforms in the mining sector.
- II. In Ghana, worked with key partners to review the Child Labour Monitoring System- the Ministry of Gender, Children and Social Protection, Child Rights International, International Labour Organization, International Cocoa Initiative, Ghana National Coalition on the Rights of the Child and UNICEF.
- III. In Côte d'Ivoire and Ghana, presented the Living Income Benchmark Study contributing to conversations on the same in a forum attended by key sector stakeholders- Conseil du Café-Cacao (CCC), the Coffee and Cocoa Board and to international chocolate

companies such as Mondelez, Ferrero, Nestle, Cargill, and Cemoi and attended by World Cocoa Foundation and International Cocoa Initiative. These conversations are providing an opportunity for Fairtrade to strengthen linkages with key sector players.

- IV. In Madagascar worked with the Anti-corruption Bureau to extend the anti-corruption awareness campaign in the vanilla sector;
- V. Living Income Differential (LID); Fairtrade Africa supported the national operationalisation of the LID policy by COCOBOD and CCC and issued a joint FLOCERT-FTA letter. LID is USD400/ton and supports cocoa farmers earn a decent living income. Started in the 2020/21 cocoa season, LID led to about 28% and 21% increase in farm gate prices in Ghana and Côte d'Ivoire, respectively.
- VI. Tanzania and Kenya Fairtrade Africa mooted the '**Call to Action**' coalition to gold mines. This has resulted in more partnerships with a range of technical and civil society organisations that support responsible mining. Together with Solidaridad, the Impact Facility and Fairphone are leading the formation of a sector-wide 'Call to Action' targeting jewellers and investors with an initial ambition to launch the Call at the OECD's Responsible Supply Chain Forum in Paris.

## 2.2.4 OBJECTIVE 4:

### BUILD A STRONG, SETTLED PRODUCER NETWORK AS PART OF A GLOBAL SYSTEM

Fairtrade Africa believes that maintaining effective and accountable organisation structures, establishing communication channels, and engaging and retaining highly competent, motivated staff is key to building strong producer networks. The notable achievements made in 2020 were:

- **Strengthening producer-led and product networks:** Interventions in country partnerships such as Rwanda, Ethiopia, Uganda, Ghana, Côte d'Ivoire and Cameroon have united producers across different sectors providing an advocacy platform for pursuing relevant changes in local policies.
- **Providing services to the broader Fairtrade System:** Through participation in global resource mobilization meetings, Fairtrade Africa contributed to the global agenda by providing feedback from producers making the trading ecosystem more efficient. Fairtrade Africa's participation in the Global Flowers Steering Committee helped review the Flower Strategy and ensure compliance with the new standard 2018-2020.
- **Planning for the next strategic frontier:** The organization dedicated the year 2020 to developing the Fairtrade Africa 2021-2025 Strategic Plan, which is aligned to Fairtrade Global Strategy and lives to the aspiration of the African Union Agenda 2063 on transformed and resilient economies. It is also in line with and advances a number of the UN Sustainable Development Goals.





# 3

## THEMATIC & PROJECT UPDATES

During the year 2020, Fairtrade Africa invested in its flagship projects and thematic projects across various regions.

### 3.1 FAIRTRADE FLAGSHIPS

#### 3.1.1 THE WEST AFRICA COCOA PROGRAMME

##### Description

The West Africa Cocoa Programme started in 2016 with a goal to improve household

income, assets and standard of living; deepen co-operation and gender equity within communities, increase food security and intergenerational sustainability of rural communities.

- **Coverage:**  
Cote d'Ivoire, Ghana
- **Budget:**  
EUR 5,194,086



IMPACT PATHWAY				
2016	2017	2018	2019	2020
<p>Impacted 6,222 and 712 farmers in Cote d'Ivoire and Ghana respectively, with certification support and organizational development training.</p>	<p>Gender training / empowerment led to 10% increase in the number of women benefitting from various capacity building activities including finance and governance</p> <p>Annual audits showed a reduction in non-conformities, 29 producer organisations benefitted from SCOPE Insight assessments</p>	<p>Rise in the number of certified producer organisations by over 60% in Ghana and Ivory Coast. Over 41,000 farmers were reached in the year out of which 20% were females.</p> <ul style="list-style-type: none"> <li>• 79% of the producer organisations had taken concrete actions to support income diversification/food security for members;</li> <li>• 65% of the sampled producer organisations were reported and they are run by their members;</li> <li>• 15% of the producer organisations demonstrated capacity to handle gender, forced and child labour concerns.</li> </ul>	<p>Impacted cocoa cooperatives by training 34,419 producers on child rights, good agricultural practices and internal management systems.</p>	<p>Equipped 210 SPO with requisite knowledge and skills on the Fairtrade Standards, one-on-one coaching for pre-audit support, and facilitated in-country peer-to-peer learning exchange visits.</p>



### 3.1.2 UNLOCKING THE POWER OF PRODUCERS & WORKERS TO DRIVE INCLUSIVE TRADE & DEVELOPMENT THROUGH FAIRTRADE

#### Description

Started in 2019 to:

- i) increase the influence of male and female small producers and workers from local to global level, and create a more inclusive,

representative and efficient Fairtrade network;

- ii) strengthen the institutional and operational capacity of Fairtrade for coordinated actions at the global, regional, and national levels;

- iii) reinforce the capacity of Fairtrade for coordinated actions at global, regional and national level.

