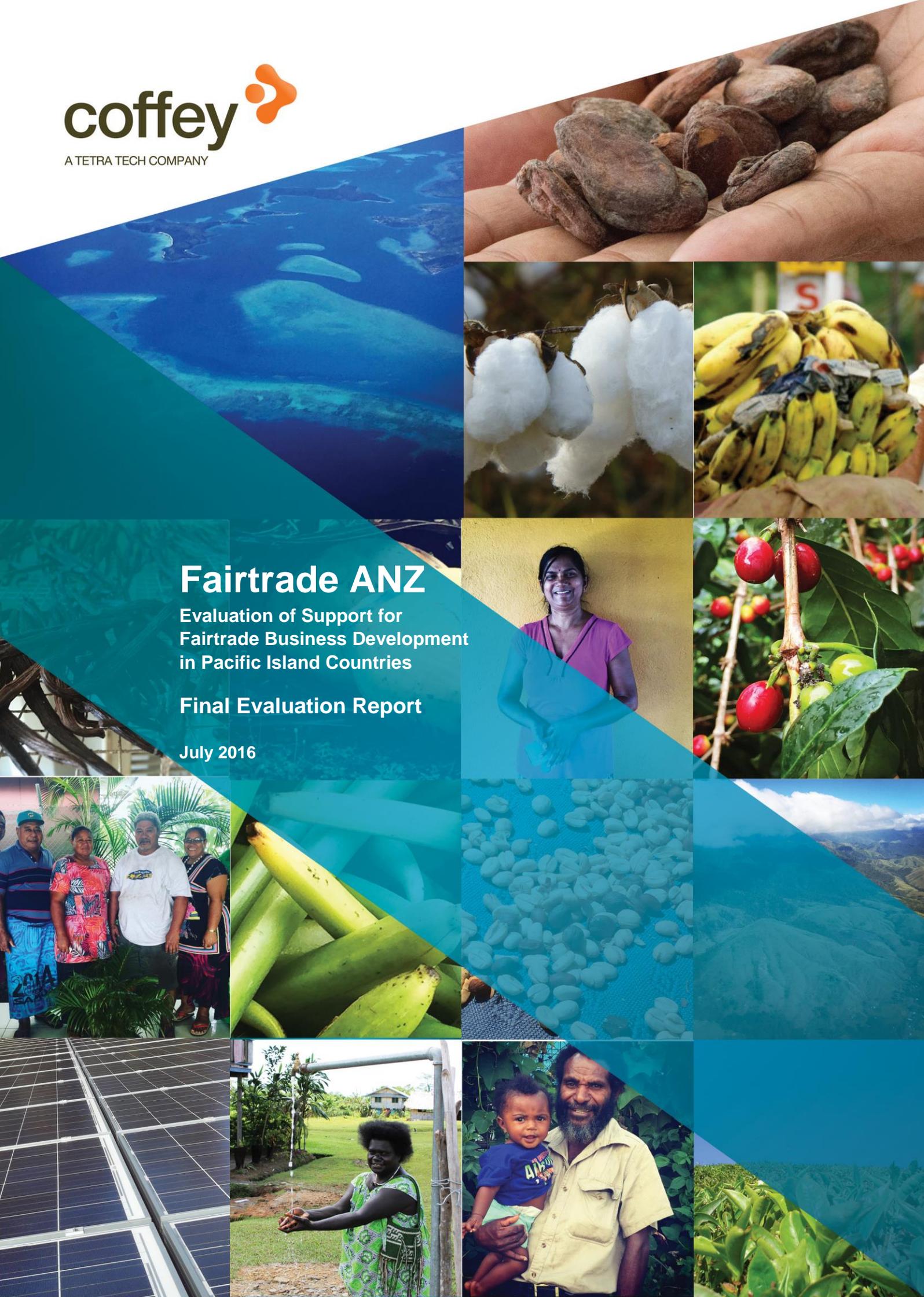


# Fairtrade ANZ

Evaluation of Support for  
Fairtrade Business Development  
in Pacific Island Countries

Final Evaluation Report

July 2016



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# Table of contents

<b>Executive Summary</b> .....	<b>3</b>
<b>1 Introduction</b> .....	<b>11</b>
<b>2 Expanding the benefits of Fairtrade in Pacific Island Countries: a Fairtrade ANZ priority</b> .	<b>13</b>
2.1 Trade as aid .....	13
2.2 Sustainable Business and Ethical Consumerism.....	14
2.3 Fairtrade in the Pacific .....	14
2.4 Economic Development in the Pacific.....	15
2.5 Gender and Fairtrade.....	16
<b>3 Overview of Support for Fairtrade Business Development in Pacific Island Countries</b> .....	<b>20</b>
3.1 Project Approach.....	20
<b>4 Purpose and Expectations of the Evaluation</b> .....	<b>22</b>
4.1 Purpose and Rationale.....	22
4.2 Scope and Focus .....	22
4.3 Evaluation Objectives.....	23
4.4 Evaluation Questions .....	24
4.5 Cross cutting priorities.....	24
4.5.1 Gender Equality and Women's Empowerment .....	24
4.5.2 Environmental sustainability .....	24
4.5.3 Climate change .....	24
4.5.4 Child Protection .....	25
<b>5 Evaluation Approach and Methodology</b> .....	<b>26</b>
5.1 Methodological Limitations .....	26
5.2 Development of the Social Impact Framework .....	29
<b>6 Key Findings</b> .....	<b>31</b>
6.1 Progress, achievement and challenges: Producer Support and Relations .....	37
6.2 Progress, achievement and challenges: Business Development in New Zealand.....	45
6.3 Impact on broader economic and development goals .....	52
6.4 Improving gender equality and women's economic empowerment.....	56
6.5 Monitoring and Evaluation.....	60
6.5.1 Social Impact Framework.....	63
<b>7 Mainstreaming cross cutting issues</b> .....	<b>65</b>
7.1 Gender Equality .....	65
7.2 Environmental Sustainability.....	71
7.3 Climate Change .....	72
7.4 Child Protection.....	73
<b>8 Recommendations</b> .....	<b>74</b>
8.1 General Recommendations .....	74
8.2 Gender Specific Recommendations .....	75

8.3	Monitoring and Evaluation Recommendations .....	76
<b>9</b>	<b>Conclusions .....</b>	<b>77</b>
	<b>Appendix A .....</b>	<b>78</b>
	<b>Evaluation Questions .....</b>	<b>78</b>
	<b>Appendix B .....</b>	<b>83</b>
	<b>Stakeholders Consulted .....</b>	<b>83</b>
	<b>Appendix C .....</b>	<b>88</b>
	<b>Country Level Case Studies .....</b>	<b>88</b>
	C.1 Papua New Guinea.....	89
	C.2 Fiji .....	90
	C.3 Tonga.....	91
	C.4 Samoa.....	92
	C.5 Vanuatu.....	93
	C.6 Solomon Islands .....	93
	<b>Appendix D .....</b>	<b>95</b>
	<b>Social Impact Framework.....</b>	<b>95</b>

# Abbreviations

ADB	Asian Development Bank
ANZ	Australia and New Zealand
ASEAN	Association of South East Asian Nations
B2B	Business to business
BEDP	Basic Education Development Project
CIC	Coffee Industry Corporation
CUG	Closed User Group
DFAT	Department of Foreign Affairs and Trade
ECF	Enterprise Challenge Fund
EPA	Economic Partnership Agreement
EU	European Union
FI	Fairtrade International
GVC	Global Value Chain
HOAC	Highlands Organic Agricultural Cooperative
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
KEQ	Key evaluation questions
LCPA	Labasa Cane Producers' Association
LO	Liaison Officer
LtCPA	Lautoka Cane Producers' Association
MAFF	Ministry of Agriculture, Food and Forestry
M&E	Monitoring and evaluation
MFAT	Ministry of Foreign Affairs and Trade
MSG	Melanesian Spearhead Group

MTEC	Micronesian Trade and Economic Committee
ODA	Overseas development assistance
QFF	Queen Fine Foods
PCF	Producer Certification Fund
PDF	Producer Development Fund
PIC	Pacific Island Country
PICTA	Pacific Island Country Trade Agreement
PNG	Papua New Guinea
PSR	Producer Support and Relations
RMT	Results Measurement Table
RPCPA	Rarawai and Penang Cane Producer Association
RPPF	Regional Pacific Fairtrade Program
RTA	Regional Trade Agreement
SCFA	Savai'i Coconut Farmers' Association
SDG	Sustainable Development Goal
SIF	Social impact framework
SPO	Small Producer Organisation
TDB	Tongan Development Bank
ToC	Theory of change
VCD	Value Chain Development
VCGA	Vanuatu Cocoa Growers Association
VGA	Vanilla Growers' Association
WTO	World Trade Organisation

## Executive Summary

This report is the Final Evaluation Report of “Fairtrade Support for Business Development in Pacific Island Countries (PICs)” (hereby referred to as ‘the project’). The project is a NZD4.56 million initiative over five years (2012-2017) funded through the New Zealand Ministry for Foreign Affairs and Trade (MFAT) under the New Zealand Aid Program’s Economic Development Program.

The project forms part of a suite of Regional Programs situated within one of the New Zealand Government’s flagship investment priorities. The Regional Pacific Fairtrade Program (RPFPP) aims to create a step change in both the global competitiveness of Pacific producer groups producing Fairtrade goods, together with increased benefits for these producer groups. The goal of the project is to “increase economic development among rural communities in the Pacific through the promotion of Fairtrade Certification and linkages to Fairtrade markets”. The objectives of the project are to empower small producers, foster sustainable livelihoods and make trade fair.

In April 2016, Fairtrade ANZ engaged Coffey International Development to undertake an independent end of project evaluation. While gender equality is not a specific objective of the project, with its strong interest in promoting gender equality in the Pacific, the Australian Department of Foreign Affairs and Trade (DFAT) supported the overall evaluation through contracting of a Gender Specialist to specifically assess the extent to which Fairtrade ANZ’s project design lends itself to fostering an awareness of and focus on the gender dynamics involved in the production and export of Fairtrade products to consumer markets; the extent to which an awareness of these gender dynamics permeates project management processes and structures at all levels; the impact that the project could have on gender equality and women’s empowerment; and how Fairtrade ANZ could refine and strengthen its approach going forward.

The objectives of the evaluation were to:

- a) determine the extent to which intended and unintended outcomes were achieved;
- b) identify factors contributing to success or failure;
- c) assess the sustainability of the benefits generated; and
- d) inform future programming, policy development and overall organisational learning.

The general approach to this evaluation was theory-based while also examining implementation processes, capacity and coordination. Fieldwork was undertaken in a sample of Pacific countries involved in the project between 5 May 2016 and the 31st May 2016, including in PNG, Fiji, Tonga, Samoa, and New Zealand. The research methods used were predominantly qualitative supplemented by quantitative data where available and involved a purposive sample of key stakeholders.<sup>1</sup> The theory-based evaluation was framed and guided by MFAT’s Results Measurement Table (RMT) and the Fairtrade ANZ’s Results Framework and Theory of Change (ToC) for Producer Support. This helped to establish the extent to which individual activities (ie. Producer support and increased awareness of Fairtrade Certified products) have contributed to higher level goals. The evaluation was undertaken in four phases from April 2016 to June 2016.

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<sup>1</sup> This is also referred to as an ‘exploratory sequential’ mixed methods design. Qualitative studies are conducted and findings explored when considering individual programs being evaluated.

## Key findings

### Highly Relevant Objectives in the Pacific Context

The project is particularly highly relevant to MFAT's strategic priorities in its flagship programmatic areas in the agricultural sector. The overarching goal and objectives of the project to increase economic development among rural communities and to foster sustainable livelihoods for men and women are highly relevant to both donors (MFAT and DFAT) and partner governments in the Pacific context.

One of the key components of the Fairtrade model is its ability to empower people, especially producers and workers and to foster sustainable livelihoods for men and women. Within this concept lies the potential for a strong commitment to gender equality and women's empowerment and an opportunity to alleviate poverty for women who are at a disadvantage in the Pacific trade market due to attitudinal and structural barriers that impact on their ability to benefit from trade. The potential of Fairtrade ANZ to promote gender equality and women's empowerment in rural communities is highly relevant to donors and stakeholders.

### Potential to Exploit Synergies with Other MFAT and DFAT Programs

The Fairtrade system for determining the allocation of premiums enables the realisation of local aspirations to be addressed within the broader context of PICs development priorities. There are additionally strong synergies with other MFAT and DFAT funded governance programs working at the grassroots level to improve democratic processes and social cohesion.

### Effectiveness Driven by Context Adaptation with Opportunities to Strengthen Relationships with Commercial Partners in the New Zealand Marketplace for Greater Impact

Owing to the particularly dynamic low capacity contexts within which the project is operating, has meant that small producer organisations (SPOs) – particularly in PNG – require a longer time horizon within which to achieve certification. Significant effort is spent on ensuring reliable and consistent supply of *quality* products which has resulted in slower progress towards achieving increases in the number of certified groups, scale of production and sales targets; despite significant market demand for certain Pacific products. However, buyers agree that whilst the current pace of progress towards certification and significant production volumes is slower than market demand, it is critical that robust processes are in place to ensure quality and traceability of products.

Within this complex strategic and delivery environment, a key strength and differentiator of Fairtrade ANZ is the flexibility with which the Producer Support and Relations (PSR) team have been able to adapt the Fairtrade International (FI) system to better serve the local context and priorities of each partner country including the needs of the local communities. The PSR team have applied a grounded approach to capacity building that appreciates the technical, conceptual and practical challenges faced by agricultural sector in the Pacific and trading partners in attempting to rehabilitate, develop and grow the number of Fairtrade certified products in the Pacific context. This is driven by a number of factors:

1. the deep experience of the PSR team in establishing, managing and working within cooperatives both in the Pacific context and globally which has enabled strong contextualisation and adaptation to the model whilst still upholding the underpinning principles of the Fairtrade Standards and system;
2. the relational approach taken by the PSR team ie. understanding of the social and cultural subtleties underpinning community relationships in the Pacific and how this impacts on the dynamics and structural requirements for effective and democratic functioning of cooperatives;
3. application of a range of adult learning and behaviour change approaches, such that learning is staged incrementally to allow producers and SPOs to master simple tasks first in a well-supported

environment prior to progressing to higher levels of accountability and expectations to comply with the Fairtrade Standards for certification.

With 248 licensees - 42 of whom are uniquely based in the New Zealand market - Fairtrade ANZ has continued to build its brand awareness and label recognition, and with it, a growing awareness by consumers and understanding about the impact of Fairtrade on the livelihoods of Pacific based producers. There is broad community acceptance across New Zealand on the role of Fairtrade in 'making trade fair'. As such, Fairtrade ANZ have exceeded their targets for growing awareness of the Fairtrade mark in the New Zealand marketplace and have exceeded sales targets of Fairtrade products. Fairtrade continues to be the strongest ethical label with high levels of recognition (on a par with Trade Aid) and the highest purchase behaviour. Fairtrade has now become a household name in New Zealand, and its profile has attracted a strong reputation in ethical consumerism. There is evidence that this growth in recognition may now be levelling off, suggesting that the nature of Fairtrade ANZ's task may be changing to maintenance of the existing profile.

While attribution of this growing acceptance solely to Fairtrade ANZ given multiple touch points of various marketing campaigns from businesses selling products displaying the Fairtrade label, the activities that Fairtrade ANZ has undertaken over the last four years have undoubtedly been a significant factor in continuing to raise awareness and encouraging New Zealanders to purchase Fairtrade products.

Despite the addition of Pacific products to Fairtrade products available in the New Zealand market, Fairtrade ANZ have yet to leverage the 'Pacific identity' and strong connection to Pacific roots by New Zealanders through their marketing campaigns and apply a range of activities to raise awareness specifically on these products (over and above other origins). However, there is reason to anticipate that this awareness will continue to increase over time and that there is significant potential and demand for Pacific products.

The evaluation highlighted a number of opportunities in considering its future focus and activities. While Fairtrade ANZ is recognized as a strong and capable facilitator with SPOs, putting in place projects and activities effectively, it received more mixed reviews about the way it collaborates with some commercial stakeholders. The Fairtrade ANZ model places strong emphasis on collaboration as a mechanism to achieve its objectives – a challenging balancing act given the number of licensees (248 across ANZ) and other individual businesses that Fairtrade ANZ works with. Fairtrade ANZ seeks to work with partners at many levels, and there is good evidence that many collaborative activities have been developed and implemented successfully between Fairtrade ANZ and other partners. At a broader industry and community level, however, this is not always the case. There would appear to be an opportunity to reassess some of these relationships in the future.

The new Commercial Strategy developed in August 2015 to provide focus and direction to business development activities, in addition to identifying key partners and core products, will position Fairtrade ANZ well going forward in this regard. This strategy includes a stronger focus on particular target market segments including the retail sector. And whilst the primary focus has continued to be consumer awareness ie a business to consumer approach (B2C) to marketing campaigns, a more targeted "key account" or business to business approach (B2B) is evident in Fairtrade ANZ's new commercial strategy and more recent activity.

### **Concrete Impact on Livelihoods for Pacific Producers**

The project has made consistent gains towards economic development through the involvement of and transitioning of male and to a lesser extent female farmers involved in the informal sector into the formal economy through inclusion in agricultural cooperatives consistently selling commodities into consumer markets. Overall evidence supports that Fairtrade ANZ is having significant impact for small producer groups across the Pacific in a number areas.

Community development activities have reportedly brought practical benefits to men, women and children – both directly and indirectly - through significantly greater access to basic utilities including electricity via solar energy and electricity connections. Water supply projects have enabled improvements in access to clean water and sanitation at the household level – reportedly decreasing the workload and increasing the safety of women and children in collecting water. Additional benefits include an anecdotal decrease in the incidence of skin infections and diarrhoeal diseases. Various other investments into community infrastructure such as maintenance of community facilities involving churches, bus shelters and women’s centres contributes to community vitality and broader social well-being. Payment of death benefits has also enabled producers to meet their customary community obligations and contributed to community wellbeing.

Farmers also reported positive average net household income effects from higher yields, and savings from fertiliser subsidies have enabled them to devote relatively more of their expenditure on long term investments in household durables, house improvements and particularly education for their children. In Fiji several farmers reported using additional income to start up small shops and canteens that are managed by their wives. Women have also benefited from access to training and other activities implemented by Fairtrade ANZ, albeit in much smaller numbers than men.

Addressing gender equality has not been an explicit focus of the Fairtrade movement, which focuses more on promoting a broad agenda of equal participation and non-discrimination. It is important to note that gender equality was not a specific objective of the project when it was designed. However it has still been addressed by Fairtrade ANZ in project implementation in a number of ways, including through the promotion of Fairtrade non-discrimination, good governance and child labour principles; by encouraging women’s participation in training activities; through the development of a gender module for the Fairtrade Producer Library; by partnering with CARE International to implement gender training for SPOs in PNG; by engaging importers to implement gender focused activities using the Producer Development Fund (PDF); and most recently through the development of a gender-focused project in PNG and the recruitment of a gender liaison officer in PNG.

Fairtrade ANZ’s core business is working with farmers in SPOs to improve the quality of their crops and increase their access to market, thus improving their livelihoods. A key mechanism for undertaking this is through partnerships with host country ministries, commercial partners and support organisations whose differentiated strengths contribute to collective impact on the livelihoods of producers<sup>2</sup>. However, across the Pacific, traditional gender norms have resulted in very low levels of women’s participation in SPOs both as members and decision-makers. This has significantly limited women’s ability to participate in training and other project activities which are commonly targeted at SPO members. Nevertheless, anecdotal evidence suggests that women have participated and benefited from project activities such as computer training, training on Fairtrade standards, governance training, gender training and child protection training, albeit in much fewer numbers than men. There is now a recognition among the Fairtrade ANZ Team that its focus on non-discrimination, and principles of democracy and transparency would benefit in the Pacific context from a more embedded gender approach to ensure that women fully participate in and benefit from Fairtrade’s work.

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<sup>2</sup> The balance of technical inputs into agro-ecological practices varies between each country context and commodity based on a variety of variables unique to each context including the presence and capacity of key partners and support organisations to provide assistance. Fairtrade’s strength lies in its ability to identify these needs, broker partnerships with relevant support organisations and/or provide support within its own knowledge base and human resources where limited other options exist.

### **Efficient Delivery in Pacific Island Countries with Potential to Better Leverage Commercial Partners Superior Marketing Capability**

Producer support and relations (PSR) related activities are highly efficient given the number and geographical spread of SPOs, transport infrastructure enabling access to farming communities, and ICT connectivity to facilitate ongoing and remote support for market information and education. Field visits are resource intensive and greater efficiencies could be achieved through the establishment of a hub and spoke model whereby the number of liaison officer roles in country are increased which may decrease the requirement for frequent field visits from the New Zealand office. As capacity on the ground increases the inputs required from the PSR team decrease in an inversely proportionate manner.

From a business development perspective, there is a significant opportunity to approach business development from a more targeted B2B focus and harness strategic partnerships to contribute towards better collective impact from marketing campaigns. Within current resourcing parameters, greater leverage could be gained from a joint development approach to marketing with “key accounts” given the superior marketing reach and approach to different market segments of the commercial partners that Fairtrade ANZ is working with for better effect and greater visibility of Fairtrade products, including Fairtrade products from Pacific origins. Work has already commenced towards this end through implementation of the revised Commercial Strategy for 2016.