- **Coverage:** Africa-wide
- **Budget:** EUR 7,000,000

IMPACT PATHWAY	
2019	2020
<ul style="list-style-type: none"> <li>• Four regional congresses on governance held; key policy/ statutory blueprints were approved including overall Governance Structure; Rules of Procedure for the Regional Producer Congresses and Rules of Procedure for the General Assembly.</li> <li>• Country &amp; Product Networks increased their engagement with FTA decision making; six capacity building sessions were organised that mainstreamed better representation of membership to tackle market access and inclusion of women &amp; youth challenges.</li> <li>• Data protection across the network was enhanced with the installation of hardware and software infrastructure</li> <li>• Advocacy capacity was strengthened across the network through the distribution of informational products such as regional newsletters and product (coffee, flowers and tea) information booklets.</li> <li>• Staff capacity and operational work was strengthened across the network with nine capacity building sessions comprising a variety of team building sessions, trainings on Project Cycle Management, trainings in Leadership &amp; Governance and Ways of Working sessions.</li> </ul>	<ul style="list-style-type: none"> <li>• Governance training conducted for the new Fairtrade Africa board, delegates to the general assembly and the leadership team;</li> <li>• In Mauritius the Sugarcane Product Network conducted training for its members</li> <li>• Country and Product Network meetings as well as Regional Congress Meetings were organised and members participated in the review of the draft the 2021-2025 Strategic Plan.</li> </ul>

## 3.1.3 DIGNITY FOR ALL (D4A) PROGRAMME

### Description

Started in 2018 with a goal of safeguarding the rights of the producers (target 43) and workers to a dignified life. Implemented across coffee, banana, wine, flowers, tea and cocoa value chains.

- **Coverage:** Ghana, Ethiopia, Malawi, South Africa
- **Budget:** EUR 3,259,650.

IMPACT PATHWAY		
2018	2019	2020
<ul style="list-style-type: none"> <li>• Inception meetings in each of the four target countries (Ghana, Ethiopia, Malawi and South Africa) developed the implementation strategy based on two objectives               <ul style="list-style-type: none"> <li>(i) right to a sustainable livelihood of producer households and</li> <li>(ii) right to a sustainable livelihood of worker households and advancing fair and sustainable trading.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• In Ghana (Banana)- Improved relations at the workplace with 350 trained on workers' rights, gender and conflict management and grievance procedure from.</li> <li>• Ethiopia (Coffee) - Increased productivity and quality with the average amount of coffee produced and marketed increasing from 11,504 quintals in 2018 to 17,682 quintals in 2019;</li> <li>• Malawi (Tea)- strengthened trade union capacity to represent workers. The Plantation and Agriculture Workers Union conducted a membership recruitment drive that increased their membership by 36.9%. A total of 97.8% of general workers reported to enjoy the option of freely joining a trade union of their choice; and the union successfully negotiated 2 Collective Bargaining Agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• In Ghana, Ethiopia and South Africa, capacity building trainings have enhanced negotiation skills across the hired labour organisations, led to improved workers welfare (wages and maternity leave days for female workers);</li> <li>• In Ethiopia Coffee farmers received and planted seedlings of assorted agroforestry tree varieties;</li> <li>• In Ghana (Cocoa)- the project is contributing to safe and friendly school environments for children in cocoa growing communities in Asunafo North District. Parents and Teachers Associations, School Management Committees were trained on promotion of child rights and alternative forms of discipline at school and community level. 9,303 persons, including 2,923 children participated representing 31% of the total participation across 57 communities.</li> </ul>

## 3.2 KEY THEMATIC UPDATES

### 3.2.1 CLIMATE CHANGE

The effects of climate change are real, long-lasting, and impact smallholder farmers whose farm productivity is declining. Africa is vulnerable due to the limited adaptive capacity and widespread poverty.

Fairtrade is taking action on Goal 13: combat climate change and its impacts on farmers and workers, who are on the frontline of climate risks. We promote climate-resilient agriculture through its standards and programmes to protect the environment and biodiversity. Some highlights on thematic focused projects;

#### **Fairtrade Climate Academy**

In Eastern Africa, smallholder coffee farmers participating in project are building knowledge and skills to reduce losses and damage caused by climate extremes such as floods and drought. In Ethiopia and Kenya, the project has reached 6,000 beneficiaries through the promotion of clean energy via energy-efficient cookstoves and forest conservation. The project has sensitized farmers on climate change mitigation and adaptation through digital media and local radio stations.

#### **GREAN Project**

The Growing Resilient Agricultural Enterprises Now (GREAN) Project is contributing to the effective and broader use of improved cooking stoves and briquette production. The resulting effect is that carbon credits is generated while sales increase and farmers

are making positive steps towards mitigating adverse effects of climate change. To date 4,000 improved cooking stoves have been distributed.

**Solar for Coffee Project** is working in partnership with GIZ and with selected producer organisations in the coffee value chain in Eastern Africa to lower the production costs by using solar technology to dry coffee beans. The use of the solar-driven driers reduces drying time from 12 to four days, reducing production costs per kilogramme of cherry by an average of 20%; and saving the producer organisation USD0.04 per kilogramme.

**Alliance For Action (A4A) SANKOFA Project in Ghana:** The project is scaling up climate-smart agriculture and livelihood diversification by cocoa farmers, while also supporting carbon in-setting. Adoption of good agricultural practices has yielded to the establishment of 44.75 hectares, a total of 132 farmers (47 women and 85 men), representing 68.85% of the target value.

**Mondelez COCOALIFE Climate Change Project in Ghana,** is promoting climate-resilient crops so that cocoa farmers improve food security and get alternative incomes. In 2020, the project conducted community sensitization and awareness forums in 20 communities reaching 556 male and 402 females on climate change causes and activities. The Community Adaptation Action Plans developed aim to strengthen the ability of cocoa farmers and their communities to reduce vulnerability and increase their adaptation to climate change.

## 3.2.2 DECENT LIVELIHOODS

African farmers' share of the global market is worth billions of euros. Despite growing crops that drive and sustain regional and international supply chains, smallholder farmers and agricultural workers too often live in poverty. In line with Sustainable Development Goal 8 on decent work and economic growth, Fairtrade Africa promotes inclusive and sustainable economic growth and creates opportunities for decent and secure livelihoods for African producers and workers.

**LIDL Income Improvement Project:** More than 3 million *'Way to Go' chocolate bars* have been sold in Germany due to the onboarding of additional LIDL societies. This campaign is contributing to increased demand for the beans from Kuapa Kokoo Cooperative Union in Ghana. In 2020, the project introduced Village Savings and Loan Associations (VSLA), supported women groups start liquid soap production, plant rice and yams and distributed pruning and spraying equipment reaching 870 farmers across 10 communities/zones.

**Livelihood and Ecosystem Accelerator Programme (LEAP) Project** organised co-creation workshops jointly with Fairtrade UK, Ecookim, Mars and other stakeholders. The project aims to empower small-scale cocoa farmers in Cote d'Ivoire through implementing a set of holistic and targeted interventions to improve their income to levels. Targeted interventions include optimising, diversifying income streams; de-risking livelihood strategies to enable growth, securing better economic deals and unlocking investment through partnerships; and household resilience to uncertainty and shocks.

**GIZ Project** in Côte d'Ivoire aims to increase the income of six cocoa farmers' cooperatives. This pilot phase aims to maintain farm income and expenditure records at household level with the support of coaches. Selection and training was conducted for at least 20 coaches per cooperative that have been selected; coaches commit to working five days per month to support farmer households.

### Climate Academy Project

- In Kenya, the Climate Academy Project is promoting income diversification at the producer level. Youth and women are supported to establish income-generating entertainment and events enterprises. The extra income helps farmers meet immediate family needs as they wait for the income from coffee. Other investments include demo stations where apiculture (40 beehives) and egg incubating and brooding (528 egg capacity) projects have been set up.
- In Ethiopia the income-generating activities that have been set up through the Climate Academy Project include poultry production where 625 chickens were also distributed to 25 model women cooperative members to promote poultry farming. It is expected that through this initiative, the producers will generate more income and be in a position to meet their needs translating to improved standards of living.

In line with Sustainable Development Goal 8; Fairtrade Africa promotes gender equality and the empowerment of women and girls by prohibiting gender discrimination. Fairtrade also runs gender leadership schools and facilitates seed funding for women's initiatives through the Fairtrade Premium.



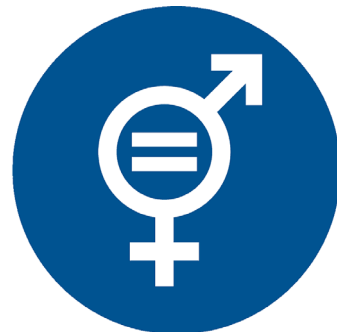
## 3.2.3 GENDER EQUALITY

**Fairtrade Africa Women's School of Leadership (WSOL):** WSOL's objective is to reinforce the empowerment and leadership of women through training and mentoring, access to information and expertise to take leadership roles within cooperatives and lead activities within their communities. The school programme enables women to know their rights and improve their leadership and gender rights' competencies in their environment. They learn communication skills, teamwork, budget management, and income diversification. As a result, graduates become ambassadors of gender equality in their communities and trainers or mentors of the subsequent cohort. Based on the success of the school, Fairtrade organisations in Central Asia, Indonesia and India are opening similar schools.

**Gender Action Learning in Tea Farming Communities Project:** The tea sector receives most of its labour from women who remain economically disadvantaged. The project is equipping women with skills to enable them earn more income and subsequently improve their livelihoods in Kenya. The project is targeting youth with

interventions that include the facilitation of workshops on entrepreneurship and business.

**Increasing clean energy access for coffee producers in Uganda Project** is targeting three Fairtrade-certified small coffee producer organisations in western and central Uganda with financial access for women to procure energy products. The project provides financial and technology linkages to members of whom 64.3% are not connected to the national grid and lack access to solar home devices. The producer organisations are supported to act as the key distribution channels for both access to finance and energy products, introducing a new income stream for the POs.