### **Strong Community Development and Environmental Sustainability Driven Results**

There is evidence of the premiums maintaining ongoing impact over the life of the four year project – particularly related to road infrastructure, electricity and water supply derived from community development projects in PNG and Fiji. However the sustainability of the sugar industry in Fiji is questionable given the changes in EU preferential policy. Without the ability to access market channels capable of buying significant volumes of raw sugar there is little incentive for sugar cane farmers to remain in the industry. Coupled with local level reforms to the industry around land access together with an ageing workforce the future of the industry is unclear. Fairtrade ANZ have successfully negotiated with alternative buyers, however, supply will outstrip demand and surplus is currently being sold into the conventional market.

Herein also lies a significant inherent tension within the broader Fairtrade model related to free market principles which is the sustainability of small(er) businesses investing in niche and speciality Fairtrade products versus consolidation and commercialization of Fairtrade products through large commercial enterprises. Where the latter results in greater benefits for SPOs this can also impact the economy of small businesses in consumer markets, the effect of which is amplified in a relatively smaller market such as New Zealand<sup>3</sup>. Where small businesses whose core values are highly aligned with the principles of ethical consumerism have invested proportionally substantial resources into developing supply chains the ongoing viability of their business in being able to cost effectively continue to import Fairtrade products can be challenging due to competitiveness in the marketplace and other retailers also importing and selling the same Fairtrade products.

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<sup>3</sup> Research (Glodschmidt, Mills, Ulmer) demonstrates that a locally rooted economy fosters social ties and greater civic engagement as the economic exchanges are embedded in human relationships and a greater connection to place in a meaningful way. Still other research has drawn a link between a small-scale economy and improved community well-being, including lower rates of crime and better public health. A [study](#) published in 2011 (Blanchard, Tolbert and Mencken), for example, found: “Counties with a vibrant small-business sector have lower rates of mortality and a lower prevalence of obesity and diabetes.” The authors surmise that a high degree of local ownership improves a community’s “collective efficacy” — the capacity of its residents to act together for mutual benefit.

### **Significant Potential to Promote Gender Equality**

Despite significant potential to do so, the Fairtrade ANZ project has yet to realise its full ability to address gender equality and women's empowerment in its work. While women are benefiting through access to training and community development activities, the project has missed opportunities to achieve stronger gender equality results including more direct benefits for women. Findings from the Fairtrade ANZ project however are largely consistent with results from across the Fairtrade system globally, which has only more recently acknowledged a need to focus more attention on gender equality within its work and allocate resources to do so.

Key challenges to achieving greater gender equality results through Fairtrade's work include an overall lack of focus on gender mainstreaming within the international Fairtrade system which resulted in a lack of gender analysis during both design and implementation; gender equality not included as an objective of the project; gender mainstreaming not being embedded in the design; and insufficient resources and technical support to support gender mainstreaming. This has meant that the significant barriers to women's participation and benefit remain largely unchallenged and this is a risk to the overall effectiveness and sustainability of the project. In addition, an absence of sex-disaggregated data has resulted in very little information available to assess the extent to which women are participating in and benefiting from Fairtrade ANZ's activities, or whether women's livelihood opportunities have increased and how this compares to men.

Moving forward there are some good opportunities for Fairtrade ANZ to do more. Within the model lies great potential to address gender equality and Fairtrade ANZ has a committed team and strong relationships with producer communities that it can build on. The Fairtrade Producer Library is strong with plans to replicate it in other regions. Lessons from the gender pilot project will help to inform its approach. Better gender analysis and additional resources would significantly help Fairtrade ANZ to develop a more systematic approach to tackling gender issues and there is a substantial amount of recent gender analysis conducted by donors that Fairtrade ANZ can draw on to inform and strengthen its approach.

### **Significant Opportunity to Streamline Performance Management**

The Fairtrade ANZ team recognise that high quality monitoring and evaluation (M&E) products are required to ensure that information generated from investments has a credible basis and is suitable for use to make important programming decisions and for wider learning and coherence across all Fairtrade ANZ activities. There is significant opportunity for improvements in the monitoring and evaluation of the project.

In recognition of challenges in data collection and reporting, a key outcome of the evaluation has been the development of the Social Impact Framework (SIF). The design of a social impact framework (SIF) reflects Fairtrade's understanding and commitment to demonstrating a range of results that have the potential to generate positive economic and development gains, whilst also acknowledging that attributing quantifiable impacts to interventions is currently limited, and restricts making value for money judgements.

With the SIF, Fairtrade ANZ have an opportunity to clearly articulate their performance to MFAT and consumer audiences, in addition to their performance management expectations with all SPOs, partners and support organisations. It will ensure that all team members have a sound strategic performance framework to report outcomes against. This enables Fairtrade ANZ to aggregate findings from the activity level and tell a coherent story at the whole-of-project level. Understanding what they want to achieve and why helps to make better decisions about how to make it happen and how to measure changes.

## Strategic and Organisational Recommendations

Fairtrade ANZ has a significant opportunity to leverage its strong global and local reputation and continue to tackle support for Fairtrade business development in PIC's initiatives in an effective and efficient manner, through consideration of the following elements:

- Continue to conduct itself with **rigour and self awareness** as evidenced in the new Commercial and Communication Strategies 2015 and supporting activities. An ongoing commitment to robust relationships, transparency and consistency in consultation, active listening to stakeholder's and commercial partner's concerns and a willingness to modify products and services based on rigorous monitoring through the SIF.
- Continue to apply **unparalleled perspective and skill** in working with producers and for PIC's social, economic and environmental issues and benefit, by bringing ideas and products, such as the Producer Development Fund and the Fairtrade Producer Library, to the market that yield benefit, while ensuring the public sees the connection between new developments and societal benefit.
- Continue to implement the **new business development framework** rooted in facilitating dialogue, sharing, information and fostering collaboration. Realising that progress and new developments do not speak for themselves, active engagement of a broad range of commercial partners and re-engaging with the grassroots community may facilitate greater understanding through producer's stories that reach and touch audiences.

Simply put, in order for Fairtrade ANZ to advance key initiatives in both the PSR and commercial parts of the business, it must consider this ecosystem of trust and continue to adapt their engagement styles and keep moving forward.

## Producer Support and Relations Recommendations

There are a number of key areas of opportunity to continue to build on the strong foundations laid in the first few years of the project, namely:

1. Develop stronger relationships with MFAT staff at post in order to leverage other investments and resources in country to better collective efficiency and impact. Further discussion and negotiation with the Regional Program Manager may illuminate an agreed pathway forward.
2. Given the ageing agricultural workforce and land tenure and access issues there is a significant opportunity to target specific project activities to include youth to greater effect and sustainability of the sector. An innovative model of intergenerational mentoring in Tonga between older farmers who own land and youth without land may see an exchange of labour and wages for land access to plots of land for youth and skills and knowledge. Whilst entirely embryonic at this stage, this is a concept worth exploring further within traditional land ownership and cultural knowledge transfer systems.
3. Longer term consideration may need to be given to the location of staff and their ability to provide the level of support required to continue to identify opportunities and support SPOs towards certification and the maintenance of the same. Field visits are resource intensive and greater efficiencies could be achieved through the establishment of a hub and spoke model whereby the number of liaison officer roles in country are increased which may decrease the requirement for frequent field visits from the New Zealand office. As capacity on the ground increases the inputs required from the PSR team decrease in an inversely proportionate manner.
4. Actively look for opportunities within current agro-ecological activities to implement the FI Climate Change Standard and work with SPOs to ensure climate change adaptation planning and activities are at the core of all work. The approach to draw on existing climate change analysis and

stakeholder mapping and be closely linked to Fairtrade ANZs overarching strategic objectives and the objectives of the International Fairtrade Climate Change Strategy and Standards.

5. Whilst current resources do not enable a specific focus on policy and advocacy enhancing relationships with MFAT staff at post (recommendation 1 above) may assist in ensuring issues are raised through the appropriate mechanisms for advocacy in the absence of a strategic focus for Fairtrade ANZ in this area. Alternatively Fairtrade ANZ may wish to reconsider their strategic position and sensibly scale their human resources to better advocate on regional and global policy issues.

### **Business Development Recommendations**

As evidenced in Fairtrade ANZ's latest Strategy, there is continued recognition that strong relationships and engagement with key stakeholders - underpinned by trust and transparency - are required to ensure awareness continues to grow (in addition to supporting commercial returns to producers and commercial partners).

Further consideration on how to strengthen market linkages needs to be undertaken and a more targeted approach to campaigns undertaken, involving:

6. Formulating strategic partnerships and consider a greater emphasis on B2B and relationship management with donors and consumers. Stronger collaborative mechanisms and alliances could improve the effectiveness of Fairtrade ANZ's work together with continued implementation of the commercial strategy and key account contact plan developed in 2015.
7. Strengthening communication and marketing strategies in order to use SPO impacts to greater effect with buyers and consumers – to also contribute to their brand enhancement and create stronger entry points for engagement by businesses.
8. Ongoing website analytics on (1) where the traffic flow is coming from; and (2) why consumers are coming to the website to assist in better targeting campaigns, for example search engine optimization and the purchase of key words/messages such as “organic chocolate” or “organic coffee” that resonate with target audiences in order to continue to evolve the digital strategy and amplify online presence to increase awareness and purchase behaviour.

### **Gender Related Recommendations**

To continue to sustainably address gender equality and women's empowerment in its work the following key areas are suggested to have a positive, material impact:

9. As part of the design of new projects gender analysis be used; a gender specialist be involved; and all systems, processes, templates and forms be reviewed to ensure attention to gender equality throughout the project design.
10. For the remainder of the existing project, Fairtrade ANZ develop a systematic approach to mainstream gender across its operations. The approach to draw on existing gender analysis and stakeholder mapping and be closely linked to Fairtrade ANZs overarching strategic objectives and the objectives of the International Fairtrade Gender Strategy.
11. Fairtrade ANZ build the capacity of its team to address gender equality in their work and work with MFAT, donors and the international Fairtrade adviser to identify human and financial resources to achieve gender objectives and document risks related to existing resource levels and budgets.
12. Fairtrade ANZ update M&E plans to reflect new performance measures as per the SIF, including an increased focus on collecting sex-disaggregated data and gender focused information. Fairtrade ANZ also report on gender-related challenges, risks and lessons in Annual Producer Reports and Annual Reports.

# 1 Introduction

This report is the Draft Evaluation Report of Fairtrade Support for Business Development in Pacific Island Countries (PICs) (hereby referred to as 'the project'). The project is a NZD4.56 million initiative over five years (2012-2017<sup>4</sup>) funded through the New Zealand Ministry for Foreign Affairs and Trade (MFAT) under the New Zealand Aid Program's Economic Development Program.

The project forms part of a suite of Regional Programs situated within one of the New Zealand Government's flagship investment priorities, the agricultural sector. The Regional Pacific Fairtrade Program (RFPF) aims to create a step change in both the global competitiveness of Pacific producer groups producing Fairtrade goods, together with increased benefits for these producer groups.

Key to achieving this step change and ultimate outcome is ensuring that the program applies a value chain development (VCD) approach – from working with new producer groups through to identifying new buyers and markets. The overarching goal of the resulting activities is to: *"increase economic development among rural communities in the Pacific through the promotion of Fairtrade certification and linkages to Fairtrade markets."*

Fairtrade Australia and New Zealand ('Fairtrade ANZ') is a full and active member of Fairtrade International (FI) and is the sole provider of producer support for Fairtrade certified and applicant groups in Papua New Guinea (PNG) and the Pacific. Through its Producer Support and Relations (PSR) project launched in 2010<sup>5</sup> as part of the RFPF, Fairtrade ANZ works with smallholder farmers in Papua New Guinea, East Timor and the Pacific Islands to help them gain, maintain and benefit from Fairtrade certification. The PSR project was developed as an acknowledgment of regional under-representation within the Fairtrade system, the limited understanding of Fairtrade in the region, the lack of tailored support for local producers, and the resulting missed market opportunities. The PSR project is currently supported by MFAT, the International Fund for Agricultural Development (IFAD), FI, and the Australian Department of Foreign Affairs and Trade DFAT.

In April 2016, Fairtrade ANZ engaged Coffey International Development to undertake an independent end of project evaluation. DFAT supported the overall evaluation through contracting of a Gender Specialist to specifically assess the extent to which Fairtrade ANZ's program has been effective in promoting gender equality and women's empowerment.

The objectives of the evaluation were to:

- a) determine the extent to which intended and unintended outcomes were achieved;
- b) identify factors contributing to success or failure;
- c) assess the sustainability of the benefits generated; and
- d) inform future programming, policy development and overall organisational learning.

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<sup>4</sup> Although the project formally commenced in 2010 the current funding agreement and time horizon upon which this evaluation was based was 2012-2016.

<sup>5</sup> Noting that this evaluation only covers the period of activity from 2012 to 2016.

Achieving these objectives involved an assessment of the quality of the project against the five OECD-DAC criteria: relevance, efficiency, effectiveness, impact and sustainability plus the addition of gender equality.

This Evaluation Report is structured in terms of the following sections:

<b>Part I: Background (Chapters 1-5)</b>	Provides an overview of the report's purpose, the evaluation methodology applied, the context for the evaluation, and the project.
<b>Part II: Findings (Chapters 6-7)</b>	Addresses progress and outcomes.
<b>Part III: Key Lessons and Next Steps (Chapters 8-9)</b>	Considers the factors that influenced implementation, sustainability and opportunities for improvement.
<b>Part IV: Appendices</b>	Presents the key evaluation questions, stakeholders consulted, country level case studies on the operating context and the draft social impact framework.

## 2 Expanding the benefits of Fairtrade in Pacific Island Countries: a Fairtrade ANZ priority

### 2.1 Trade as aid

International recognition of trade as a vehicle for sustainable development is gaining momentum, as evidenced by the World Trade Organization (WTO) Doha Development Round, the Global Aid for Trade agenda and the Sustainable Development Goals.<sup>6,7</sup> These movements have arisen out of the demands of developing countries. They are driven by an understanding of the role trade can play in sustainable and inclusive economic growth and poverty reduction, especially where trade reforms are integrated into a comprehensive approach that ensures the poor benefit. At the same time, there is acknowledgment that developing countries often struggle to take advantage of the benefits of trade liberalisation due to supply-side or internal constraints to trade.

International (fair)trade is important for sustained economic growth and job creation. Whether trade and economic growth translate into poverty reduction, however, depends on a range of policy, structural, capacity and market issues. For developing countries, opening trade regimes and achieving market access are often not sufficient for improving outcomes for the poor. Structural impediments and a disconnect between trade liberalisation and the benefits for the poor, may mean that the poor, and particularly women, only receive marginal benefits from a country's improved trade position.

There is now additionally a growing interest in the gender dimension of (fair) trade given the constraints many women face, and the increasing evidence that gender equality and women's economic empowerment can help boost exports, increase economic growth and achieve positive development outcomes.<sup>8</sup> However, the literature on gender and trade is limited with a focus on how trade liberalisation policies relate to achieving gender equality.

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<sup>6</sup> <https://sustainabledevelopment.un.org/?menu=1300>.

<sup>7</sup> SDG's that explicitly mention trade include: Target 2.b - Correct and prevent trade restrictions and distortions in world agricultural markets; Target 8.a – Increase Aid for Trade support for developing countries; Target 10.a – In accordance with the WTO, implement special and different treatment principles for developing countries; Target 17.10 – Promote a universal, rule-based, open non-discriminatory and equitable multilateral trading system. Many of the other SDG Goals and Targets also have implications for Aid for Trade see <https://sustainabledevelopment.un.org/?menu=1300>

<sup>8</sup> Hagen von, M 2014, *Trade and Gender - Exploring a reciprocal relationship: Approaches to mitigate and measure gender-related trade impacts*. GIZ.

## 2.2 Sustainable Business and Ethical Consumerism

In consumer markets, companies face increasing challenges related to not only business and commercial operating risks but also social risks involving human rights and supply chain management. These risks range from resource availability, ethical and safety issues throughout their supply chain to ever growing consumer demands related to sustainability standards, and others.

Global trends include:

- stakeholder pressure for companies to measure and reduce the environmental impacts across supply and value chains (greenhouse gas emissions, water consumption and quality, land use, ethical sourcing);
- increasing business to business focus on sustainable procurement – placing pressure on suppliers and service providers;
- changing consumer trends and expectations related to sustainable products and lifestyle;
- evolving supply chain structures (consolidation, vertical integration) and the need for innovative partnerships to secure supply;
- investment analysts increasingly integrating sustainability (environmental, social and governance) factors;
- growing focus on supply chain performance by key sustainability ranking and reporting initiatives (e.g. CDP, SAM - DJSI and GRI - G4 guidelines);
- evidence that poor management of sustainability can result in significant costs, depressed sales and broader reputational harm;
- increasing intervention in government policies: bio-fuel subsidies impacting availability of arable land, export restrictions restraining global supply, regulation on genetically modified products.

The reward is manifold as the longer-term gains from fair trading and building a fully sustainable supply chain extend beyond regulatory compliance and customer approval to unforeseen strategic and cost reduction opportunities.

## 2.3 Fairtrade in the Pacific

The Pacific Island Countries (PICs) have small populations and local markets. Except for PNG, all the other PICs have populations fewer than one million; in contrast the largest state in ASEAN has more than 230 million people. The PICs are remote from other markets, lack productive capacity and economies of scale, and are geographically more dispersed than South East Asia, Africa and South America. The PIC economies tend to be dominated by government and reliant on official development assistance (ODA) and remittances. The high cost investment climate in the Pacific creates barriers to participation in Global Value Chains (GVCs) and Regional Trade Agreements (RTAs). In contrast, the ASEAN group of economies, while quite diverse as well, tend to have much more dynamic private sectors and are actively pursuing a range of RTAs.

PICs are no strangers to economic integration initiatives. They have a busy international trade and investment agenda, which, apart from negotiations on PACER Plus, includes the negotiation or implementation of RTAs with each other (e.g. the Pacific Island Country Trade Agreement (PICTA), the Melanesian Spearhead Group (MSG) Trade Agreement and the Micronesian Trade and Economic Committee (MTEC) and also with other countries (e.g. the Interim Economic Partnership Agreement (EPA) with the European Union (EU) ratified by PNG and Fiji; the Comprehensive Regional EPA

between the PICs and the EU; and discussions involving PICs individually or as a group that may lead to RTAs with China and with the United States). Six of the PICs (Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu) are also members of the WTO.

The recent rapid increase in the number of RTAs, importance of GVCs, and the enhancement of the multilateral trading system through advances in technology, have implications for developing country PICs participation. Moreover, RTAs and the growth of GVCs have implications for the poor and women in particular. Trade facilitation policies and reforms are important for enabling economies to benefit from RTA and GVCs and ensure that the poor and particularly women benefit.<sup>9</sup>

## 2.4 Economic Development in the Pacific

Agriculture is central to the livelihoods of many Pacific people. Historically, the region has been economically disadvantaged with limited development opportunities. With the rise in a global economy and challenges such as climate change, an increasing world population and diminishing food security, it is imperative development opportunities are improved and the region is economically secure<sup>10</sup>.

Economic integration of the Pacific region with larger economies such as New Zealand and Australia is essential for sustainable economic growth. In line with New Zealand's and Australia's aid paradigms and focus on economic development in the Pacific region, what is required is development of strong, resilient and equitable regional economic frameworks – including regional supply chains through improved market access and value chain development. Efforts towards this end include a focus on assisting Pacific farmers to improve the quality of their produce, meet biosecurity requirements; standards for import into New Zealand, Australia and other importing countries and increasing women's access to value chains and markets.

Underpinning this landscape in developing and consumer markets, are significant gender issues related to economic development, the Fairtrade system and business development in the Pacific. Pacific Island women are a powerful force for economic growth and development, making important contributions to the economy as entrepreneurs and employees, and to the welfare of their families.<sup>11</sup> However obstacles in the economic development, trade, agriculture and business development climate across the Pacific have a disproportionately greater adverse impact on women. Challenges for women include a prevailing culture of informality among female entrepreneurs; unequal access to land, property, agriculture extension services, credit, and justice; and women's lack of experience, and comfort with formal business processes such as business and license registration.<sup>12</sup> Women are also impacted by traditional attitudes and stereotypes about their roles and capabilities and are often overburdened by family responsibilities and housework. These constraints hinder women from contributing more to their country's growth and development. Further, overly cumbersome regulations can unintentionally hurt women more than others and raise the risk of excluding them from doing business.<sup>13</sup>

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<sup>9</sup> See Stoler, Redden and Jackson, 2009, *Trade and Poverty Reduction in the Asia-Pacific Region: Case Studies and Lessons from Low-Income Communities*. Cambridge University Press, UK.

<sup>10</sup> PHAMA. "PHAMA Pacific Horticultural and Agricultural Market Access Program: an Australian Government Initiative." Accessed online 18 April 2016 at <http://dfat.gov.au/about-us/publications/Documents/phama-partnering-for-more-secure-south-pacifico-trade.pdf>

<sup>11</sup> Hedditch, S and Mael, C, (2010), "Gender and Investment Climate Reform Assessment, Pacific Regional Executive Summary", (in partnership with AusAID), IFC, Sydney, January 2010, p. iv.

<sup>12</sup> Ibid

<sup>13</sup> Ibid

Across the Pacific in agriculture, cash crops tend to be dominated by men, even though women are often heavily involved in growing, harvesting and processing, their work is seldom fully recognized and rewarded. In PNG for example women actually work more hours than men in coffee production, with women contributing twice as many hours as men, and often three times as many during the flush period. Women are heavily involved in the activities critical for ensuring productivity and quality of coffee, including picking cherry, pulping and washing, and drying. Many of these harvesting and post-harvest activities are time-sensitive tasks which substantially determine the quality of the coffee. Yet there is limited recognition of women's contribution to quality production; women have little access to education and training to improve their work and little incentive to do more work.<sup>14</sup> This issue is not limited to the coffee industry in PNG. Across the Pacific women are heavily involved in agricultural production but face similar challenges receiving the benefits. Increased revenue from cash crops will have limited benefit to women unless their contribution is recognized and valued. Removing obstacles such as those outlined above can help not only to empower women but also to unlock the full economic potential of Pacific nations.

The Fairtrade system provides a framework for helping rural communities in developing countries participate in international trade and improve the benefits for the poor and disadvantaged. In strong alignment with the New Zealand Aid Program Strategic Plan 2015-2019<sup>15</sup>, the project focuses on empowering small holder producers directly through agribusiness education and skills development towards achieving Fairtrade certification. Certification in turn enables access to economic opportunities for Melanesians and Polynesians through agricultural value chain development. Complementary to this is a focus on vertical integration of the supply chain to ensure enduring linkages with New Zealand and indeed global market channels, businesses and consumers – thereby creating sustained demand for Pacific products in consumer markets.

## 2.5 Gender and Fairtrade

One of the key components of the Fairtrade model is its ability to empower people, especially producers and workers. Within this concept lies the potential for a strong commitment to gender equality and women's empowerment and an opportunity to alleviate poverty for women who are at a disadvantage in the global trade market due to attitudinal and structural barriers that impact on their ability to benefit from global trade.

In addition to its standard Fairtrade practices, the international policy framework for gender equality and Fairtrade is reasonably strong. In the Global Fairtrade Strategy 2016-2020, Fairtrade International makes explicit reference to gender equality objectives under Goal 2: Deepening Impact through services and programs<sup>16</sup>. Under this goal Fairtrade commits to increasing women's participation in decision-making; systematically mainstreaming gender throughout Fairtrade operations, from the Fairtrade Standards to business partnerships, awareness raising and advocacy; increasing women's participation in Fairtrade certified small-scale farmers' and hired labour organisations; empower more women and

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<sup>14</sup> Ibid, p. 9.

<sup>15</sup> New Zealand Foreign Affairs and Trade Aid Programme. "New Zealand Aid Programme Strategic Plan 2015-2019." Accessed online 30 April 2016 at <https://www.mfat.govt.nz/assets/securedfiles/Aid-Prog-docs/New-Zealand-Aid-Programme-Strategic-Plan-2015-19.pdf>

<sup>16</sup> Fairtrade International, (2016), "Fairtrade Global Strategy: Changing Trade, Changing Lives 2016-2020", January 2016, Bonn, Germany, p.12.

girls with more equal access to the benefits of Fairtrade; and address the systemic issues hampering the realization of greater gender equality in Fairtrade value chains.<sup>17</sup>

Fairtrade International recently released its gender strategy “Transforming Equal Opportunity, Access and Benefits for All, 2016-2020” which provides a guide to ensure gender equality and women’s empowerment are systematically addressed in Fairtrade interventions.<sup>18</sup> Its approach seeks to tackle unequal power relations in order to promote gender equality and women’s empowerment and is guided by the Fairtrade Theory of Change: Seeking justice and fairness through exercising rights and freedoms, empowerment through strengthening assets and capabilities of the most marginalized farmers and workers, and the attainment of sustainable livelihoods through building resilient agro-based trade systems and societies.<sup>19</sup>

In 2015 Fairtrade International appointed a gender adviser who provides guidance across the Fairtrade system to operationalise the international policy in each region, recognising that each region needs to develop context specific approaches. The system has also been building its resources to address gender on the ground. In Latin America there are 2 full-time staff members, Asia has just recruited one full time staff member, in Africa there is one social compliance officer and 4 gender focal points and a gender manager recently appointed to work under the international adviser.

Fairtrade International’s gender policy is in line with New Zealand and Australian government policy frameworks that include a strong focus on gender equality and women’s empowerment. Gender equality and women’s empowerment is one of 3 key cross cutting issues identified by the New Zealand government in its aid policy framework.<sup>20</sup> The Australian government has committed to a target that 80% of its programs must effectively address gender equality and women’s empowerment. Key priorities include women’s economic empowerment and addressing gender in trade initiatives.<sup>21</sup>

To date, gender analysis has not been systematically included in studies on the impact of Fairtrade, and so there is limited evidence to fully understand how Fairtrade is impacting on women and girls in comparison to men and boys.<sup>22</sup> Of those studies that have been undertaken, several have shown that Fairtrade does bring positive benefits to women, for example by increasing their economic opportunities, including production of export crops; by enhancing their participation in producer organisations; and by investing in social infrastructure and projects at the community level such as water and electricity supply, and community building upgrades that benefit women.<sup>23</sup>

For example, a case study of producer organisations in Kenya and India included in Fairtrade’s Equal Harvest report highlights how SPOs have used premium funds to help women develop new income earning activities; to improve access to water, healthcare, childcare facilities and transport, and for communal food processing equipment (eg mills for grinding corn, maize and other staples) and household domestic goods (eg stoves, water storage and fridges) which can all reduce the time women spend on unpaid care work. This frees up their time to focus on other activities such as paid work, education and training, and organisational life.<sup>24</sup> It also highlights how positive gender impacts can also

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<sup>17</sup> Fairtrade International, (2015), “Gender Strategy, Transforming Equal Opportunity, Access and Benefits for All, 2016-2020”, Bonn Germany.

<sup>18</sup> Ibid

<sup>19</sup> Ibid, p.9.

<sup>20</sup> New Zealand Ministry of Foreign Affairs and Trade, (2015), “New Zealand Aid Program Investment Priorities, 2015-2019”

<sup>21</sup> Australian government, Department of Foreign Affairs and Trade, (2016), “Gender Equality and Women’s Empowerment Strategy”, February, 2016, Canberra, Australia.

<sup>22</sup> Fairtrade International, (2015), *Gender Strategy, Transforming Equal Opportunity, Access and Benefits for All, 2016-2020*.

<sup>23</sup> Ibid.

<sup>24</sup> Fairtrade Foundation, (2015), “Equal Harvest, Removing the Barriers to Women’s Participation in Small Holder Agriculture, March 2015

occur as unintended side effects of Fairtrade Premium investments. For example, electrification of a village in Malawi resulted in private owners installing hammer mills, which reduced the time women dedicate to getting maize milled as they previously had to walk 5 kilometres to do so.

The report also demonstrates that when there is funding to do so, a number of Fairtrade activities are including a gender equality focus. For example, in Central America, in El Salvador, Nicaragua, Honduras and Guatemala, external funding to support a gender equality focus has helped producer organizations to analyse what gender equality means in practice for their organisations. This resulted in a range of actions, including: revision of by-laws of the organizations (for example, revising land ownership requirements as pre-requisite to become members of the organization and developing a gender responsive set of by-laws); development of gender strategies; establishment of funds to buy land for women; formulation of action plans; and mainstreaming of these activities into the overall monitoring and evaluation system of producer organizations.<sup>25</sup>

There is other potential for Fairtrade to promote gender equality through using women as a branding opportunity. A number of brands market coffee exclusively grown by women and Fairtrade Africa and the Fairtrade Foundation have a three-year Women In Coffee project to build on this idea. The project will transfer ownership of coffee bushes to women coffee farmers in Kenya, provide them with training on good agricultural practices, and brand their produce as 'women's coffee' for the domestic market. Other promising initiatives reported in the study include the formation of district level gender committees, female SPO Presidents, the establishment of all women producer organisations and the development of gender policy guidelines by some producer organisations.<sup>26</sup>

Fairtrade international research also highlights the unmet potential to draw on female consumers to promote gender equality in Fairtrade producer communities. Women as consumers tend to be more aware and active in ethical shopping, and therefore play an important role in advancing the sustainability agenda. Compared to men, women are more likely to be buyers of Fairtrade products, and woman-to-woman connections could add a competitive advantage to Fairtrade's positioning in the ethical market.<sup>27</sup> In the New Zealand marketplace the Colmar Brunton report highlights results in line with these global findings which Fairtrade ANZ may consider exploring further including: that males are more likely to have *never* purchased a Trade Aid product (46%) – further interrogation of the data regarding sex disaggregated purchasing preferences for Fairtrade products may be informative in relation to targeting marketing messages in the future; and that females were more likely to agree that Fairtrade stands for both improving the livelihoods of farmers in developing nations and also stands for environmentally sustainable production and farming practices. This suggests that there is room to encourage greater purchasing of Fairtrade products through marketing campaigns targeted at females, whilst strengthening promotion of this belief amongst male consumers<sup>28</sup>.

While these are promising examples, several other studies highlight that Fairtrade does not do enough to challenge gender related barriers and in some cases may even be reinforcing gender imbalances.<sup>29</sup> The challenges related to the promotion of gender equality in Fairtrade are well summarized in Fairtrade International's recent report "Equal Harvest, Removing the Barriers to Women's Participation in Small

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<sup>25</sup> Ibid, p9.

<sup>26</sup> <http://www.fairtrade.net/new/latest-news/single-view/article/gender-equality-good-for-women-business-development.html>

<sup>27</sup> Opcit, Fairtrade International (2016), p.9.

<sup>28</sup> "Colmar Brunton Fairtrade Awareness Report 2015". Internal Report.

<sup>29</sup> See for example Hutchens, A. (2010). "Empowering Women through Fair Trade? Lessons from Asia" *Third World Quarterly*, 31(3), 449-467. Retrieved October 26, 2010; McArdle, L and Thomas P, 2012, "Fair enough? Women and Fair Trade", *Critical Perspectives on International Business Vol. 8 No. 4*, 2012 pp. 277-294 and Fairtrade Foundation, (2015), "Equal Harvest, Removing the Barriers to Women's Participation in Small Holder Agriculture", March 2015.

Holder Agriculture”<sup>30</sup> and in its new gender strategy “Transforming Equal Opportunity, Access and Benefits for All” and include:

- **Export crops tend to be male dominated:** Export crops such as coffee, cocoa, banana, flowers and sugar constitute the vast majority of Fairtrade products internationally. Production of these crops tends to be male dominated and even though women are often heavily involved in growing, harvesting and processing, their work is seldom fully recognized and rewarded.<sup>31</sup>
- **Membership norms and practices prevent women from joining and participating in producer organisations:** women made up only 25 percent of the smallholder farmers and workers involved directly in Fairtrade, either through being members of small farmer organizations, or by being employed directly by a plantation.<sup>32</sup> Women do not often own land titles or have land large enough to produce minimum threshold yields, both of which are often requirements for membership.
- **Low levels of women in leadership and management of Producer Organisations.** When women do join producer organisations they are rarely found in leadership or management positions. The fact that leadership is drawn from the membership of the producer organisation creates a bias in favour of men. In addition, other factors such as women’s mobility issues and time poverty also limit their ability to participate as it is hard for them to find time for meetings or to spend time away from home. Perceptions about their leadership capabilities and women’s suitability for the role and norms of male leadership also have a negative impact.<sup>33</sup>
- **Income earned from Fairtrade production does not automatically benefit women:** Due to the effects of intra-household gender relations on distribution of resources, economic benefits from Fairtrade production may be captured by men, even where women play a significant role in production. Similarly, Fairtrade premiums do not automatically benefit women. In 2014 in small producer organizations, close to zero percent was being reinvested in projects and programmes focusing exclusively on women’s needs, and in hired labour organizations it was only 1 percent.<sup>34</sup>
- **Women’s time poverty:** Time poverty and competing demands on women’s labour impact on their ability to be involved in production and producer organization leadership and there is a risk that women do get involved it can exacerbate their situation adding to their already high work burden.
- **Lack of incentives or awareness of potential benefits:** Many women are not aware of the benefits of being involved in producer organisations or see it as men’s work and do not want to get involved.

Fairtrade International reports that until recently, a lack of explicit gender policies and implementation strategies among Fairtrade institutions and producer organizations; a lack of technical support for a focus on gender equality and no systematic approach to gender equality has meant that barriers to women membership and participation remain largely unchallenged.<sup>35</sup> It’s gender strategy aims to close this gap and set a clear direction and approach for Fairtrade’s global work on gender equality for 2016-2020. While the findings above were from studies in Africa and Latin America, many of the challenges identified are also highly relevant for women in the Pacific context and if not addressed, will impact on the effectiveness of Fairtrade ANZs work. It is within this overarching context that the Fairtrade ANZ project is being implemented.

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<sup>30</sup> Fairtrade Organization, (2015), *Equal Harvest, Removing the Barriers to Women’s Participation in Small Holder Agriculture*,

<sup>31</sup> OpCit, Fairtrade International, p.6.

<sup>32</sup> Ibid, p.6.

<sup>33</sup> OpCit, Fairtrade Organization, p.23.

<sup>34</sup> OpCit, Fairtrade International, p.6.

<sup>35</sup> Ibid.

## 3 Overview of Support for Fairtrade Business Development in Pacific Island Countries

The goal of Fairtrade ANZ support for business development in Pacific Island Countries project ('the project') is to increase economic development among rural communities in the Pacific through the promotion of Fairtrade Certification and linkages to Fairtrade markets.

The objectives of the project are to:

- **Empower small producers through:**
  - sustainable economic growth; and
  - resilient and inclusive (of women, youth and minorities) Fairtrade communities.
- **Foster sustainable livelihoods by:**
  - ensuring legitimacy of Fairtrade as the model and partner of choice for producer support.
- **Make trade fair by:**
  - enhanced Fairtrade benefits for Pacific producers; and
  - growing the proportion of trade originating from the Pacific that is fair.

While Fairtrade ANZ does not have an explicit gender equality objective, one of its targets for the measurement of sustainable livelihoods is to increase the percentage of women in decision making bodies from 2.1% in 2011 to 35% in 2017.

### 3.1 Project Approach

Fairtrade Australia and New Zealand ("Fairtrade ANZ") is a full and active member of Fairtrade International and is the sole provider of producer support for Fairtrade certified and applicant groups in Papua New Guinea (PNG) and the Pacific. Through its Producer Support and Relations (PSR) project launched in 2010, Fairtrade ANZ works with smallholder farmers in Papua New Guinea, and the Pacific islands to help them gain, maintain and benefit from Fairtrade certification. The PSR project was developed as an acknowledgment of regional under-representation within the Fairtrade system, the limited understanding of Fairtrade in the region, the lack of tailored support for local producers, and the resulting missed market opportunities. The PSR project is currently supported by the New Zealand Ministry of Foreign Affairs and Trade (MFAT), the International Fund for Agricultural Development (IFAD), Fairtrade International, and the Australian Department of Foreign Affairs and Trade (DFAT).

The producer support and relations team:

- facilitates training in local languages;
- provides support to selected producer organisations for certification fees;
- helps producers to gain access to new markets and facilitates relationship with buyers;
- sources and liaises with support agencies; and
- provides funding to selected applicants for certification fees and business development.



**Evaluation of Support for  
Fairtrade Business Development  
in Pacific Island Countries**

**Second Draft Evaluation Report**

In New Zealand and Australia, the commercial arm of the business strives to link products and suppliers working with the PSR team to importers, traders and consumers, thus establishing and strengthening not only Pacific supply chains but supply chains of Fairtrade products from other developing markets into New Zealand (and Australia). The Fairtrade commercial team undertakes this via a series of targeted marketing and communications activities, relationship development and producer and trader networking events/trips.

One of the key components of the Fairtrade model is its ability to empower people, especially producers and workers. Within this concept lies the potential for a strong commitment to gender equality and women's empowerment and an opportunity to alleviate poverty for women who are at a disadvantage in the global trade market due to attitudinal and structural barriers that impact on their ability to benefit from global trade.

## 4 Purpose and Expectations of the Evaluation

### 4.1 Purpose and Rationale

Fairtrade ANZ is approaching the end of the project cycle for their support of the Fairtrade Business Development in Pacific Island Countries project and as such planned to undertake a formative and summative evaluation to inform future programming, policy development and overall organisational learning.

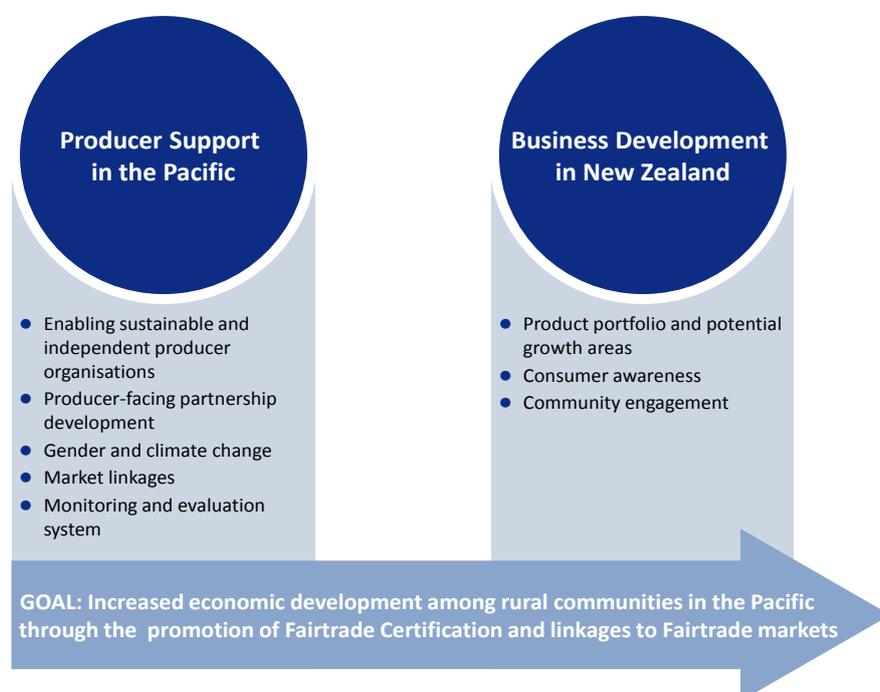
The purpose of this evaluation was to assess the relevance, effectiveness, efficiency, impact and sustainability of Fairtrade ANZ's MFAT funded project to support business development in Pacific Island countries, and how investments may be better targeted in the future. The evaluation also sought to understand how effective the project has been in mainstreaming gender equality and contributing to the economic empowerment of women and girls.

The Fairtrade ANZ team continue to recognise that high quality monitoring and evaluation (M&E) products are required to ensure that information generated from investments has a credible basis and is suitable for use to make important programming decisions and for wider learning and coherence across all Fairtrade ANZ activities. The design of the social impact framework (SIF) (refer to Section 6.5.1) reflects Fairtrade's understanding and commitment to demonstrating a range of results that have the potential to generate positive economic and development gains, however acknowledging that attributing quantifiable impacts to interventions is currently limited, and restricts making value for money judgements. The SIF enables an assessment of the shared value the project creates and the monetisation of outcomes (ie. The social return on investment) to be calculated in the future.

### 4.2 Scope and Focus

The focus and scope of the evaluation – including the gender analysis - was developed in consultation with key stakeholders from Fairtrade ANZ, MFAT and DFAT. The evaluation considered and analysed project processes and outcomes across project activities in the following countries: PNG, Fiji, Tonga, Samoa, New Zealand and Australia and also included an analyses of the nascent work in Vanuatu and the Solomon Islands. The figure below outlines the two workstreams of Fairtrade ANZ's activities that were evaluated.

Figure 1: Fairtrade ANZ Workstreams



The evaluation examined how the interventions address gender equality and women's economic empowerment. Case studies selected also provided insight and lessons for poverty reduction and economic growth. The evaluation considered how effectively Fairtrade ANZ's interventions have addressed country priorities.

## 4.3 Evaluation Objectives

The objectives of this evaluation were to:

- a) determine the extent to which intended and unintended outcomes were achieved;
- b) identify factors contributing to success or failure;
- c) assess the sustainability of the benefits generated; and
- d) inform future programming, policy development and overall organisational learning.

In addressing these objectives a range of **contextual factors** influencing the evaluability of Fairtrade ANZ's activities and the use of the evaluation report have been taken into account:

- *MFAT's policy and programming priorities have developed over time:* This evaluation considers Fairtrade ANZ's project in the context of MFAT's investments over a number of years, but it is recognised there have been a number of organisational changes within this period which have influenced the objectives and design of projects.
- *MFAT's policy and Fairtrade ANZ's programming is continually evolving:* One of the key objectives of this evaluation is to reflect on past performance with a view to improving policy and programming in the future. The evaluation provides relevant and practical recommendations for strengthening investments in fair trade in line with global trends and good practice.

- *The effectiveness of investments and individual projects must be assessed against the objectives they set out to achieve:* Ongoing research to inform policy development has led to changes in what is considered 'good practice' internationally. While this evaluation will draw on international good practice and lessons learnt to inform recommendations, the individual project was assessed against the original stated objectives.

## 4.4 Evaluation Questions

The key evaluation questions (KEQs) relate directly to the evaluation's objectives and are informed by the evaluability assessment, focus and scope of the evaluation. The questions the evaluation has attempted to answer are available in Appendix A. For all questions, the report provides lessons learnt and recommendations to inform future practice.