### WESTERN AFRICA

(32 female, 8 male) beneficiaries across seven different cocoa small producer organisations graduated in the project's second phase in 2020

### EASTERN AFRICA

40 participants (30 female and 10 male) were part of the project's second phase. Out of this, 10 (four female and six male) were persons with disabilities

## 3.2.4 YOUTH INCLUSION

Africa's population is very young, with 60% of the entire continent aged below 25 years, making it the youngest continent in the world. Through targeted interventions, Fairtrade Africa develops and promotes the role of youth in agricultural production and commerce.

### Youth Inclusive Community based Monitoring and Remediation (YICBMR)

In Ghana, Fairtrade Africa sensitized **32,793** members drawn from 4 SPOs in 102 communities with female participation representing over **51%**

on inclusive community-based monitoring and remediation. This was done in partnership with the Social Welfare, National Commission for Civic Education and the Ghana Education Service. In Côte d'Ivoire, a draft letter of sensitization and an awareness monitoring sheet on Child labour for all SPOs was submitted to government- leading to re-opening of schools in just 2 months. Already 19 SPOs have taken initiatives of awareness against child labour.

In total 33,670 community members benefitted from the sensitization comprising **14,682** men and **18,988** women representing **56%**

### Launching Mutira Coop UK East Africa Youth Project

The future of coffee in Kenya is greatly threatened by the average age of farmers - the majority are above 50 years. To address this, an East African youth project was launched in Kenya with support from Coop UK via Fairtrade Foundation.

The project partly seeks to raise **200,000** coffee seedlings and have them distributed among youth and women at the cooperative.

The new bushes are anticipated to spur increased production by an average of **2** MILLION KILOGRAMS

over a period of **3 years**

thereby increasing farmer income. To motivate the youth to take up coffee farming as a business,

**50 youths**

will be trained on Good Agricultural Practices (GAPs) related to coffee, farm diversification and farming as a business. It is also expected that the project will deliver a clonal garden where youths will access scions of improved varieties and a nursery for improved coffee seedlings.

### Dignity for All (D4A) Coffee Project

In Ethiopia, Fairtrade Africa supported youth inclusion in the coffee value chain:

Youth from the 3 POs were involved in a youth forum with an aim to discuss matters coffee farming as a business. So far, 3 youth groups have been registered under the local government and certified as legal entities to start business on coffee value chains.

**30** YOUTH MEMBERS

received seed capital to start up and have so far established **2** agricultural inputs supply units & **3** nurseries which shall be under the supervision of the PO management.

**11** female **19** male

## 3.2.5 CHILD LABOUR

According to the **International Labour Organisation (ILO)**: 9% of African children are in hazardous work. Today, the continent has the largest number of child labourers globally, with 72.1 million children estimated to be in child labour and 31.5 million in hazardous work, as progress against child labour stagnates. Fairtrade Africa recognises that this deep-rooted challenge needs a holistic approach to solve. Consequently, Fairtrade Africa is working for children to contribute to the achievement of Sustainable Goal 8 Target 8 and bring about a world free of child labour. In line with SDG 12; Fairtrade producer organisations are supported to comply with environmental and social standards -including no child or forced labour.

The **Youth Inclusive Community-based Monitoring and Remediation (YICBMR)** in Ghana and Côte d'Ivoire, is working with youth to address child labour in cocoa-growing communities. The intended focus is to entrench the response system as part of the government's child labour monitoring system. The Dignity for All Project reached out to 9,303 community members in Asunafo North including 2,923 children participated representing 31% of the total participation across 57 communities on promotion of child rights and alternative

forms of discipline at school and community level.

According to the International Labour Organisation (ILO) 9% of African children are in hazardous work. Today, the continent has the largest number of child labourers globally, with 72.1 million children estimated to be in child labour and 31.5 million in hazardous work, as progress against child labour stagnates. Fairtrade Africa recognises that this deep-rooted problem needs a holistic approach to solve. Consequently, Fairtrade Africa is working for children to contribute to the achievement of Sustainable Goal 8 Target 8 and bring about a world free of child labour. In line with SDG 12; Fairtrade producer organisations are supported to comply with environmental and social standards -including no child or forced labour.

In addition to the **Dignity for All** flagship project, the **Youth Inclusive Community-based Monitoring and Remediation (YICBMR)** in Ghana and Côte d'Ivoire, Fairtrade Africa worked with the youth to address child labour in cocoa-growing communities through the Youth Inclusive Community Based Monitoring and Remediation (YICBMR) approach. The intended focus is to entrench the response system as part of the government's child labour monitoring system.





# 4

## THE FAIRTRADE AFRICA COVID-19 RESPONSE

Fairtrade Africa in response to COVID19 pandemic partnered with Fairtrade system members to raise resources to support producer organization projects with the aim to provide immediate relief and support prevention of the further spread of the pandemic on at-risk producers and their wider communities and ultimately support producers recover from economic losses thereby building producers' resilience to future shocks and stresses.