## 4.5 Cross cutting priorities

There are four cross cutting issues of interest that span the entire evaluation, namely: gender equality, climate change, environmental sustainability and child protection. The implications of these cross cutting issues for the evaluation are outlined below.

### 4.5.1 Gender Equality and Women's Empowerment

While recognizing that gender equality was not included as an objective of the design, given the strong donor focus on promoting gender equality in the Pacific region and well-documented links between gender equality and effective development, The evaluation considered to what extent the project design lends itself to fostering an awareness of and focus on the gender dynamics involved in the production and export of Fairtrade products to consumer markets, as well as the extent to which an awareness of these gender dynamics permeates project management processes and structures at all levels. The gender analysis also considered the impact that the project could have on gender equality and women's empowerment and how Fairtrade ANZ could refine and strengthen its approach going forward. As part of the evaluability assessment, special consideration was given to assessing the extent to which current M&E frameworks and processes make provision for the articulation and measurement of program results and impacts for men and women.

### 4.5.2 Environmental sustainability

Consideration of environmental sustainability and the impact that the project and its continued implementation has and will have on the environment was also a key thread throughout the analysis. The evaluation considered the awareness of environmental impact and sustainability amongst key project stakeholders, as well as procedures and processes that are in place to ensure that activities funded under the program have no significant adverse impact on the environment.

### 4.5.3 Climate change

A series of megaforges – such as ecosystem decline, population growth, and pressure on natural resources – are driving major changes around the world. (Economic) Development projects and businesses that anticipate these changes and turn them to their advantage are best positioned for sustainable growth, for example through responding to the challenges of water scarcity. The evaluation sought to understand where targeted climate change adaptation has been successful in reducing the

impacts and costs of climate risks to rural communities benefiting directly and/or indirectly from the project. Adaptation activities were considered from a range of types, such as: spreading the risk; structural and technological; regulatory and institutional; avoidance; research and education and behavioural.

#### **4.5.4 Child Protection**

The evaluation considered the suite of social challenges and the differentiated issues and impacts on children, together with a review of management system responses to children's rights impacts related to the project. The evaluation was conducted in a way that builds capacity and understanding of the human and child rights dimensions of day to day management functions creating a platform for change in the event that different and new management responses are/were needed.

## 5 Evaluation Approach and Methodology

The general approach to this evaluation was theory-based while also examining implementation processes, capacity and coordination. The research methods used were predominantly qualitative supplemented by quantitative data where available.<sup>36</sup> The theory-based evaluation was framed and guided by the Fairtrade ANZ's Results Framework and Theory of Change (ToC) for Producer Support and considers whether there is evidence that inputs to the project have resulted in the expected outputs and outcomes. This helps to establish the extent to which individual activities (ie. Producer support or increased awareness of Fairtrade Certified products) have contributed to higher level goals.

The evaluation was conducted in four phases. During Phase 1 stakeholder mapping and communication planning was undertaken. In Phase 2, a literature scan and a high level assessment of Fairtrade ANZ's activities was conducted to identify areas suitable for more detailed analysis in the evaluation.<sup>37</sup> An Evaluation Framework was then produced based on the literature scan, desktop review and discussions with Fairtrade ANZ staff, Senior MFAT officials, Senior DFAT officials and the Producer Relations Support Steering Committee.

Phase 3 involved data collection and analysis based on literature reviews, the fieldwork involving key informant interviews and focus group discussions as the primary qualitative methods.. Although the research methods were primarily qualitative, supplementary quantitative data was used where available.

Phase 4 involved judgements and reporting based on a synthesis of the literature review and key findings from interviews and field research. The Evaluation Framework<sup>38</sup> provides more detail on the evaluation approach and methodology.

### 5.1 Methodological Limitations

Four methodological challenges and limitations for the evaluation – including one specifically related to gender - were identified, involving:

- measuring the impact of the project in improving economic development in rural communities in Pacific Island countries;
- consulting with all relevant stakeholders;
- measuring the impact of the project on gender equality and economic empowerment of women and girls; and
- attribution of increases in consumer awareness in the NZ market to Fairtrade ANZ initiated marketing and public relations activities.

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<sup>36</sup> This is also referred to as an 'exploratory sequential' mixed methods design. Qualitative studies are conducted and findings explored when considering individual programs being evaluated.

<sup>37</sup> The results of Phase 1 are captured in ODE (2015) *Global and Regional Perspectives: Situation Analysis Report*.

<sup>38</sup> Coffey International Development (2015) "Support for Fairtrade Business Development in Pacific Island Countries."

### **Measuring the impact of the project in improving economic development in rural communities in PICs**

Improving economic development in rural communities in Pacific Island countries is a key outcome for the project. Therefore, the extent to which rural enterprise development and institutional strengthening; increases in employment opportunities; enhanced market participation, economic independence and income has improved since the introduction of the Fairtrade ANZ project, and determining the extent to which any improvements may be attributed to the project, were all key indicators for the evaluation. However, collection of the information necessary to assess this was problematic.

To assess 'improvement', it is desirable to have a clear baseline indicator of the point from which any improvement is to be measured. A number of New Zealand, Australian, Pacific Island Countries government and other regional policy documents together with political economy analysis outline general information on key economic reforms and infrastructure that facilitate trade and investment, contribute to the stimulation of enterprise opportunities, generate employment and promote effective or competitive markets in the Pacific region.

Given the absence of clear national level quantitative baseline quality indicators within each country against which improvements could be objectively measured prior to and since the commencement of the project, it was necessary for the evaluation to collect qualitative data from participating producer organisations and other expert or representative informants (MFAT staff at post, other bilateral and multilateral actors) to gauge their views on the extent to which the project has contributed to improving economic development.

The evaluation also reviewed a range of documentation, as part of the document and literature review, which provided qualitative information about the baseline from which improvements could be measured.

In assessing the impact of the project in improving economic development, the evaluation considered the contribution of the project to supporting sustainable livelihoods of the informal sector in the form of Fairtrade sales and Fairtrade premium sales linked to Fairtrade certification and supply chain development, rather than measuring actual improvement from an agreed quantitative baseline.

Fairtrade ANZ's Producer Assessment data provided qualitative evidence of change in economic productivity findings for the same producer organisations over time (which indicated that the project has contributed to measurable improvements) – however, given the relatively brief timeframe since the project commenced operation, these improvements were viewed conservatively.

### **Consulting with all relevant stakeholders**

There is a wide range of stakeholders with interests in the operation and evaluation of the project, including the New Zealand Ministry of Foreign Affairs and Trade, the Australian Department of Foreign Affairs and Trade, the Governments of PNG, Fiji, Tonga and Samoa, producer organisations, commercial partners and consumer groups.

To ensure wide consultation with representatives across the range of stakeholder groups, the evaluation methodology included a variety of consultation methods to reach as many different stakeholders and to canvas as many views as practicable, whilst minimising respondent burden and impost. The research involved a purposive sample of stakeholders involving indepth interviews and focus groups with:

smallholder producers (n<sup>39</sup>=59), partner governments (n=10), donors (MFAT and DFAT) (n=13), support organisations (n=8), commercial partners (Fairtrade licensees and Trader partners, NGO's, grassroots consumer groups and other industry partners) (n=20), Fairtrade International and ANZ staff (n=13), and other key industry stakeholders (n=7).<sup>40</sup> A list of Stakeholders consulted is available at Appendix B. Close to 18% of New Zealand based Licensees and Traders were interviewed (ie 9 out of 49), however it should be noted that Fairtrade ANZ works with a total of 248 Fairtrade Licensees and Traders in addition to a number of other commercial and non-commercial stakeholders across ANZ with the same human resource establishment supplemented through additional funds from other donors for activities.

### **Measuring the impact of the project on gender equality and economic empowerment of women and girls**

Ensuring that women and girl's voices were included in the evaluation was critical to understanding how the project has worked to remove barriers in trade relationships involving women and promoted female economic participation and the distribution of equitable (Fairtrade) benefits to women and girls in rural communities. There are many issues that are related to ensuring a gender nuanced approach in both developing contexts and the analytical work in evaluating outcomes.

All methodologies have strengths and weaknesses, and the challenge is to choose the appropriate methodology given both data constraints related to the availability of sex disaggregated data and the potential consumers of the estimates.

Ground up experiential approaches that help build an understanding of the practical action taken to strengthen the capability and access to finance and other resources for female led businesses; the opportunities for women's voices to be included in decision making; and the pathways taken by the project to influence the support for women who experience violence were critical to informing the findings as it is this understanding that better informs programming and policy responses.

The literature argues for the need to develop specific operational definitions such that research and monitoring can become more specific and have greater cross cultural applicability.<sup>41</sup> Given the diversity of cultures within the Pacific region and the variations in the patterns and trends of gender mainstreaming, conducting a regional study will require a common or flexible definition in order to ensure accurate and reliable data collection of the impacts and compare cross country data sets.

Furthermore, the extent, validity and reliability of the data available are critical in determining the magnitude of outcomes and in identifying priority areas for focus going forward. Access to women living in the impacted rural communities and/or directly involved or impacted by the project will be paramount to a successful evaluation, yet potentially challenging for the evaluation team to access. Key limitations of the evaluation were the limited number of women available to be consulted and the lack of routine sex-disaggregated data collection able to inform the analysis and evaluation findings. Although the evaluation team sought to consult with as many women as possible, and despite requests to talk to women, often only men attended interview sessions. When women did attend, they tended to be family members of community leaders, or relatively senior women in the communities themselves and not

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<sup>39</sup> Where "n" represents the number of individuals within each stakeholder group consulted.

<sup>40</sup> This is also referred to as an 'exploratory sequential' mixed methods design. Qualitative studies are conducted and findings explored when considering individual programs being evaluated.

<sup>41</sup> UNICEF. 2000. "Domestic Violence against women and girls". Accessed online on 4 February at [www.unicef-irc.org/publications/pdf/digest6e.pdf](http://www.unicef-irc.org/publications/pdf/digest6e.pdf)

necessarily representative of wider views of women in the community. Thus the full extent to which women in communities are participating and benefiting is not fully known.

#### **Attribution of increases in consumer awareness in the NZ market to Fairtrade ANZ initiated marketing and public relations activities**

The consumer environment in which Fairtrade ANZ-led marketing initiatives is introduced is complex, changing and dynamic. A number of different licensees and retailers selling Fairtrade marked products all engage in their own marketing campaigns which promote their brand, the Fairtrade label and the product. Marketing analytics and return on investment attribution become more difficult when there are multiple marketing touches, including greater difficulty in understanding the specific contribution of each marketing campaign. Thus whilst results presented in this report are encouraging there are limitations to the analyses.

## **5.2 Development of the Social Impact Framework**

The initial development phase of the SIF was undertaken with the Fairtrade ANZ team in four steps as captured in Table 1 below.

Table 1: SIF Development

<b>Step</b>	<b>Description</b>	<b>Completed</b>
1. Document Review	The evaluation team reviewed relevant documentation to Fairtrade ANZ's Strategy, including the various reports, Producer Assessments and the current PSR Theory of Change.	17 May 2016
2. Desktop Research	Desktop research was undertaken to identify any relevant internationally recognised performance measures <sup>42</sup> .	17 May 2016
3. Workshops with Fairtrade ANZ and MFAT	Outputs from the first two steps were presented in workshop pre-reading material that sought to build on Fairtrade International and Fairtrade ANZ's theory of change and begin to articulate pathways of change towards creating social value, and stimulate thinking and discussion at the one day workshop on the type of social impact Fairtrade ANZ aims to create and propose indicators to measure it. These pathways of change were considered and assessed during discussion between Fairtrade ANZ, MFAT and the evaluation team on the 18 May 2016.	18 May 2016
4. Alignment of ToC and indicators	The evaluation team considered the proposed ToC and thematic areas from the workshop together with the performance measures identified through the desktop research and the draft developed.	30 June 2016

<sup>42</sup> Key resources include, but were not limited to: Asian Development Bank. "Framework of Inclusive Growth Indicators 2012: Key Indicators for Asia and the Pacific."; MFAT Strategic Priorities Key Performance Measures; Vanuatu National Statistics Office. 2012. "Alternative Indicators of Wellbeing for Melanesia"; "Voice and accountability - worldwide governance indicators".

Section 6.5 of this report describes in detail the findings from the evaluability assessment that also contributed to the informed the development of the SIF and key considerations for Fairtrade ANZ in operationalizing and implementing the SIF.

## 6 Key Findings

This section outlines the key findings against the KEQ and against the contracted targets within the two streams of work, namely the Producer Support and Relations and Business Development. Table 2 below highlights progress against the key targets to be achieved by 2017.

Table 2: Progress against key targets<sup>4344</sup>

Key target	Baseline	Target	Current	Status
Fivefold increase in the number of individual producers accessing the benefits of Fairtrade in the region	7,879	39,395	32,657	✓
Fivefold increase in Fairtrade premiums to Pacific Fairtrade producers	NZD2,179,645	NZD10,898,225	NZD19,500,000	✓
Fivefold increase in the value of retail sales of Fairtrade certified products in NZ	NZD36million	NZD180million	NZD211 million	✓
Increase in the number of Fairtrade Certified Groups	6	24	9 certified (40 SPOs supported over the project life and/or currently being supported)	↓
Increase in the number of countries with Fairtrade Certified Associations in the Pacific	2	6	4 (an additional 2 in the pipeline)	↓
Increase in Fairtrade certified product range from the Pacific	4 (cocoa, coffee, sugar, vanilla)	10	6	↓
Increase % of women involved in decision making bodies	2.1%	35%	14.7%	↓
Increased value of Fairtrade Certified Products sourced from the Pacific	NZD22,789,593	NZD100,000,000	NZD182,463,121	✓
Increased volume of Pacific Fairtrade certified exports	30,883 MT	150,000 MT	182,520 MT	✓
Increase in the number of Fairtrade licensees in NZ	40	90	49	↓
Increase in NZ of Fairtrade mark recognition	58%	70%	79%	✓

At the time of reporting Fairtrade ANZ is working with a total of forty SPOs under the MFAT funded project – all at various stages of pre and post certification. Current figures indicate 22,627<sup>45</sup> smallholders across five PICs who are directly benefiting from the project. Premium sales since program inception have totalled NZD19,500,000 and have been earned through Fairtrade sales primarily across seven small producer organisations (SPOs) in PNG and Fiji. The map and table below outlines the breakdown

<sup>43</sup> Note that Fairtrade Premium sales has been close to double the target set in only 3 of the 4 years. This has largely been led by the large premiums received in Fiji, the sustainability of which is significantly compromised by changes in the EU preferential buying policy.

<sup>44</sup> Note that 6 products have been certified to date, however, Fairtrade ANZ are working with 14 different products of Pacific origin towards certification, involving: cocoa, conventional & organic coffee, sugar, organic vanilla, coconuts, copra, limes, ginger, pineapples, virgin & organic coconut oil, coconut cream, organic coconut cream.

<sup>45</sup> Throughout the MFAT project, Fairtrade ANZ has reported against this target using the number of members of Fairtrade certified producer organisations. However, current discussions with MFAT reflect that the actual number of members of producer organisations that are being supported or have been supported by Fairtrade ANZ, is significantly higher than this. This total figure is 32,657. As detailed in Table 3.

# Evaluation of Support for Fairtrade Business Development in Pacific Island Countries

## Second Draft Evaluation Report

producer groups by country and commodity, and represents the total premium earned and number of members of SPOs by PIC.

Table 3: SPOs by Country throughout the life of the project up to 2015

Country	Producer Organisation Name	Commodity	Certification Status	No. of members
PNG	Club 3000	Cocoa	Certified	442
	Highlands Organic Agricultural Cooperative (HOAC)	Coffee	Certified	2,600
	Cooperative Keto Tapasi Association	Coffee	Certified	383
	Neknasi Coffee Growers Cooperative Society	Coffee	Certified	425
	Unen Choit Cooperative Society	Coffee	Applicant	925
	Alang Daom Coffee Estate, Inc.	Coffee/ Cocoa	Pre-applicant	975
	Komkul Cooperative Society Ltd.	Coffee	Pre-applicant	80
	Untpina Cooperative Society	Coffee	Pre-applicant	106
	Huiwani Cooperative Society	Coffee	De-certified	209
	Adelberts Cooperative Society	Cocoa	De-certified	151
	Nomorolai Cooperative Society	Coffee	Support provided	200
	AIM Cooperative	Cocoa	Support provided	200
	Kiram Cooperative	Cocoa	Support provided	52
	Kulamp Cooperative Society	Coffee	Support provided	100
	Markham Organic Cocoa Producers	Cocoa	Support provided	800
	Onako	Coffee	Support provided	352
	Paradise Foods suppliers	Cocoa	Support provided	338
	Pacific Growers Export Partnership	Cocoa	Support provided	200
	Smallholder Coffee Growers Association	Coffee	Support provided	1,629
	Yha Hauka Kopi	Coffee	Support provided	850
Fiji	Labasa Cane Producer Association (LCPA)	Sugar	Certified	4,011
	Lautoka Cane Producer Association (LtCPA)	Sugar	Certified	5,370
	Rarawai and Penang Cane Producer Association (RPCPA)	Sugar	Certified	6,925
	Ranandi Plantation	Ginger/ Coconuts	Pre-applicant	16
	Pacific Growers Export Partnership	Cocoa	Support provided	100
Samoa	Savai'i Coconut Farmers' Association (SCFA)	Coconuts	Certified	73
	Pacific Oil suppliers	Coconuts	Support provided	800
	Whittaker's Chocolate suppliers	Cocoa	Support provided	5
	Samoa Farmers Association	Coconut/ Limes/ Pineapple	Support provided	50
	Women in Business Development	Coconuts/Cocoa	Support provided	1,011
Tonga	Vanilla Growers Association (VGA)	Vanilla/Coconuts	Certified	168
	Heilala Vanilla suppliers	Vanilla	Support provided	30
Solomon Islands	Labuhilla Coffee Farmers Association	Coffee	Pre-applicant	128
	Rawa San Development Association	Cocoa	Support provided	1,000
	Pacific Growers Export Partnership	Cocoa	Support provided	300
Vanuatu <sup>[2]</sup>	Vanuatu Cocoa Growers Association (VCGA)	Cocoa	Support provided	250
	Epi Cocoa Growers Association	Cocoa	Support provided	50
	Cocoa Growers of Southwest Bay	Cocoa	Support provided	50
	Alternative Communities Trade in Vanuatu (ACTIV)	Cocoa	Support provided	5
	Tanna Coffee	Coffee	Support provided	1,000
<b>TOTAL</b>				<b>32,359</b>

<sup>[2]</sup> Work with all listed associations is very nascent and still in the initial scoping stages

Figure 2: Overview of Fairtrade Achievements



As demonstrated in the figures in the map above and in Figure 4: Volume of Fairtrade Sales below, a disproportionate amount of Premium has been received by SPOs in Fiji (88%) relative to SPOs in other countries (PNG), with Samoa and Tonga recently having received their first premiums from sales – estimated to be \$18,500 and \$3,300 respectively. This reflects a number of characteristics unique to the Fijian context, namely: the higher number of producers within the organisations (71% of all Pacific producers Fairtrade ANZ works with are based in Fiji), high volumes of production in the sugar cane industry driven by historic market demands and quotas by the buyer Tate and Lyle, high levels of Government and EU support and subsidies for the industry over a number of years, and long term leases on farming land dating back to the 1960s.

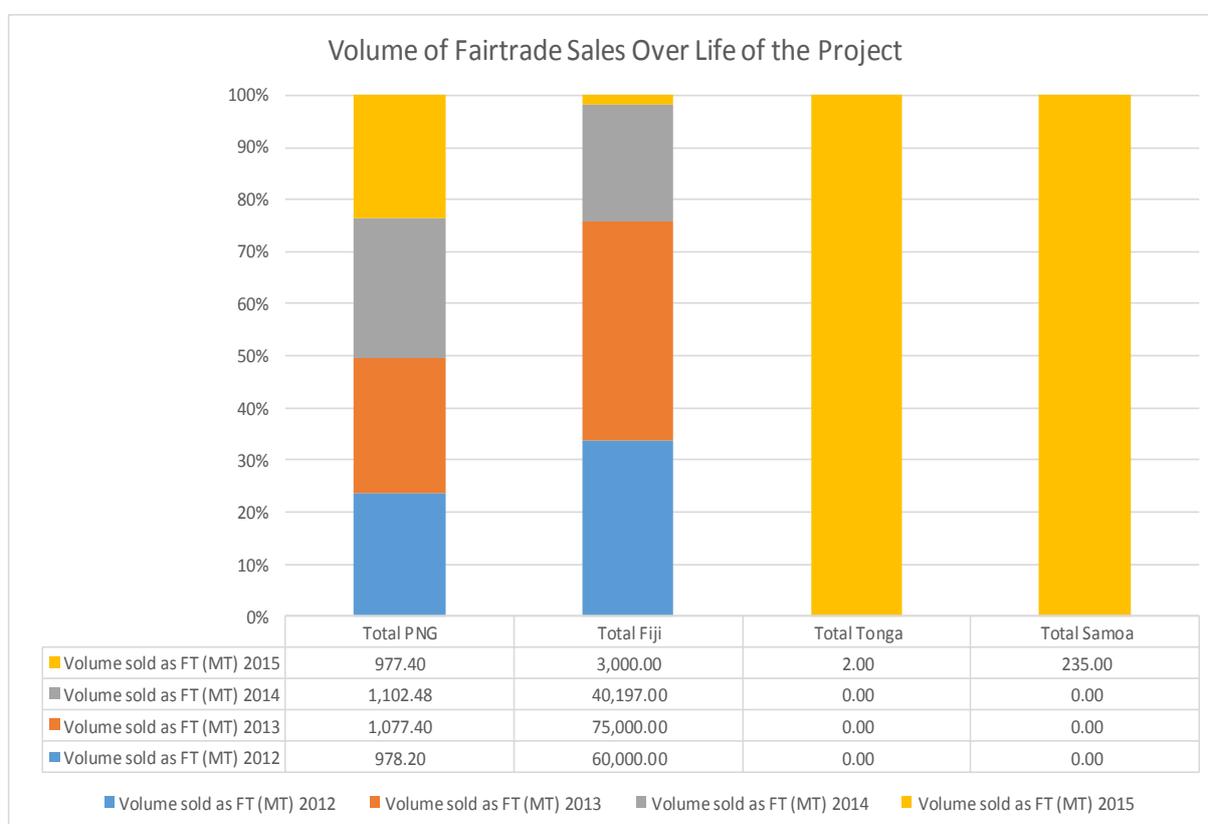
Furthermore, the Fijian SPOs are significantly more mature in their business practices, organisational and financial management. Given the reduction in quotas, proposed land reforms and EU policy changes, the three associations are currently considering their survival strategy and two of the three boards are currently exploring investment options for their premiums in lieu of community development projects in this financial year to prepare themselves for lower incomes from 2017 onwards. The graphs below highlight the differences in relative performance as evidenced through volumes of sales by metric tonne and income. This exposes the inherent risks to sustainability in constructing supply chains around a sole buyer.

In recent times, Fijian cane farmers have had to deal with many challenges to their livelihoods, including expiring land leases, floods, the impact of European market sugar reform and national

Public Emergency Regulations, which, among other things, led to banning of public meetings, including trade union meetings, without prior authorisation from the police.

FI and Fairtrade ANZ engaged in dialogue with the farmers' unions as part of its multi-stakeholder approach with the Fijian sugar industry, and repeatedly called for full restoration of workers' and farmers' rights to exercise the right of freedom of association and collective bargaining, to be recognised by all parties as a key part of the process of democratic reform in Fiji. Fairtrade ANZ is committed to working with all the relevant stakeholders in order to improve industrial relations in the Fijian sugar industry.

Figure 3: Volume of Fairtrade Sales



In contrast, SPOs in other countries face significantly greater challenges related to lower levels of education and business experience from the potential pool of board members. High rates of illiteracy amongst farmers, local politics and infighting and poor environmental practices have hampered SPOs ability to come together cohesively to progress a shared agenda towards certification. Despite these barriers Fairtrade ANZ is working with a significant number of SPOs across diverse geographical locations towards progress in these areas. Owing to the particularly dynamic low capacity contexts within which the project is operating, has meant that SPOs – particularly in PNG – require a longer time horizon within which to achieve certification. Anecdotal evidence suggests that where there are “early adopters” and sustained efforts by influential individuals within producing communities to motivate members of the cooperatives to comply with the Fairtrade Standards (ie. ownership and locally driven change agents) there is longer term “success” in achieving and maintain certification.

Significant effort is spent on ensuring reliable and consistent supply of *quality* products which has resulted in slower progress towards achieving increases in the number of certified groups, scale of production and sales targets; despite significant market demand for certain Pacific products. However,

buyers agree that whilst the current pace of progress towards certification and significant production volumes is slower than market demand, it is critical that robust processes are in place to ensure quality and traceability of products.

Concurrent research being undertaken on the potential of various commodities within the Indo-Pacific region will also help to inform a targeted strategy for Fairtrade ANZ going forward, together with their commercial partners in order to diversify the range of Fairtrade certified products exported from the Pacific in more Island States in line with MFAT targets. It should be recognised that changes to the FI system to certify commodities not currently covered under the Standards does take some months to endorse and approve a pricing structure (as was the case with Pacific coconuts – refer to Section 6.1 for further information) and therefore careful consideration needs to be given to the selection of commodities for exploitation with these system constraints and processes in mind.

Over the last four years, the focus of this evaluation, Fairtrade ANZ has continued to build its brand awareness and label recognition in the New Zealand marketplace, and with it, a growing awareness by consumers and understanding about the impact of Fairtrade on the livelihoods of Pacific (and beyond) based producers. There is broad community acceptance across New Zealand on the role of Fairtrade in 'making trade fair'. As such, Fairtrade ANZ have exceeded their targets for growing awareness of the Fairtrade mark in the New Zealand marketplace and have exceeded sales targets of Fairtrade products. Fairtrade continues to be the strongest ethical label with high levels of recognition (on a par with Trade Aid) and the highest purchase behaviour. Fairtrade has now become a household name in New Zealand, and its profile has attracted a strong reputation in ethical consumerism. There is evidence that this growth in recognition may now be levelling off, suggesting that the nature of Fairtrade ANZ's task may be changing to maintenance of the existing profile.

While attribution of this growing acceptance solely to Fairtrade ANZ given multiple touch points of various marketing campaigns from businesses selling products displaying the Fairtrade label, the activities that Fairtrade ANZ has undertaken over the last four years have undoubtedly been a significant factor in continuing to raise awareness and encouraging New Zealanders to purchase Fairtrade products.

With the addition of Pacific products to Fairtrade products available in the New Zealand market, Fairtrade ANZ have yet to leverage the 'Pacific identity' and strong connection Pacific roots by New Zealanders through their marketing campaigns and apply a range of activities to raise awareness specifically on these products (over and above other origins). However, there is reason to anticipate that this awareness will continue to increase over time and that there is significant potential and demand for Pacific products.

4 in 5 New Zealander's recognise the Fairtrade label. Fairtrade and Trade Aid hold the highest recognition of the four ethical labels (refer to Figure 4: Ethical Label Recognition in New Zealand 2016). However, after a period of growth since 2012, Fairtrade has not increased its label recognition over the past year<sup>46</sup>. Fairtrade is the label purchased most often, with around one quarter of New Zealanders having purchased at least once in the last month. Despite similar levels of recognition, Trade aid does not achieve the same level of purchase frequency (refer to Figure 5: Purchase Behaviour Year on Year). It should be noted, however, that despite higher purchase behaviour this has declined significantly when compared with 2014. In 2014, 1 in 4 New Zealanders regularly purchased Fairtrade on a monthly or weekly basis, however in 2016 this figure has declined to 1 in 5. This has been driven by lower purchase rates in Auckland compared to steady regular purchase rates in other cities.

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<sup>46</sup> "Colmar Brunton Fairtrade Awareness Report 2016". Internal Report.

Figure 4: Ethical Label Recognition in New Zealand 2016<sup>47</sup>

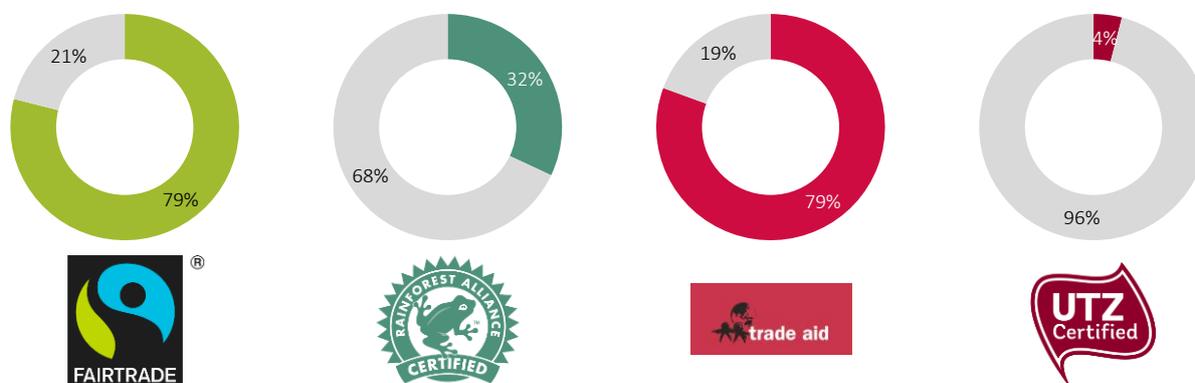
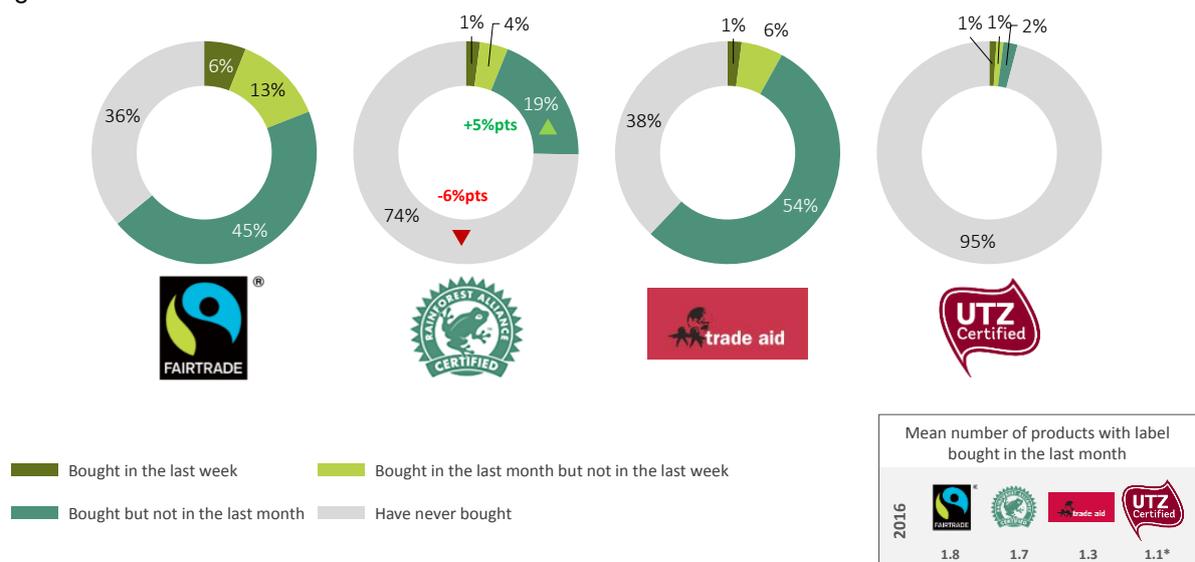


Figure 5: Purchase Behaviour Year on Year<sup>48</sup>



To monitor this performance, Fairtrade ANZ commission Colmar Brunton annually to undertake a survey of brand awareness and recognition together with purchasing patterns of New Zealanders 18 years and over. On average there are over 500 respondents to the survey<sup>49</sup>. Results from the 2015 and 2016 survey<sup>50</sup> revealed that brand health of Fairtrade has grown considerably since 2011. Despite this, there has been no growth in 2015 suggesting that the diminishing returns may require additional support and investment in order to continue growing at previous levels. Results also demonstrated that 1 in 2 New Zealanders (49%) trust Fairtrade. After a drop in this figure in 2015, suggesting that there may be 'greenwashing' effect of other brands impacting on the trust levels of the Fairtrade label, the results in 2016 have increased inline with levels of previous years. Since 2014, there has been a

<sup>47</sup> "Colmar Brunton Fairtrade Awareness Report 2016". Internal Report.

<sup>48</sup> "Colmar Brunton Fairtrade Awareness Report 2016". Internal Report.

<sup>49</sup> In 2016 over 1000 respondents were canvassed.

<sup>50</sup> "Colmar Brunton Fairtrade Awareness Report 2015 and 2016". Internal Reports.

significantly higher number of rejecters who do not believe that Fairtrade stands for environmentally sustainable production and farming practices. Suggesting that there is room to continue promoting this belief. Although it continues to be strongly associated with improving livelihoods of producers in developing nations, it has slipped slightly on being rated as a trusted label, providing good quality ingredients and being sustainable. The drop on 'trust' warrants further investigation and is likely linked to a number of potential causes.

## 6.1 Progress, achievement and challenges: Producer Support and Relations

Summary of key achievements 2012-2016:

- ✓ support for identification of new commercial opportunities by private sector partners resulting in the development and Fairtrade certification of two new Pacific SPOs and supply chains – vanilla from Tonga and coconut products from Samoa;
- ✓ support for maintenance of Fairtrade certification for seven certified SPOs (four in PNG and three in Fiji) across a range of commodities including coffee, cocoa and sugar;
- ✓ provision of technology, equipment and upgraded infrastructure through the Producer Development Fund (PDF) involving: provision of access to wet coffee mills and seedling nurseries, farm toolkits including wheelbarrow, ladders and chainsaws; upgrades to coffee drying and storage facilities, rehabilitation of cocoa fermentries and construction of vanilla curing facilities;
- ✓ development and translation into local Pacific languages of the Producer Support Library materials;
- ✓ support for training and extension services for all active SPOs, including in crop husbandry and post-harvest management, biodiversity-friendly farming techniques, soil fertility, gender, ICT, occupational health and safety, good governance, use of pesticides and weedicides, basic management skills, finance and administration training;
- ✓ advocacy and establishment of Fairtrade Minimum and Premium prices for coconuts for processing and drying for the region. These prices represent an entry point to the Fairtrade system for small coconut growers in the Pacific and provide a starting point for negotiation for Fairtrade coconut supply chains;
- ✓ advocacy and establishment of an extension to contract production standards to include cocoa growers in the Pacific. The extension was approved by the FI Standards Committee in October 2014 and took effect in November 2014 enabling Club 3000 a PNG based SPO to sell 190MT of cocoa on Fairtrade certified terms;
- ✓ guidance in the use of premiums to finance subsidies in support of improved environmental practices eg purchase of weedicides, farm tools and mechanised equipment, construction of drainage and culverts;
- ✓ guidance in the use of premiums to finance community development needs, eg. maintenance of schools, churches, mosques and community bus shelters, water supply and sanitation projects, electricity supply, transport infrastructure (refer to Section 6.3 for further information on the broader economic benefits)

Introduction of the Fairtrade system in PICs is demonstrating concrete signs of driving localised economic growth and human development. There are also early signs of attitudinal shifts in producer

communities towards the graduation from subsistence agriculture to commercialised market led agriculture with visible increases in returns along the value chain, the sugar cane industry in Fiji being the most advanced and mature of all commodities for export amongst SPOs. This has relied on intensive front end support to pre-applicant organisations and in the first few years following certification by the Fairtrade PSR team. A key enabler of this has been identifying early adopters and entrepreneurs within the producing community, who also possess the cultural legitimacy within their respective communities according to traditional systems, and leveraging their influence to work as effective change agents in ensuring adoption and compliance with Fairtrade standards. These sustained efforts have also been heavily reliant on private sector led partners who are committed to seeing the success and ongoing viability of Pacific producer groups and whom have also invested significant human and financial resources. One partner has reportedly invested close to AUD1.5 million over the last 3 years directly into development of the local industry towards Fairtrade certification and scaling of production volumes and quality.

These moves towards market oriented production have been facilitated by the PSR team through introduction of the Fairtrade Standards, particularly the governance mechanism which creates a platform for collective agreement and uptake on production decisions and interpretation and sharing of market signals between producers. The PSR team have piloted and rolled out new technology and practices such as wet mills for coffee processing in PNG and vanilla curing facilities in Vava'u. These changes have enabled producers and exporters to realise economic opportunities such as job creation, employment opportunities and regular incomes.

### **Factors contributing to successful implementation**

A key strength and differentiator of Fairtrade ANZ is the flexibility with which the PSR team have been able to adapt the FI system to better serve the local context and priorities of each partner country including the needs of the local communities. The PSR team have applied a grounded approach to capacity building that appreciates the technical, conceptual and practical challenges faced by the agricultural sector and trading partners in attempting to rehabilitate, develop and grow in the Pacific context. This is driven by a number of factors:

1. the deep experience of the PSR team in establishing, managing and working within cooperatives both in the Pacific context and globally has enabled strong contextualisation and adaptation to the model whilst still upholding the principles of the Fairtrade Standards and system;
2. the relational approach taken by the PSR team ie. understanding of the social and cultural subtleties underpinning community relationships in the Pacific and how this impacts on the dynamics and structural requirements for effective cooperatives;
3. application of a range of adult learning and behaviour change approaches, such that learning is staged incrementally to allow producers and SPOs to master simple tasks first in a well-supported environment prior to progressing to higher levels of accountability and expectations to comply with the Fairtrade Standards for certification.

The establishment of strong processes for organisational assessments and development plans constitutes a key element of planning and implementation of Fairtrade ANZ's initiatives. Via the PSR team's deep knowledge on the characteristics of effective cooperatives and the steps required to achieve this, through the completion of qualitative information gathering, capacity needs assessment interviews and field visits, the PSR team gains critical experience and understanding of the related issues and gaps facing the agricultural sector and SPOs, land tenure and legal systems, thereby informing the refinement of planned implementation activities. As effective assessments rely on the coordination of efforts between stakeholders, including the policy and service delivery levels, the PSR

team focuses on leveraging existing in-country relationships between the Fairtrade team, support organisations and local officials to good effect.

The PSR team has also leveraged resources and experience where available to rapidly understand the cultural influencers and barriers to adoption of the Fairtrade Standards and have been able to work in a targeted and creative manner to work within traditional systems. This approach has also been strengthened through the staffing of in country liaison officers which has enabled an understanding of social and power dynamics that directly influence individuals and groups access to information and active participation within the Fairtrade development process. The team assess institutional and social dynamics to identify possible areas of social networks – including exclusion and inclusion. A successful example of this has been the work undertaken within the traditional Samoan Matai system as a key driver of success to the establishment of the SCFA. The Association Board, for example, is made of two active, influential chiefs and a young educated woman who serves as the secretary of the organisation. The Chiefs have the social power to mobilise producers and the woman contributes through her business acumen and attention to record keeping. Fairtrade ANZ's approach to working within the Pacific context has begun to be more clearly formalised and articulated in the Fairtrade Development Model<sup>51</sup>

The Fairtrade Development Model is designed to improve the quality of Producer Support provided within selected country projects. The approach challenges conventional training-based approaches to building SPO capacity amongst producers and support partners and instead offers a more tailored and contextualised approach to be taken. Outlining a proposed pathway to certification and business maturity together with the estimated resources required enables fieldwork to be planned and a just-in-time approach is taken to influencing the knowledge and workplace behaviours of producers and SPO boards and staff by applying a range of adult learning and behaviour change approaches. Learning is staged incrementally to allow producers and SPOs to master simple tasks first in a well-supported environment, develop confidence, and then move to more complex tasks. Facilitated sessions use real farming tasks as the basis for learning—for example, extension officers may be supported through the process of appraising plantations against Fairtrade's environmental standards, and providing constructive feedback to producers. Other support includes 'on the ground liaison officers' and a remote 'helpdesk' (ie. the team in Auckland) which are geared to providing technical support and capacity development. Much of this experience aligns with global recognition of the limitations of formal/structured approaches to 'training', which frequently fail to influence behaviour and performance.

Context adaptation and innovation have been a critical and core strength in progressing towards project objectives and key targets – given the breadth of PICs within which the project is operating, there is a strong understanding that similar environments can provide lessons learned but importance is placed on developing individualised approaches and methodologies for each SPO. Monitoring strategies that place learning and adaptation at the centre of project management are a successful component of the Fairtrade approach. Furthermore, significant emphasis is placed on building ownership and responsibility within the partner institution to ensure any intervention is based on mutual accountability agreements setting out roles and responsibilities for all actors involved setting standards and expectations to ensure delivery of agreed results.

Adaptation of the model has also been enabled through the development of ANZ specific systems and processes such as the Producer Development Fund and the Producer Certification Fund in addition to

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<sup>51</sup> Fairtrade ANZ "2016 04 Fairtrade Development Model – Case Studies from the Pacific DRAFT." Internal Document

lobbying at the International level for system changes, for example in response to opportunities within the global marketplace for value added coconut exports from the Pacific region.

During 2012, Fairtrade ANZ worked with stakeholders in the the Pacific coconut industry, including producers, processors, traders and importers to establish Fairtrade Minimum and Premium prices for coconuts for processing and drying for the region, these prices now represent an entry point to the Fairtrade system for small coconut growers in the Pacific and provide a starting point for negotiation for Fairtrade coconut supply chains in countries like Samoa and PNG. The prices were announced by the Fairtrade International Standards Unit in November 2012.

A similar process was undertaken for pineapples. In consultation with pineapple stakeholders in the Pacific and Fairtrade International's Standards and Pricing Unit, Fairtrade ANZ worked to establish Fairtrade Minimum and Premium prices for pineapples from the Pacific. It was identified that there was an interest from New Zealand buyers for regionally sourced Fairtrade Certified pineapples. Fairtrade Minimum and Premium prices would allow an entry point for pineapples producers interested in accessing the Fairtrade system. At the time of reporting, Fairtrade ANZ is in the process of collecting data from producers and traders in the region.

Another example of this has been in the investments into the development of the innovative tools in the Producer Support Library which have been designed and adapted for the Pacific context. Fairtrade ANZ expanded its Producer Library to focus on key areas of its capacity building scope, specifically addressing child protection<sup>52</sup>, gender equity/non-discrimination<sup>53</sup>, and good governance<sup>54</sup>. The tools have also enabled efficient delivery of complex and new concepts and are a core facilitator of graduating SPOs towards certification. These tools are now being rolled out within the Fairtrade system globally.