A rapid assessment on the status of 199 producer organisations from 17 countries in December 2020 established

- Over 257 members of these organisations were COVID-19 positive.
- 973 staff working across Fairtrade Africa's network of certified producer organisations had lost their jobs.

Other challenges expressed were loss of Fairtrade markets and potential new clients, delays in the export of produce and payment of premium, and the high cost of essential items and consumables.

Fairtrade Africa's response was quick and timely, collaborating with various partners in rolling out initiatives to mitigate the effects of COVID-19 on producers and workers. Examples of interventions include:

- Recover Africa Project which mitigated the impact of the COVID-19 pandemic on Fairtrade producers' health, wellbeing and economic sustainability through crop and income diversification;
- Fairtrade Africa COVID-19 Relief Fund provided producers with masks and other basic protective and medical equipment, temporarily paid wages for suspended workers and set up local food security initiatives;



**The Fairtrade Africa Covid-19 Relief Fund**

€ **3,405,357**

Euros raised by FTA and Fairtrade System and their partners

**315**

FTA affiliated POs in cocoa, tea, flower, sugar, wine, herbs and spices sectors across Africa representing

**50% OF ALL CERTIFIED POS**

**The Fairtrade premium support**



In Ghana, ABOCFA Cooperative distributed their Fairtrade premium to its members to reduce the hardships they experienced due to the spread of the Covid-19. A total amount of **\$182,757.89** was paid to 924 members



In Uganda, Bukonza Organic Growers Cooperative Union donated a consignment of food stuffs worth **€735** from the Fairtrade premium kitty, including sugar, maize flour, cooking oil, beans and bars of soap to the local government task force on Covid-19



In Ethiopia, Oromia Coffee Farmers Union donated **€41,375** from its social reserve to support Oromia regional state efforts in fighting Covid-19. The union also distributed **€15,564** in Fairtrade premium to 142 factory daily labourers and 242 permanent workers for the purchase of food.