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<sup>52</sup> Child protection materials are a poster-sized puzzle and two mazes, one profiling girls and one profiling boys. The child labour puzzle is used to introduce the key elements for the definition and understanding of child labour from a rights-based approach, and to initiate conversation about potential risks in producer communities. The puzzle describes five stories in which the following concepts are addressed: the definition of child labour as defined by the International Labour Organisation (ILO) Convention No. 138 on the minimum age for admission to employment and Convention No. 182 on the worst forms of child labour, the type and conditions of permissible work that children between 15 and 18 years old can carry out, community monitoring systems as key for the identification of potential risks of child labour, record keeping as a way to monitor changes and potential risks in the membership of producer organisations, and the role of Fairtrade producers in the prevention and mitigation of child labour situations in their communities. The mazes are consist of ten illustrations organised in a complex branching route through which the solver finds three kinds of short stories: one presenting a child labour situation, in which case the route ends or leads to another form of child labour; another type describing a safe situation which leads to a series of ideal conditions for the achievement of a better future, which is represented in secure employment, higher education or schooling later in life, and a third type in which a child encounters both child labour situations and safe situations.

<sup>53</sup> "Fairtrade and Gender" is a storytelling booklet that contains four comic strip based backgrounds and a cutout character sheet. Each background forms the basis for a story that can be populated with characters from the cutout sheet. The character sheet offers a female and a male option such that potential stories can be told from either a female or a male perspective. The backgrounds cover topics such as food security, farming activities, leadership within producer organisations, access to training, access to tools, and sustainable income.

<sup>54</sup> The Governance module is a role-play based on a variety of graphic-card sets, which describe a compilation of short stories, characters and governance issues, to encourage conversation and analysis around the following topics/issues: democracy and participation, ILO Recommendation R193 "on the promotion of cooperatives", the General Assembly, the board of directors and its members, membership, equal voting and transparency.

Material includes a graphic puzzle illustrating the constitution of a producer organisation, that covers the main areas to be addressed in a constitution such as general provisions, formation and registration, membership, organs/bodies and management, capital formation, accounts, surplus distribution and loss coverage, audit, dissolution, dispute settlement, etc. Supporting templates and worksheets include constitution document, annual report, GA notice, meeting agenda and meeting minutes.

Organisational strengthening through support for strong, democratic and accountable SPOs is a core focus of the PSR activities and the contextualised approach taken to tailor additional interventions based on the needs of members, for example the ICT project in PNG<sup>55</sup> which provided IT assets and set up closed user groups (CUG) to facilitate exchange of market information has supported producers to continue to build business skills, formalise their businesses and begin to see their farms as a business and integrate this into their daily thinking and activities, diversify their incomes (for example through charging fees for mobile recharging stations using solar panels provided by Fairtrade ANZ) and attracting finance.

Partnerships with the private sector, local partners (eg support organisations) and government ministries and regulators are central to the project's effectiveness and enhance the scale and reach of producer support activities. In each country of operation Fairtrade ANZ have built strong relationships with exporters who have the knowledge and expertise to deliver shared value outcomes ie. innovative programs have been developed to address key issues *and* create business value together with organisational and community benefits for SPOs through their commitment to the Fairtrade system and certification.

Where the model has been most effective is where there has been focused investment and innovation in R&D and product development in key commodity categories by private sector actors. This opportunity identification has driven VCD in particular Pacific locations and is a potential strength of a B2B approach which could be leveraged to better effect by Fairtrade ANZ. For example Krissy Co processing and exporting coconut cream and other diversified coconut products for use by All Good in in partnership with Nice Blocks in New Zealand and Queen Fine Foods investments in rehabilitating the vanilla industry in Vava'u, Tonga and creating resins and tinctures (both vanilla extracts) through value added processes and upstream vanilla processing to make it ready for standardised cured matured extractions for retail and commercial markets. This strong commitment has also resulted in financial support for organic certification for the Vava'u Vanilla Growers Association (VGA) through the Producer Certification Fund (PCF). This has secured access to 5 years of above Fairtrade minimum price (plus the organic differential) by the buyer, Queen Fine Foods (QFF), through QFF's commitment to purchase all Fairtrade and organic certified cured vanilla produced by the group.

These companies see great value in their partnership with Fairtrade ANZ and identified clear value in the training and farmer engagement principles and processes to enable validation and certification of the program(s). Fairtrade ANZ's key value added role was seen to be in the support for training and extension services – including coordinating other support organisations to deliver these, provision of agricultural equipment and technology, and their collaboration with industry and regulatory actors.

There is still imperfect coordination amongst all actors, however the process is improving. Partnership based approaches offer a significant upside, however measuring impact and managing risk within partnerships continue to be an ongoing challenge for Fairtrade ANZ. Effective partnerships should be viewed as one possible approach not a ready-made substitution for indiscriminate application as they are not the solution to every programmatic question for Fairtrade ANZ.

The partnership between CARE and Fairtrade ANZ in the delivery of gender based training is in its nascent stages. This particular partnership is expected to foster a sense of local ownership over gender mainstreaming within SPOs and therefore improve project sustainability. It is also assumed that, as CARE and Fairtrade ANZ share with and learn from each other, the gaps in their own knowledge, capacity or skills will also be addressed. Despite anticipating that this partnership will 'work well' it has

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<sup>55</sup> Noting that the ICT project is an IFAD funded project

taken a number of years to in fact formalise it to a point where collaborative activities are occurring. This highlights the constraints in forming effective partnerships in the development sector more broadly owing to multiple or different funding sources, visibility and ability to connect with multiple actors across different geographies and donor programming, divergent project objectives and capacity to partner despite the goodwill to do so.

As the number of SPOs in PICs that become involved in the Fairtrade system – both through pre-certification support and certification – multiplies there will be economy of scale issues that Fairtrade ANZ will need to consider in terms of what ongoing practical support they can provide within resourcing constraints in supporting SPOs in the Pacific in attaining and maintaining the Fairtrade Standards for certification versus what can be reliably supplied on the ground by other support organisations. There is, therefore, a greater emerging role for Fairtrade ANZ in bringing together various audiences and interests — from business and the international development community — to create effective partnerships for greater impact and sustainability. Fairtrade ANZ is well positioned with the legitimacy and authority to play a “neutral broker” role in setting up this partnerships.

The neutral broker can assist in identifying and explaining the potential productive intersection between community interest, business purpose and sustainable development plan. The broker can also facilitate effective communication and active follow up so that the initial enthusiasm for the partnership does not easily wane and get lost in miscommunication, confusion and inertia. The effective conduct of this role will rely in part on the ability to identify and create relationships with other actors on the ground and ascertain whether there is in the first instance, a common vision, the potential distribution of both risks and benefits, a sense of ‘co-creation’, and motivation or incentive to contribute by all parties.

Measurement is a way to define the meaning and the value of a partnership and the expected outcome of its work. Measurement should be an integral part of the initial planning process because partnerships can collapse from poorly conceived roles. It is also a vital tool throughout the duration of the partnership because it establishes a common definition and goal, allowing the partners to move away from pure activity and focus on impact and return on investment as well.

Going forward, two key questions for fairtrade ANZ to bear in mind are:

1. Have the objectives of all stakeholders been successful?
2. To what extent does working in a partnership framework add value or contribute to development goals?

Partnerships must be examined to see what value was added in the form of leveraging resources, how much the scope of the money is being extended (in terms of flexibility and expertise), and to what extent markets can be catalysed to sustain the operation. These are just a few ways Fairtrade ANZ may analyse (through inclusion in the SIF) whether a partnership has actually resulted in a development impact that would have been unfeasible had the partnership not been formed in the first place.

### **Overview of challenges**

One of the key challenges going forward that may require Fairtrade ANZ’s consideration in further relationship development with the private sector is in the area of risk and reward. Importantly both the PSR team and private sector partners feel they both have a stake in the success of the endeavour and in the relationship and that efforts are equally shared – this is particularly evident in Tonga and Samoa with more mixed reports from PNG and Fiji. This mixed result potentially reflects the greater number of SPOs and support organisations operating in PNG and Fiji, however the establishment of the Liaison Officer roles in those countries has assisted in strengthening participation and influence within these relationships.

Managing expectations and risk is critical for Fairtrade ANZ in the maintenance of successful partnerships. There are different kinds of risks involved in the existing partnerships, involving

reputational, financial, strategic, operational, and compliance risks. Utilising comprehensive memoranda of understanding, conducting due diligence, and agreeing explicitly on intended outcomes and metrics are a few ways of managing and mitigating risk without compromising impact as part of the ongoing maintenance of existing partnerships and in the potential neutral broker role.

One of the weaknesses to the effectiveness of the project is the position of the project within MFAT's regional program, resulting in a lack of visibility and opportunities to develop strong relationships with MFAT staff at post and the ability to leverage other investments and resources to better collective efficiency and impact. This distance inhibits Fairtrade ANZ's ability to highlight and advocate for important policy issues in order to leverage MFAT's role in policy dialogue in support of sustainable development in small island developing states and which specifically improves Pacific Island Countries ability to trade. A clear example of this is the policy and trade negotiations related to the European Union's (EU) preferential policy for Fijian sugar. Reforms due to take effect in 2017 call into question the sustainability of the sugar industry in Fiji and at the time of reporting it was unclear what position MFAT has taken on the reforms.

Key challenges for the sustainability of the agricultural industry across PICs are the ageing workforce; the urban migration of youth seeking educational and employment opportunities and women's lack of access to extension services and markets. Agriculture is not seen as an attractive career option. Complexities in land tenure systems also prevent women and youth from having access to farming lands. Despite FI having explicit goals around deepening their impact through efforts targeted towards children and young people to make farming a more attractive career option for young people, there was no evidence beyond opportunistic inclusion of youth in village based training activities and information sessions of specific activities designed to address these issues formally through the project. Specific challenges related to women's participation are further articulated in Section 6.4 Gender equality and women's economic empowerment.

### **Reasons for lack of progress in selected areas**

A key challenge in being able to rapidly scale production volumes and thereby multiply the injection of income to boost local economic development is the significant time taken in working with SPOs to prepare them for certification. This has required significant investment of resources from the PSR team and private sector partners to inculcate a culture that seeks to increase the quantity and quality of products and higher value products in addition to a consistent and reliable supply. This delay relates more to the baseline level of business maturity of SPOs and the culture of necessity entrepreneurship of many groups as opposed to growth entrepreneurship. Given the business education required to graduate SPOs in remote villages to a basic level of financial literacy and business maturity to comply with FI standards production volumes and Fairtrade sales have fallen short of the designated MFAT targets and in fact consumer demand. However, buyers, exporters, licensees and consumers alike all agree that this pace of progress whilst not meeting demand is critical for ensuring good quality products are delivered which will ultimately enable sustained increases in production and demand.

Given the small number of human resources available within the PSR team, Fairtrade ANZ have been efficient in their deployment of resources and the support that they have been able to offer on the ground to SPOs. This team has been strengthened by the establishment and staffing of the Liaison Officer (LO) roles – one being based in PNG who works with five SPOs, and the second covering Fiji, Tonga, and Samoa and who works with five certified SPOs. The LO based in Fiji has also been involved in the early assessment of commercial opportunities related to supply chains from the Solomon Islands and Vanuatu. Longer term consideration may need to be given to the location of staff and their ability to provide the level of support required to continue to identify opportunities and support SPOs towards certification and the maintenance of the same. Field visits are resource intensive and greater

efficiencies could be achieved through the establishment of a hub and spoke<sup>56</sup> model whereby the number of liaison officer roles in country are increased which may decrease the requirement for frequent field visits from the New Zealand office. As capacity on the ground increases the inputs required from the PSR team decrease in an inversely proportionate manner.

Given how stretched resources are the most successful examples of where commercial opportunities have been identified and supply chains developed is where private sector partners have identified the market demand for production of niche products and made a commitment to investing in VCD and subsequently approached Fairtrade ANZ to deliver support for the SPO to form a strong organisation in preparation to be certified. Key examples of this include coconut cream in Samoa, vanilla in Tonga and coffee in the Solomon Islands. Fairtrade ANZ have then been able to support the private sector in developing market led agricultural solutions to enhance production, export potential and marketing of these products.

### Unintended results

The evaluation team was unable to assess the impacts of the Fairtrade System on hired labour which was reportedly used in Fiji and in Tonga due to hiring practices being seasonal. Whilst workers rights and wages were discussed with farmers that hire these workers, no workers were available to comment on their conditions and ability to negotiate their wages and terms of work. This would be an important stakeholder group to monitor and evaluate going forward in order to understand the extension of (if any) benefits.

By way of example, one unintended benefit reported through the rehabilitation of the vanilla industry in Vava'u is the employment opportunities created for women in villages who do not own farms or belong to families with vanilla plantations. It was reported that a number of women are employed casually to assist in pollination, with other women being paid to weave baskets for women working on plantations who no longer have the time to do so as vanilla yields and production increases.

Also related to the vanilla industry in Vava'u was the longer term disbenefit of a lack of rigorous tracing systems in relation to the PDF-funded tools library for hiring chainsaws, ladders and wheelbarrows for VGA members to rehabilitate and maintain their vanilla gardens. Unfortunately due to theft, equipment damage and poor record keeping all of the items have been lost to follow up and are no longer available for loan. The VGA team overseeing this process acknowledges the weaknesses in the system and the learnings for future initiatives. It should be noted that the PDF funding is used for a disparate range of projects and this is one example of a breakdown in process. Other projects, whilst not specifically identifying the source of funding as having come from the PDF did not report a similar outcome.

In parts of Fiji where transport infrastructure has remained poorly maintained, premium funds were used to improve road infrastructure and to extend water and electricity supply. The results of this saw an anecdotal increase in the ability of young men in the village to be married as previously families would not consent to marrying their daughters and sending them to areas with poor access to water and sanitation facilities.

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<sup>56</sup> A Hub and Spoke Business Model provides centralised resources to "business units" this is currently how Fairtrade ANZ's current structure with Liaison Officers based in country could be characterised as. By building the capacity and number of LOs in country, Fairtrade ANZ PSR and Commercial Teams based in New Zealand could support the LO's from this hub with a common set of services, templates and knowledge (for example) and realise greater cost efficiencies through a reduced requirement for field visits, gradually transferring the skills and knowledge in country and contributing to greater sustainability by initiatives being locally led and driven.

## 6.2 Progress, achievement and challenges: Business Development in New Zealand

Summary of key achievements 2012-2016:

- ✓ development of the new Commercial and Communication Strategy 2015;
- ✓ support for identification of new commercial opportunities by private sector partners resulting in the development and Fairtrade certification of new Pacific SPOs and supply chains into New Zealand involving bananas, vanilla from Tonga and coconut products from Samoa;
- ✓ successful conclusion of the first phase of the website with foundational content; more layers of content will be added in phase two, particularly around producers and licensees and products. Careful monitoring of the way consumers are using the site is being undertaken to ensure customisation in both structure and content to assist effective navigation;
- ✓ during various Fairtrade Fortnights, Fairtrade ANZ has co-ordinated retail activity across 180 supermarkets in New Zealand- promotion involving at least six Fairtrade partners across four commodity categories;
- ✓ trader trips to origin reinforced licensee commitments to Fairtrade and encouraged the development of relationships with Pacific producers enabling a deeper understanding of regional challenges;
- ✓ a number of licensees have expressed interest in going “beyond Fairtrade” and developing new initiatives to support Pacific producers in their supply chains;
- ✓ establishment of the Supporter Awards enabled relationships to be deepened, campaigners to be engaged, licensees to be further engaged and the piggybacking off licensee marketing activities e.g. Kathmandu promoted the trader trip through their Summit Club members newsletter and Social Media.

### Overview of progress and achievements

The Fairtrade brand has continued to increase visibility over the period, with the scale and reach of its activities increasing since 2012, and has only recently begun to plateau. Fairtrade ANZ have exceeded their targets for growing awareness of the Fairtrade mark in the New Zealand marketplace and have exceeded sales targets of Fairtrade products with strong growth across a range of commodities<sup>57</sup> year on year<sup>58</sup>. Growth has been attributed to increased retail distribution of bananas, new brands entering the market with Fairtrade chocolate and increasing overall sales volumes, in addition to continued strong performance in procurement and the café sectors for Fairtrade coffee. Other product growth has been driven by R&D and product innovation in drinks, syrups and frozen desserts.

Of particular note was the roll out of the new Commercial Strategy which was developed in August 2015 in order to provide focus and direction to business development activities, in addition to identifying key partners and core products. This has included a stronger focus on particular target market segments including the retail sector. And whilst the primary focus has continued to be consumer awareness ie a business to consumer approach (B2C) to marketing campaigns, a more targeted “key account” or

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<sup>57</sup> Commodities of strongest growth by percentage growth involve: bananas, tea, cocoa, cotton, coffee followed collectively by footballs, sugar and other composite products eg. drinks and ice creams.

<sup>58</sup> Fairtrade ANZ Retail Sales 2014

business to business approach (B2B) is evident in Fairtrade ANZ's new commercial strategy and more recent activity.

### **Factors contributing to successful implementation**

Where there is evidence of strong relationships – these are underpinned by effective and regular communication and reports that Fairtrade and the licensee or businesses work as a team and feel jointly responsible for the outcomes that have been agreed upon and support for each other to achieve them. Fairtrade ANZ's 2016 Strategy articulates a clear direction towards market driven growth campaigns in addition to building and strengthening relationships with licensees in key accounts. Given changes in the strength of relationships reported between Fairtrade and commercial partners over the last few years it will be important for Fairtrade ANZ to implement the strategy in order to build confidence and use it to demonstrate that they have listened to their stakeholders concerns and actioned them. The activities and influence of its Board and CEO have also been a significant factor in Fairtrade ANZ's level of visibility.

Anecdotally licensees and importers cite that a "Pacific identity and Pacific origins to the products" is important to their consumers but not as important as organic certification in the first instance followed by Fairtrade certification. This has potentially impacted on the slower rate of progress towards greater numbers of licensees. Greater transparency and ability to communicate the tangible benefits of the Fairtrade system may assist in continuing to strengthen the credibility and relevance of the Fairtrade mark in the New Zealand market.

Fairtrade ANZ's approach to Pacific product launches has been to identify opportunities in the market for Fairtrade supply chain development from the Pacific through existing committed partners, import channels or via identifying opportunities through trade shows and/or PTI partners, for example, to convert existing Pacific supply chains to Fairtrade certified supply chains. Fairtrade ANZ subsequently undertakes a gap assessment jointly with the PSR team and commercial partners to identify interventions required to strengthen the supply chain (eg – quality, consistency, infrastructure improvements, producer capacity building, supply chain development) and develop a plan to address these.

Once the supply chain has been established, Fairtrade ANZ works with commercial partners to launch the product in the market – developing a PR plan – supporting the licensee with communications and distribution channel development where relevant. Fairtrade ANZ also recognises that the opportunities for Pacific Fairtrade products are not only restricted to the New Zealand marketplace and has worked with Pacific producers and supply chains to identify opportunities for international sales through Fairtrade's global network. Recent examples of this include the sale of Pacific produced Fairtrade sugar into South East Asia and Austria, coconut oil into European markets and cocoa into Germany.

### **Overview of challenges**

One of the greatest challenges reported by all commercial partners interviewed was the divisiveness within the New Zealand context between Trade Aid and "fair trade" and Fairtrade the label. This historic tension continues to undermine the work of both Fairtrade ANZ and supporters through ongoing confusion over the principles behind Fairtrade and the accountability and traceability that the mark guarantees (ie. legitimacy of the Fairtrade label). This division continues to impact on the commonality and shared purpose and cohesiveness particularly for businesses and is seen to diminish the relevance and credibility of the Fairtrade mark within the marketplace. This is a risk that needs constant management.

These relationships are underscored by dynamic conversations that are ripe with diverse opinions, and active opposition. Against this backdrop, it is even more important that Fairtrade ANZ inform and engage in discussions with a range of stakeholders on how Fairtrade can work in concert to pursue

opportunities. The continuing challenge for the Fairtrade ANZ brand is to optimise the balance between achieving broad recognition of “fair trade” whilst also being relevant and responsive.

Dissent amongst commercial partners and grassroots community organisations on the legitimacy of the Fairtrade mark and its impacts has resulted in slight decreases in the demand for certification (ie. they do not see the value nor commercial returns in being Fairtrade certified and are exploring alternative certification options) despite increases in sales from those remaining certified) coupled with a rising demand for organically certified products. Stakeholders interviewed viewed dual certification as an opportunity.

Fairtrade ANZ have initiated meetings to discuss these challenges and are taking positive and encouraging steps to strengthen the relationship. For example, in 2013 Fairtrade ANZ facilitated a Trader Trip with Trade Aid to start sourcing Fairtrade from PNG, resulting in three different purchases from PNG producers. Fairtrade ANZ has also entered into negotiations with Trade Aid to work jointly on coffee sourcing in Sumatra and East Timor. Fairtrade ANZ has also recently been engaged with Trade Aid and other NGO's in discussions around the future of the Fair Trade grassroots movement in New Zealand and what the future of the Fairtrade movement in New Zealand might look like without FTAANZ.