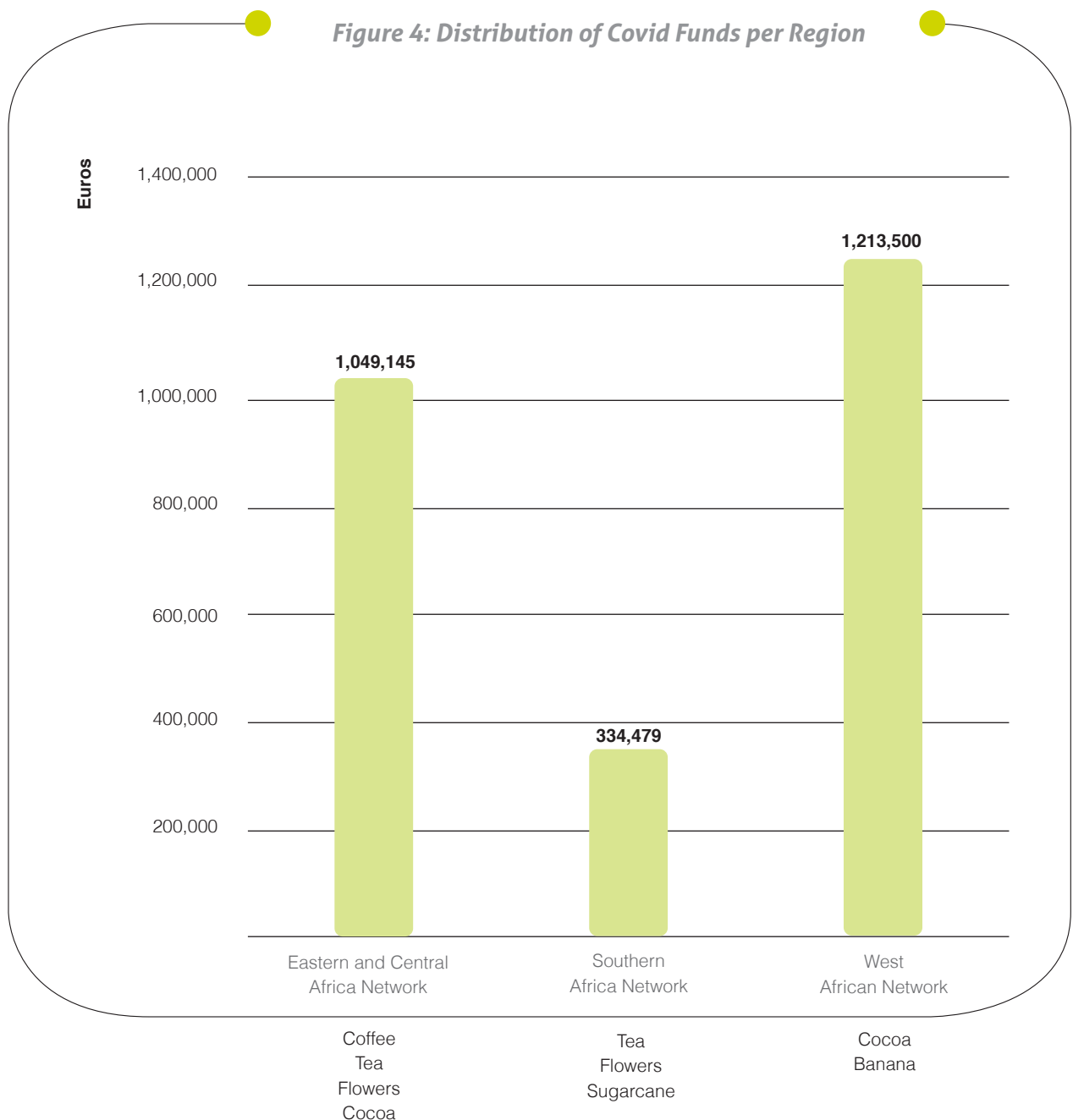


in Uganda, Ankole Coffee Producers Cooperative Union (ACPCU) donated **€3,617** to the national Covid-19 taskforce and donated **€12,893** to 11 districts in Uganda

- Fair Voice Project in Kenya built the resilience of flower farmers' workers on the impact of the pandemic through digital information sharing platforms;
- Fairtrade Premium Support which is improving producer organisations' project identification, but also led to investing a considerable amount of funds from premium reserves in hygiene and sanitation supplies for

their workers and producers. Figure 4 presents the total distribution of Covid funds from different products per region.

Collectively, Euros 3,405,357 from these funding sources has been disbursed to 315 FTA certified POs in cocoa, tea, flower, sugar, wine, herbs & spices, sectors across Africa representing 50% of all certified POs.





# THE NEW STRATEGIC FRONTIER- 2021-2025

In 2020, the General Assembly approved Strategic Plan 2021-2025. The strategy comes against a backdrop of climate change, trade imbalances slowing growth in several key markets, the rise in competing corporate schemes and certification bodies, and global changes that put decent living income at the centre of everything.

The strategic plan is anchored on four mutually inclusive strategic pillars which cherish the aspirations of Fairtrade International's Strategic Plan and align with its philosophy. In sum, all these strategic pillars will fulfil the mission – **Transformative, Resilient and Impact**. Figure 6 presents the strategic plan at a glance.

**Figure 6: The Strategic Plan at a Glance**



The strategy aligns with the aspirations of the African Union Agenda 2063 on transformed and resilient economies. It also advances a number of the UN Sustainable Development Goals. With a strong focus on climate change, the strategy drives a model to address climate change effects on production systems. The strategy acknowledges the role of women and youth in agricultural production and commerce. Finally, the strategy pursues several impact pathways to demonstrate success via robust data management, impact measurement and reporting framework.

The strategy has completely rethought how business will be executed given the devastating effects COVID-19 pandemic. Some of the effects include restricted field travels and gatherings, disruption of local and international market logistics, and restriction of movement, resulting in smallholder farmers struggling to transport their goods to larger traders or central collection points; and restricted the movement for migrant workers. Finally, the delivery of the strategy will be driven by digitalization, external partnerships, a focus on innovations; quality and value for money and knowledge management.



# 6

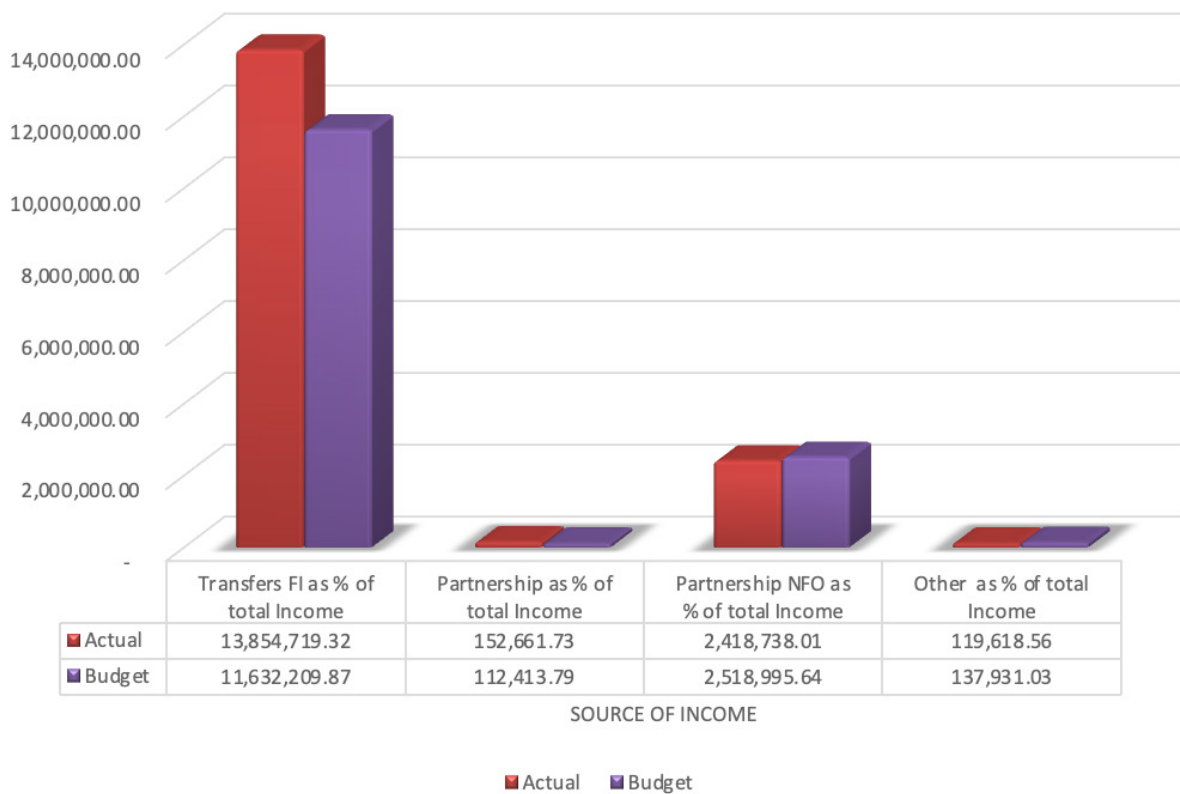
## FINANCIAL OUTLOOK

### 6.1 INCOME/ FUNDS RECEIVED IN 2020

Fairtrade Africa has two streams of budget support (i) Fairtrade International (FI) and (ii) Project funding from National Fairtrade

Organizations and Development partners. In 81% of budgeted funds were received from Fairtrade International (FI);

● **Figure 7: Income YTD 2020** ●



85%

OF THE BUDGET-ED FUNDS WERE RECEIVED OUT OF WHICH

81%

WAS RECEIVED FROM FAIRTRADE INTERNATIONAL (FI)



Partnership income represents funds sourced by Fairtrade outside the Fairtrade system to implement Fairtrade themes such as climate change, decent livelihoods, gender equity and child labour.



Partnership NFO represents funds sourced from National Fairtrade Organizations (NFOs) within the Fairtrade system. This stream of income constitutes 18% of overall funds received in 2020.



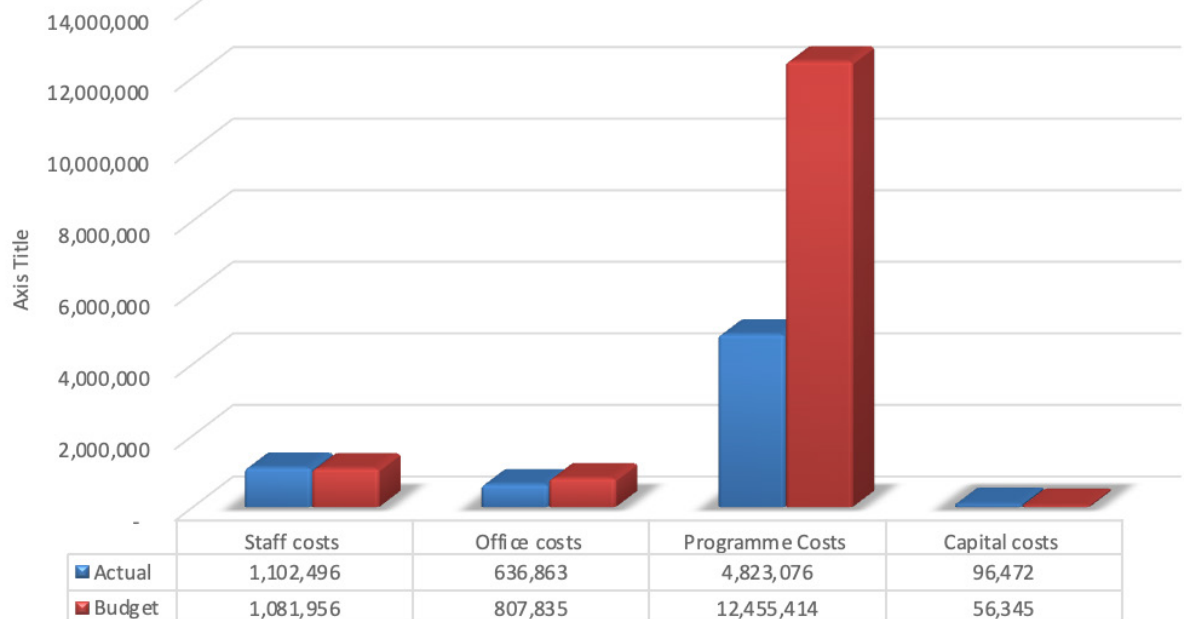
Other Funds represent funds from Producer Organizations comprising membership fees or funds raised for events such as Regional Fairtrade Conventions and Congresses. This represented 1% of the funds received in 2020.

## 6.2 EXPENDITURE

The impact of COVID-19 in 2020 is seen in the budget utilisation as staff were unable to convene in person trainings or travel to the

field. Only 46% of the budgeted funds were utilised in 2020. Overall, 92% of expenses were programme costs; non- programme including staff costs constituted the remaining 8%.

Figure 8: Expenses vs Budget in 2020



# 7

## CORPORATE & ORGANIZATIONAL

### 7.1 GOVERNANCE STRUCTURE

Fairtrade Africa completed the governance restructuring process in 2020 and with the approval of the Board, Africa Fairtrade Network (AFTN) trading as Fairtrade Africa was transformed into Commerce Equitable

Afrique (CEA). CEA has been registered in Kenya as a company limited by guarantee and effective 1 January 2021, assumed all the functions and activities of AFTN. The following principles guide the Fairtrade Africa governance- transparency, accountability, inclusiveness, effectiveness and efficiency and objectivity

#### Membership



Fairtrade certified organizations in Africa and Middle East register as members of Fairtrade Africa.