All commercial partners interviewed consistently expressed difficulties in finding entry points for engagement in marketing initiatives such as Fairtrade Fortnight and also felt that the marketing initiatives were not fresh and innovative. While there is strong evidence to suggest that Fairtrade ANZ has been effective in tailoring certain campaigns for some particular setting and populations, for example, the trader trips to origin, the challenge for Fairtrade ANZ is to determine whether the populations they currently target continue to require the most attention. With limited resources, choosing which population to target to maximize the impact of Fairtrade ANZ support for business development in PICs is crucial. Greater interrogation of the Colmar Brunton annual survey data could be used to this effect in addition to assessing which particular messages or campaigns particularly resonated with the target audiences.

Fairtrade ANZ's marketing and business development activities have continued to be supported by licensees and grassroots community organisations. Fairtrade ANZ has undertaken a series of annual Fairtrade Fortnight campaigns over the period and 'media mentions' during these campaigns. Marketing and communications activities are increasingly delivered online with influential bloggers supplied with PR kits to amplify results. It can be seen in Figures 6 and 7 on the following page that there has been a parallel significant increase in the response on Facebook as opposed to TV and print media. This mirrors the deliberate shift in Fairtrade ANZ's investment decisions to increase funding for an online presence in addition to a decrease in the availability of free advertising space on TV channels.

Fairtrade ANZ has continued to invest in market research to measure the results of brand recognition and trust. To date, licensees report sales to Fairtrade ANZ on a quarterly basis, however, with a reporting time lag of six weeks. The delay in reporting of sales makes it difficult to establish and attribute a direct impact that campaigns may be having on our licensees' sales. Anecdotal feedback received by Fairtrade ANZ is positive with commercial partners reported to actively participate in campaigns such as Fairtrade Fortnight seeing a spike in sales during fortnight. A banana licensee has been providing weekly sales data which has demonstrated a positive uplift in the sale of bananas over Fair Trade Fortnight for three years running. This information contrasts from the qualitative data collected from a quarter of commercial partners interviewed during this evaluation who report not experiencing a spike in sales during Fairtrade Fortnight. Anecdotally Fairtrade ANZ have observed an increase in the number of public and commercial enquiries about Fairtrade products and licensee certification during Fairtrade Fortnight.

Figure 6: Media Trends over Fairtrade Fortnight

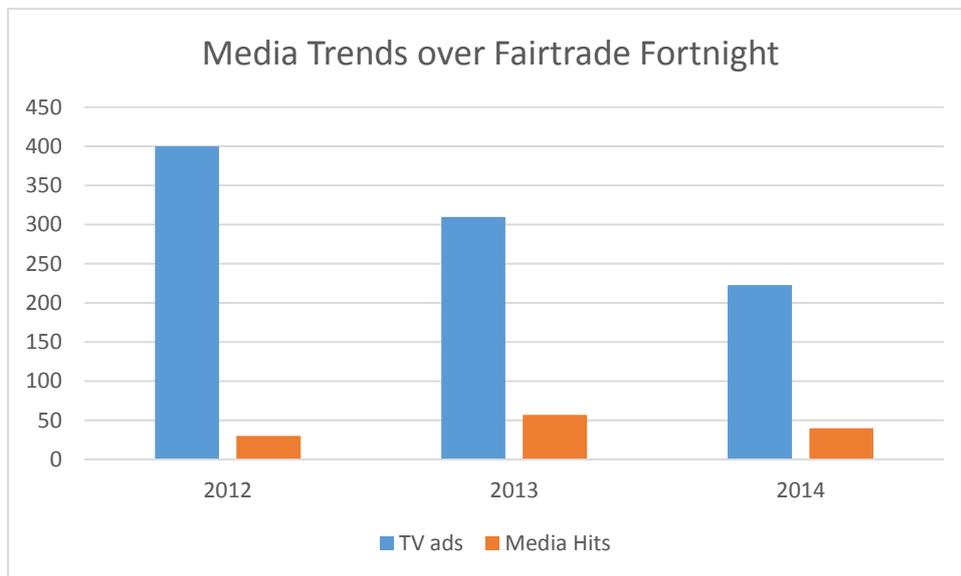


Figure 7: Fairtrade Fortnight Facebook Activity (likes, shares, discussion)

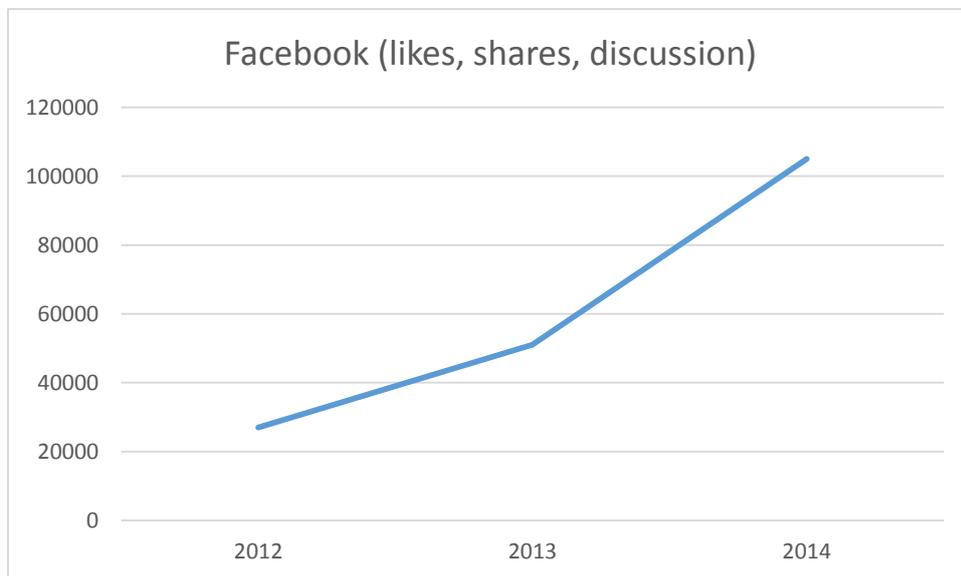
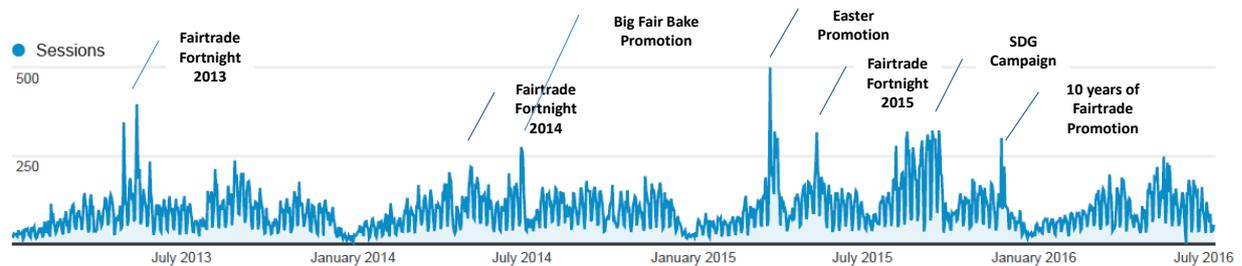


Figure 8 provides information on website traffic to the Fairtrade ANZ website during/following Fairtrade Fortnight and other key marketing campaigns. It can be seen that there have been periods of significantly increased activity and traffic to the website during campaign periods.

Figure 8: Unique Views during/following Fairtrade Fortnight



Ongoing website analytics on (1) where the traffic flow is coming from; and (2) why consumers are coming to the website to assist in better targeting campaigns, for example search engine optimization and the purchase of key words/messages such as “organic chocolate” or “organic coffee” that resonate with target audiences in order to continue to evolve the digital strategy and amplify online presence to increase awareness and purchase behaviour.

Fairtrade ANZ report that a new website is currently under development which will enable improved analytics including monitoring where website traffic is directed from and which pages are most frequently visited involving peak times.

The ongoing collaboration with Conscious Consumer may be informative here in understanding where and on what consumers are purchasing. This data could be very powerful in enabling Fairtrade ANZ to target activities going forward and leverage opportunities to deepen consumer awareness and sales. Encouragingly the Big Fair Bake saw close to a two fold increase of traffic to the website (unique views) in 2014 compared to 2013.

One particular area where a more collaborative approach could be adopted is in co-designing and assessing the impact of marketing activities on the target population. The new SIF will assist Fairtrade ANZ in articulating key measures of interest in this regard and to work in collaboration with experts in the field to determine whether there are more rigorous ways to designing marketing activities and assessing the impact of campaigns. As an organization at the forefront of population level change in ethical consumerism, it is important for Fairtrade ANZ to explore all avenues to be more intensely involved in dynamic and high quality cycle of planning, testing, learning and applying the results of its learnings from business development activities. Critical to getting the balance within implementation of the Commercial Strategy 2015 is to ensure that given the breadth of partners and commodities that the spread of Fairtrade ANZ’s resources and investments are not too thin and achieve in getting “cut through”.

As Fairtrade ANZ move to deepen their engagement with retailers and work in closer partnership with key accounts, there are plans to capture more real-time data on sales to be able to more accurately measure the success of campaigns. Specifically for the joint licensee retail activity planned for July 2016 the retailer involved will be providing Fairtrade ANZ with sales and consumer insights to measure the success of the campaign which will provide great insights and lessons to continue strengthening Fairtrade ANZ’s campaigns but also the approach to working with commercial partners regarding what works and what doesn’t. The majority of commercial partners interviewed (greater than 50%) reported that information is not tailored nor meeting the needs of their business, is Australian-centric and that a

B2B approach<sup>59</sup> may have greater impact in the joint development of marketing strategies and enable them to engage in a more meaningful way with marketing campaigns. The challenge here given the small number of Fairtrade ANZ resources is working across multiple commodities with multiple partners with disparate needs, demographics. All of these factors are required to be considered in the way that Fairtrade ANZ engages and approaches the market. All commercial partners who had experienced a trader trip to origin or had been involved in growers visiting New Zealand did report that these activities have been an extremely powerful mechanism for telling the Fairtrade story well and engaging networks better to drive increases in demand and whilst they recognised the higher investment required of these activities felt that the return on investment was in fact higher.

From businesses' perspective the majority interviewed reported insufficient knowledge of Fairtrade ANZ's strategy, aspirations and work in Business Development in New Zealand, the boundaries of their role and capacity to act, the specific skills and experience they can contribute, as well as other interests or values that may establish points of connection for businesses and the ability to jointly plan, engage and/or better support business development and other marketing opportunities. This has reportedly led to unrealistic expectations or missed opportunities for engagement with retailers for example.

Encouragingly, Fairtrade ANZ has partnered with three brands in 2016 to develop a tailored and focused in-store campaign to support licensee retail promotion. This activity is an innovative approach for Fairtrade ANZ and has been based off discussion and feedback from licensees. The brands involved are instrumental in shaping the promotion to ensure that the joint campaign delivers on their expectations (ie. to raise their profile and sales) whilst also meeting the objectives of Fairtrade ANZ to deepen consumer engagement with Fairtrade.

### **Reasons for lack of progress in selected areas**

The evaluation highlighted a number of opportunities in considering its future focus and activities. While Fairtrade ANZ is recognized as a strong and capable facilitator with SPOs, putting in place projects and activities effectively, it received more mixed reviews about the way it collaborates with some commercial stakeholders. The Fairtrade ANZ model places strong emphasis on collaboration as a mechanism to achieve its objectives. Fairtrade ANZ seeks to work with partners at many levels, and there is good evidence that many collaborative activities have been developed and implemented successfully between Fairtrade ANZ and other partners. At a broader industry and community level, however, this is not always the case. There would appear to be an opportunity to reassess some of these relationships in the future.

The issue here is that the context and divisions within the business and grassroots community inhibits a cohesive and strong understanding and position of the value and credibility of the Fairtrade label within the marketplace. Whilst Fairtrade ANZ has made efforts to enhance the relationship with Trade Aid and maintain an open dialogue, the ongoing issue has come at the expense of key supporters withdrawing their support or considering to do so, rather than utilising these differences to assist the case for fairer trade rather than hinder the achievement of their goals. There is a real opportunity for Fairtrade ANZ to bring a fresh approach to "fair trade" and to play a leading role in bringing stakeholders together to share ideas and build trust within this dynamic space. Stronger collaborative mechanisms and alliances could significantly improve the effectiveness of Fairtrade ANZ's work. At the time of reporting, Fairtrade ANZ has entered into dialogue with Trade Aid on a joint funding mechanism for grassroots supporters.

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<sup>59</sup> All commercial partners interviewed supported moving to a deliberate B2B approach.

To some extent the development of strong collaborative relationships across the grassroots community movement is made more challenging by the funding context. In an environment where funding is finite and competitive, it is understandable that decisions around budget allocations are made and which may limit the capacity of Fairtrade ANZ and community organisations to work collaboratively towards shared objectives. In pursuit of these objectives, Fairtrade ANZ organized three Fairtrade Partnership Forums in February 2016. These Forums were an invitation to commercial partners to learn more about Fairtrade ANZ's direction, to ensure transparency and clarity around activities and the use of license Fee. The forum was intended to create a platform to enable open discussion of issues and to present the commercial and communication strategy to commercial partners. The forum was attended by a third (33%) of commercial partners. Follow up post Forum was made via email with a summary of the topics discussed. Low levels of attendance at these forums is reflected in commercial partners reported lack of understanding of Fairtrade ANZ's strategy and there would appear to be an opportunity to reassess the mechanisms for information sharing to improve these outcomes.

From a marketing perspective the perception that marketing activities are not tailored and easy to engage with for a variety of businesses is also impacted by this lack of cohesiveness and strength in relationships and B2B relationship such that as a team<sup>60</sup> there is not a shared agreement on what the goals are for marketing Fairtrade products. There is an opportunity for Fairtrade ANZ to better leverage the sophisticated marketing approaches by businesses themselves based on deeper relationships and alignment where possible and practical with annual Commercial Strategies, key commodities of focus and through adaptation of FI marketing campaigns.

Currently half of businesses report a suboptimal level of contact which impacts on the level of trust, understanding and effectiveness of communication and as a result ability to engage with and effectively provide support to marketing activities. A number of commercial partners reported inadequate time to engage in Fairtrade fortnight activities in 2016 as materials were sent with a few weeks notice which did not enable businesses sufficient time to market the activities to their networks. A number of commercial partners reported a lack of timely information related to coordinating trader trips to mission and poor communication in the follow up to these activities.

Feedback from licensees in in the Business Surveys undertaken over a number of years triangulates with that which was received during this evaluation, in that promotional activity was too concentrated around Fair Trade Fortnight and not spread throughout the year. Taking this into account, Fairtrade ANZ have focused on how other notable milestones/holidays could be leveraged to promote Fairtrade products (refer to Figure 8 for examples of other marketing activities). In late 2014, the Supporter Awards and Product Awards were campaigns were run. These were aimed at promoting campaigner engagement and licensee (product) and consumer engagement respectively. In 2015, an Easter campaign was launched through targeted blogger/media activity and an online cocoa supply chain game for children/adults, which resulted in increased media reach and led to new conversations with chocolate manufacturers in New Zealand. In late 2015, 10 years of Fairtrade in New Zealand was celebrated 10 years with a PR and digital push, using a digital timeline to showcase key milestones. These activities led to a reported increased media reach and a renewed interest in Fairtrade's goals for the next 10 years. Work has also been undertaken to spread retail channel and procurement channel activities to increase the number of marketing touch points during the year.

Further in response to these challenges, and in implementing the Commercial Strategy, a communication Strategy and brand campaign has been developed in December 2015. This has been

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<sup>60</sup> Team in this context refers to the commercial partner and Fairtrade ANZ.

developed through the engagement of an external agency via a limited tender process. The Fairtrade Brand campaign was launched in Australia in April 2016 and is at the time of reporting anticipated to be launched in the last quarter of 2016 in New Zealand.

### **Unintended results**

Recent staff turnover and a perceived lack of pro-activeness over the last few years has had implications on:

- how communication was undertaken;
- participation in industry debates around “fair trade”; and
- shared understanding of stakeholder’s interests and information needs.

The strategic decision to discontinue direct funding to grassroots community groups (FTAANZ) has altered the nature of contact between Fairtrade ANZ and stakeholders, in terms of continuity and responsiveness. Stakeholders involved in the grassroots movement consequently hold mixed views as to whether Fairtrade ANZ valued the contributions made by these volunteers. According to stakeholders, this manifests in terms of the (limited) funding (NZD2000 per application) and information made available by Fairtrade ANZ and the visibility that stakeholders have over marketing activities beyond headline operations, including stakeholder’s broader understanding of Fairtrade’s contributions despite “innovation funds” being made available to directly support ongoing activities. This has worked against efforts to create confidence in Fairtrade ANZ’s capacity to mobilise grassroots communities and connect with stakeholders. There has been a decrease in trust in Fairtrade ANZ’s ability to continue to work through tough and challenging issues related to the credibility of the mark and progressing dialogue with Trade Aid. Fairtrade ANZ have been taking progressive steps through the development of the new commercial and communication strategy and targeted activities to share information and improve these relationships.

## **6.3 Impact on broader economic and development goals**

The ultimate goal of Fairtrade support for business development in PICs and related assistance is to contribute towards sustained economic growth through increases in international trade in Fairtrade sales and premiums, and increasing demand for Fairtrade certified products in consumer markets. Indicators of sustained economic growth of partner countries include local business growth, higher household incomes, more jobs, and an increasingly diversified economy.

Economic growth provides the necessary basis for poverty alleviation, however, whether improvements in the economy translate into achieving development goals depends on a range of structural and policy issues, combined with well-targeted interventions. There is also increasing evidence that achieving gender equality and women’s empowerment in Fairtrade can help boost exports, increase economic growth and achieve positive development outcomes. From a development perspective increased business ownership and workforce participation by women can lead to improved income generation, employment, improved social status and slower population growth. Increases in women’s income tend to correlate with greater expenditure on health and education for the family, unlike similar increases in

the income of men.<sup>61</sup> However, increased income for women, or greater female participation in the workforce, does not necessarily lead to women's economic empowerment.

The evidence suggests that the project provided favourable economic opportunities for those small holder farmers that were able to form SPOs and provide products of the right specifications to the market – consistently and reliably. Higher returns and stable incomes were clear benefits of growers involved in Fairtrade sales in the longer term compared to sale into conventional markets. Figures 9 and 10 below outline the trends over time in Fairtrade income compared to conventional sales. It can be seen that income derived from Fairtrade sales is increasing across all countries with an inversely proportional decrease in conventional sales – apart from Fiji where it Fairtrade sales are decreasing significantly owing to a shift in the global cane sugar trade towards beetsugar.

Key economic benefits involved:

- increased access to new markets, as in the case of PNG cocoa, Tongan vanilla and Samoan coconuts;
- improved economic stability through consistent sales and a guaranteed minimum price leading to higher returns in the longer term for producers;
- improved access to credit (loans) and prefinancing in some cases;
- diversification of income sources, improvement in food security and vulnerability reduction through intercropping and small stock animal production;
- ability to gain other certifications - mainly organic certification which is higher income generating, diversified and more ecologically sound in terms of production;
- improvements to community facilities and equipment e.g. investment into community bus shelters, maintenance on schools, churches and mosques and purchase of productive assets; and
- positive average net household income effects from higher yields, and savings from fertiliser subsidies enabling producers to devote relatively more of their expenditure on long term investments in household durables, house improvements and particularly education for their children.

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<sup>61</sup> Hagen von, M. (2014). *Trade and Gender – Exploring a reciprocal relationship: Approaches to mitigate and measure gender related trade impacts*. GIZ.