#### Regional Producer Congresses



The congresses are annual fora where producers come to exchange ideas, learn, consult and elect delegates to the General Assembly.

#### The General Assembly



The General Assembly is the supreme decision-making body of Fairtrade Africa. The GA will be held every year. The delegates have a three-year term

#### The Board



Comprises 7 members as follows: 4 producer representatives (one per region) plus 3 independent members

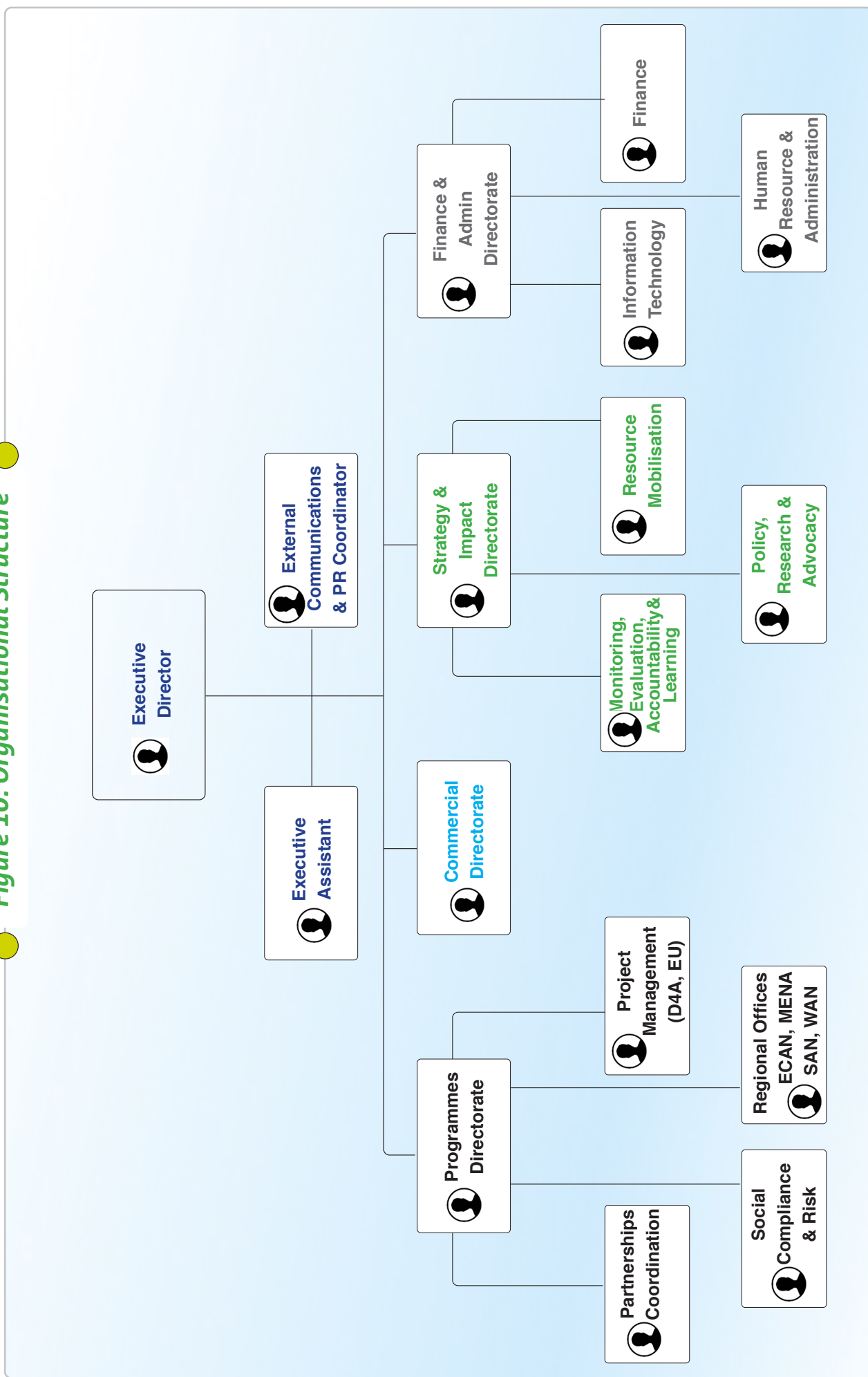
## 7.2 ORGANISATIONAL STRUCTURE

Fairtrade Africa's mission is implemented through the Secretariat that the Executive Director heads. The Executive Director oversees the directorates of Programmes, Commercial, Strategy and Impact and

Finance and Administration. To ensure institutional agility and efficiency, Fairtrade Africa deploys the capacity within Secretariat and at the regions, works with partners to provide additional technical assistance needed, and enhances the staff capacity through training and other forms of capacity building in line with current realities.



Figure 10: Organisational Structure





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