Figure 9: Fairtrade Sales (NZD)<sup>62</sup>

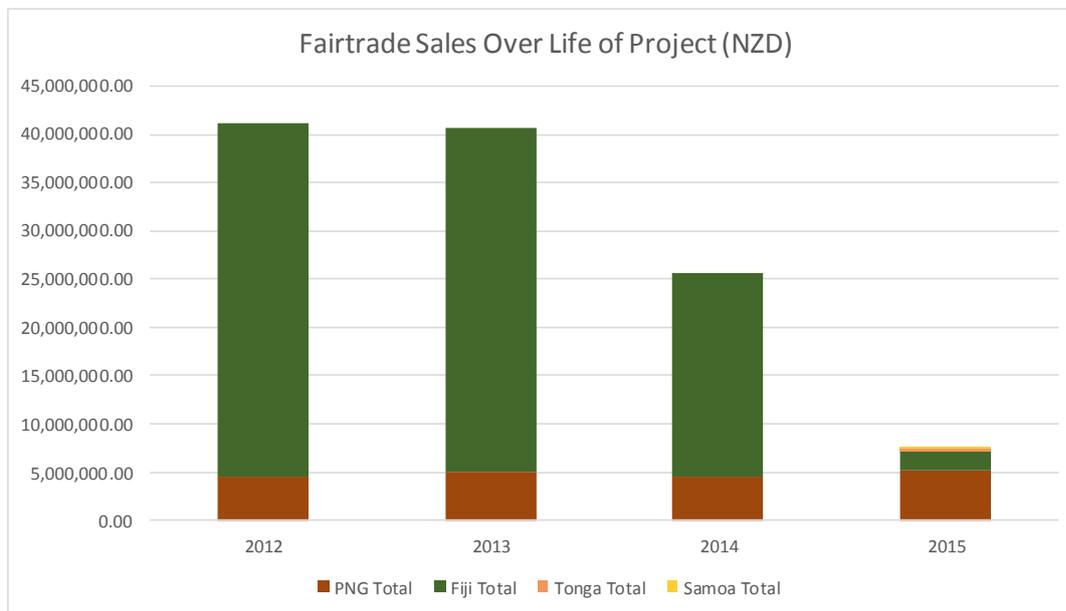
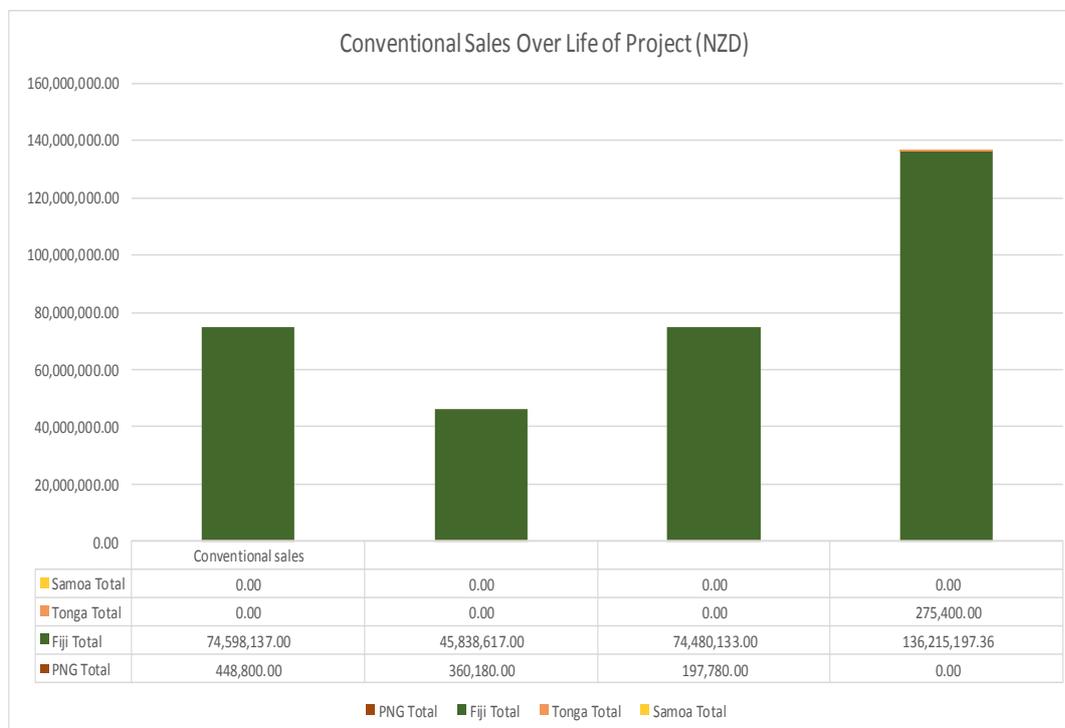


Figure 10: Conventional Sales (NZD)<sup>63</sup>



<sup>62</sup> Fairtrade ANZ Producer Data 2016.

<sup>63</sup> Fairtrade ANZ Producer Data 2016.

As outlined above, the stability that improved regular income and the availability of credit is bringing to growers in the Pacific has enabled them to invest in their land, the quality of the products, in diversification of income sources, in their domestic facilities and in their children's education. Furthermore there has also been a reduction in vulnerability for a number of growers – particularly in PNG and Fiji - who have been able to invest in diversification projects which improve food security through subsistence supply projects or small stock animal production eg poultry meat.

Through the security that Fairtrade Certification is perceived to provide producers, the Tongan Development Bank (TDB) supported by the Asian Development Bank (ADB) is the piloting of microfinance and loans to members of the VGA. In understanding the complexities around land ownership and the barriers this presents to loan applicants being able to use land titles as collateral, the TDB together with DFAT is piloting loans for members whereby membership of the VGA is considered adequate collateral to demonstrate the ability to repay the loan. This initiative was also seen as a mechanism to encourage micro-financing for female growers. At the time of reporting 13 loan applications had been received by the TDB – none of the reported applicants were women.

Anecdotally it was observed and reported that the extension of non cash benefits from the Fairtrade system was being realized from community members not involved in Fairtrade certified SPOs. This was mainly reported as experiencing benefits in access to utilities (power and water). Furthermore, it was reported that whilst increased income was seen as the primary motivator and incentive for “late adopters” within the communities to join cooperatives, the perceived value of other non cash benefits, for example, improvements in the agro-ecological practices and crop yields were acknowledged, however, were considered to be of a lesser priority for producers. Most people can easily see the benefits of carrying on business through co-operatives, especially in rural communities. Indeed, as we have seen, the benefits are many. If co-operative societies perform well people will join them; if they do not get tangible results within a relatively short period the people will desert them in droves.

Cooperative societies exist in almost every country in the world and play a crucial role in a range of human needs and aspirations. They have proven to provide vital services in health, education, gender equality, the environment, agriculture, to name a few. By providing such vital services, they contribute to the wellbeing of members, to their communities and to overall nation building. Though the value which cooperatives contribute to Pacific societies in the areas of non discrimination and good governance, for example, may differ depending on their individual objectives (within a broader human development context), they stand to play a vital role in supporting broader development efforts in governance and in finding solutions to unemployment and promoting other much needed skills. They ensure their members are in a better position to meet their everyday needs, especially in rural areas where jobs are scarce and basic services are lacking.

The formation of cooperatives in PICs through Fairtrade ANZ's work is promising. Success in the end will very much depend on the resolve of partner governments and other development partners to support cooperative movements and, more importantly, the conviction of producers involved in the agricultural sector of the benefit of forming and/or joining cooperative societies.

## 6.4 Improving gender equality and women's economic empowerment

Gender has been a strong consideration within the New Zealand and Australian Aid programs for almost 20 years, however, it has received renewed prominence with the release of the new investment priorities 2015-2019 where 'empowering women and girls' is now highlighted as cross cutting all of the 12 strategic investment priorities for MFAT<sup>64</sup>.

In 2015 Fairtrade ANZ was working with 23,007 producers in the region delivering activities to improve organizational capabilities, production and processing capacity and access to market. Of the 23,007 members of SPOs 3,250 or 14.1 per cent were women. The number of female members of SPOs has remained relatively steady since the beginning of the project with a slight increase between 2013 and 2014 and a slight decrease between 2014 and 2015. While SPO governance membership such as board positions and delegate positions are not reported, anecdotal evidence from discussions with SPO groups indicates that across the Pacific, membership of SPO governance structures is dominated by men. As the number of women in both SPOs and SPO management is low, it significantly limits women's ability to participate in training and other project activities provided by the project which are commonly targeted at SPO members. Nevertheless, anecdotal evidence suggests that women have participated and benefited from project activities such as computer training, training on Fairtrade standards, governance training, gender training and child protection training, albeit in much fewer numbers than men.<sup>65</sup> Fairtrade staff report that women have more access to information and training now than at the commencement of the project. Women who attended the evaluation consultations appeared to have a good understanding of the Fairtrade project, of the Fairtrade principles and of the role of Fairtrade in their community.

Other examples of women's participation in and benefit from in Fairtrade activities includes:

- HOAC in PNG has appointed a female field technical officer who works as one of 2 technical officers for the SPO. This has encouraged more female farmers to seek access to information and support (see Box 1). HOAC also has a female representative for each of its clusters.
- The female office assistant for the Labasa Cane Producers Association has completed a Professional Diploma in Business Management with funding from the Fairtrade PDF. The skills she is learning from this program have given her more confidence in her role.
- Neknasi SPO trained 1 woman out of 3 members to operate its new coffee wet mill.
- In Neknasi SPO in PNG there is an example of a family that has divided its coffee growing land in two halves, one side is for the husband and one side for the wife. Both the husband and wife each receive income from their respective sides. Fairtrade ANZ has been discussing this example in other communities as a way of raising awareness about gender issues.
- Unen Choit SPO in PNG has a cluster group Singin Women's Tradlink that is made of all female members. The group was promoted by the Evangelical Lutheran Church women's group.

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<sup>64</sup> MFAT. "New Zealand Aid Programme Investment Priorities 2015-2019." Accessed online 22 July 2016 at <https://www.mfat.govt.nz/assets/securefiles/Aid-Prog-docs/Aid-Investment-Priorities-2015-19-web.pdf>

<sup>65</sup> No data on actual numbers

- In Tonga communities are able to register 2 SPO members per household and are encouraged to register both the husband and wife as members.
- Several of the SPOs in PNG, including Club 3000 reported that they are working with members to improve their access to banking by bringing bank staff out to communities to set up bank accounts. As part of this initiative Club 3000 is encouraging men and women to set up bank accounts together and to support women to open their own accounts so they have their own access to money.
- Through the rehabilitation of the vanilla industry in Vava'u employment opportunities have been created for women in villages who do not own farms or belong to families with vanilla plantations. It was reported that a number of women are employed casually to assist in pollination, with other women being paid to weave baskets for women working on plantations who no longer have the time to do so as vanilla yields and production increases.

Despite low levels of women's participation in project activities, women are still indirectly benefiting from Fairtrade ANZs work, especially through community development activities funded through the Fairtrade Premium. Between 2013 and 2015 SPOs received NZD19.5 million in Fairtrade Premium funding to support productivity and business development activities of SPOs as well as community development activities. Community development activities have reportedly brought practical benefits to men, women and children in farming communities through significantly greater access to basic utilities including electricity via solar energy in PNG and in Fiji through co-financing together with government for the extension of electricity connectivity through the grid to previously disconnected communities. Water supply projects in PNG and Fiji have enabled improvements in access to clean water and sanitation at the household level – reportedly decreasing the workload and increasing the safety of women and children in collecting water. Additional benefits include an anecdotal decrease in the incidence of skin infections and diarrhoeal diseases. Various other investments into community infrastructure such as maintenance of community facilities involving churches, bus shelters and women's centres contributes to community vitality and broader social well-being. While there is no household level data on expenditure and control over income, Fiji farmers also reported that increases in income from higher yields, and savings from fertiliser subsidies have enabled them increase spending on household and other items for their families. In PNG one SPO, HOAC, reported that as a result of increases in income, some members have been able to use the money to start up small businesses such as raising and selling of poultry meat birds. In Fiji several farmers reported using additional income to start up small shops and canteens that are managed by their wives and to buy ducks and goats for use as additional income generating.

### **Case Study: Highlighting Women's Contribution in Coffee Extension Work in PNG**

Ronah Peve, is one of two 2 technical officers working for the Highlands Organic Agricultural Cooperative (HOAC). Ronah, who graduated with a diploma in Tropical Agriculture from the Adventist College in East New Britain was approached by her uncle, a farmer in HOAC to come and work with them as an extension officer. Before taking the role, Ronah had only recently finished college, was unemployed and living at home in her village.

When asked what it is like to be a female extension officer Ronah says:

*"...at first I didn't know anything much about coffee so I needed some training in the coffee industry to get up to speed. When I first started working in this role I got some negative responses from the farmers because I was a woman. But my male colleagues were very supportive and told me that over time people will accept you. To begin with the farmers who ignored me, I ignored them as well but then I started using extension techniques to get them on my side.*

*It is very challenging to work in a community where you have a strong cultural background where women are inferior to men but I've been walking around with my male colleagues and women are starting to see that women can do it so women are coming up to me more and then sharing information with other women in the village. Most of the work is being done by women so we need to have more women to know about this. They need more technical skills on how to work with their coffee and increase their products to get more income."*

Ronah says that since she started in her role there has been an increase in the number of women attending for training. In the villages a substantial proportion of the picking and harvesting is done by women, by having more women come to training she is seeing changes in production with more parchment being produced by farmers.

When asked what she likes most about her job Ronah says:

*"I love to work with farmers. The area is quite mountainous and I walk from village to village working with farmers. I have a lot of friends in the villages and I see new places I've never seen before. Previously I've never thought of doing extension work but now I'm planning to further my studies on extension. I came from a polygamist family and my father left my mother and went to another woman so the money I earn goes back to my mother and I help pay for my siblings to go to school. This makes me feel that my job is very important because I feel responsible. I'm learning a lot and it gives me more confidence. I help famers so my farmers could know the technical aspects of coffee and improve the quality. The most challenging part of my job is that it is very mountainous and sometimes it is risky for a woman to walk but if I don't go my family and siblings have no money."*

When asked about the benefits of having a female extension worker Ronah says:

*"This is a good job and I would encourage other women to get more involved I really would because it can help poor people back in the village.*

*We have a culture where women have been restricted so in some cases in the village where women are not able to talk to strangers it is difficult for them to get ideas from extension officers that are men but this is not the case now and women can come out and share their problems [with me]. Most of the problems they share with me are about polygamy, access to money, lack of [coffee] pulpers and lack of knowledge about how to look after a coffee garden."*

When asked about the benefits of working with the Fairtrade ANZ project Ronah says:

*“Most of the women in the village have been prevented from speaking in public and attending meetings but we have women who have bright ideas and who can contribute but they have been put away. If they could be involved in meetings that would be better. Before when I would go to conduct training you would only see men so I would ask them to bring their wives and say that next time their mothers can have a say too. In our cooperative now we encourage women representatives. We did a gender training conducted by Fairtrade ANZ and this has been helpful. We are also working with Fairtrade ANZ on an onion bulb project for women. Back in the village the onion project will benefit women. I’m excited to work with the women. We are also making sure that women have access to tools they need such as bow saws that are purchased with the Fairtrade Premium. We make sure that a certain percentage goes to women. I would also like to see the premium used to get woman trained in how to sew clothes or other things they can do to make money or knowledge on small business so they can make money for themselves in the coffee off season. Women want more opportunities to make money so they can support their family.*

*Fairtrade workers encourage women to work with men in the village and the funding we get from the premium is helping communities. For example, women in the village are so busy working from early morning in the garden they don’t get much sleep and don’t want to fetch water so they don’t bath. The water supply project is really helping them to wash and wear good clothes so life for women in the village is changing, if they had a hard day in the garden working now they don’t have to walk to fetch water it is right there at the house.*

*My uncle is the coffee buyer in the village. He buys parchment in the village and sells to the cooperative. Our cooperative chairman and deputy and other members are more educated so it helps them to look in a broader way and see how women can be involved. Male colleagues are very supportive of me and they are caring when we go around together and I love them as a brother.”*

When asked about the benefit of having a female extension officer, the President of HOAC says that *“women feel more comfortable working with Ronah so we are very happy to see her involved.”*



*Sewege Nia, Apiso Eno and Ronah Peve from HOAC*

## 6.5 Monitoring and Evaluation

To determine whether Fairtrade ANZ's activities contribute to economic or development gains requires monitoring and evaluation systems that provide:

1. Evidence that development or economic gains have occurred against a baseline measurement (or a comparison with an economic environment that has not received similar investments over the same period).
2. Methods<sup>66</sup> that can determine causal attribution by providing a 'direct line of sight' between the intervention occurring and the change (outcome) detected (cause and effect). This is usually based on the results chain or theory of change, taking into account limitations, assumptions, external factors or influences, and other plausible explanations for the change. The preferred method for these types of interventions is contribution analysis.<sup>67</sup>

Demonstrating results and attributing impacts to Fairtrade ANZ activities is one of the biggest challenges faced by Fairtrade ANZ, donors and partner countries.<sup>68</sup>

There is a strong clarity of purpose articulated within Fairtrade ANZ's project design, together with consistent expression of end-of-program outcomes at the individual, SPO and country level in terms of performance outcomes. It was clear what individuals or groups would be doing differently on the last day of the investment, however, capacity outcomes were used (capacity outcomes refer to the potential to change behaviour) in lieu of clear descriptions of the actual behaviours to be achieved. Some open-ended outcome statements such as "increase in primary and secondary school education levels" were included. This also results in weaknesses in the M&E plan from having a current set of indicators, to updated data collection tools, to charting monitoring information and using it in decision making and program design.

The most common evaluability challenge related to the project is the unavailability of data and the difficulties of causal attribution. The root causes of the former relates to the lack of a defined and comprehensive monitoring and evaluation plan which translates the results measurement table into an operationalised form together with a centralised database to input data and track progress over time. Despite low capacity of SPOs who are expected to collect primary data, a lack of a strategic framework for monitoring and evaluation and communication of performance expectations around data collection further inhibit the availability of data.

Whilst the quantitative performance measures are explicitly defined eg. those related to production volumes and Fairtrade sales etc, performance measures related to health, education and training outcomes are vaguely defined and there is scope to increase the robustness of outcome and outcomes measures / indicators – particularly the human development related performance measures.

There is also scope to improve information collection systems which are currently very manual, with multiple plans and reports required with limited consolidation of this information into a centralised format

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<sup>66</sup> While the preferred method for statistically determining causation is randomised control trials (RCTs) or quasi-experimental variants of RCTs, the cost and difficulty in establishing a controlled environment for AfT initiatives will prohibit these being successfully applied. Instead approaches such as mixed method designs, using case study research and contribution analysis, offer more cost effective ways to explore causality.

<sup>67</sup> Bamberger, M, Vaessen, J and Raimondo, R. (eds) (2016) *Dealing with Complexity in Development Evaluation. A Practical Approach*. Sage Thousand Oaks California. p 429

<sup>68</sup> WTO Aid for Trade Review, 2011.

which can be used as a point of reference to extract relevant information to inform reporting and decision making.

For example the following plans and reports are required and inform activity planning but do not necessarily inform each other in a systematic manner from a strategic performance management perspective:

- Field visit work plans and reports;
- Monthly Liaison Officer work plans and reports;
- Quarterly plans and reports to MFAT and FI; and
- Annual plans and reports to MFAT and FI.

Whilst there is no dedicated M&E resource in the team there is widespread acknowledgement amongst the team of each member's individual role in data collection, analysis and reporting. The team is also able to access the FI M&E resource based in Asia Pacific. This resource has invested significant time in developing a comprehensive SIF. Whilst elements of this SIF have been integrated into Fairtrade ANZ's SIF, elements of it are highly aspirational and impractical for implementation in the Pacific context.

Encouragingly, Fairtrade ANZ have a strong and mutually beneficial relationship with Conscious Consumers. Fairtrade ANZ have supported the direct finance, crowdfunding and marketing for the construction of an innovative technology platform that enables consumers to connect to businesses and products that share their ethical consumer values. The next generation of this smartphone app will enable consumers to link their values and purchasing preferences to their debit and credit cards which will build a repository of rich information on consumer spending patterns that will be available to the businesses listed. Access to this information may be incredibly powerful for Fairtrade ANZ to understand consumer choices more deeply – including from a gender perspective.

Furthermore, although the promotion of gender equality is not an explicit goal of the project, given the significant role women play in agricultural production, particularly in coffee, cocoa, coconuts and vanilla, coupled with the barriers they face in receiving benefits from their work, and the high levels of gender inequality in Pacific communities, the integration of gender equality into monitoring and evaluation processes is critical to ensure:

- the effective implementation of Fairtrade principle related to good governance and non-discrimination;
- that both men and women in communities are able to participate in and benefit from Fairtrade ANZ's work;
- that the project does not exacerbate existing gender inequalities and create increases in inequity within communities; and
- that Fairtrade ANZ is able to effectively measure the achievement of its objectives - specifically whether livelihoods are improving for all members of the community, including both men and women.

At present, beyond the collection of data on the number of women in SPOs and anecdotal evidence, there is very little information available in reporting documents to assess the extent to which women are participating in and benefiting from Fairtrade ANZ's activities, or whether women's livelihood opportunities have increased. Sex-disaggregated data does not appear to be routinely collected by Fairtrade ANZ during activities such as training and workshops and if it is collected it is not reported. Similarly, SPOs are either not collecting or not reporting sex-disaggregated information about the benefits community development project activities. Thus the number of women who have participated

in Fairtrade ANZ activities and benefited from community development projects is not known. This issue has been identified by Fairtrade ANZ and as noted, Fairtrade ANZ is developing a social impact framework from which to better measure the social impact of its activities on both men and women in communities.

While recognizing the significant challenges and limitations related to monitoring and reporting faced by Fairtrade ANZ including low literacy rates, and access to ICT, a key focus of Fairtrade ANZs work has been working with SPOs in the area of record keeping. In fact, improvements in record keeping were noted by several team members as an example of something that has significantly improved among SPOs in PNG and a review of annual reports from sugar producer associations in Fiji shows there is quite good monitoring and reporting capacity. One such report – the 2013 Annual Report of the Lautoka Cane Producers Association included a table outlining details of all community based projects including the type of project, amount of money spent, number of beneficiaries and the type of community benefit. However, this level of information was not included in subsequent annual reports. While the beneficiary numbers were not sex-disaggregated in the 2013 report, the report is a positive indication that it could be done. This would enable both the SPO and Fairtrade ANZ to report on benefits for both men and women. Fairtrade ANZs support in the area of record keeping should be extended to include a focus on building understanding and capacity for the collection of sex-disaggregated data so that Fairtrade ANZ and SPOs can better understand the impact of Fairtrade activities on both men and women in communities. All data collection templates and forms such as needs assessment forms, community project proposal forms, training reports should be reviewed to ensure adequate attention to the collection and reporting of sex-disaggregated data.

In addition to the collection and reporting of sex-disaggregated data, monitoring of gender equality should be extend to monitoring challenges, risks and lessons learned about effective approaches and feeding this back into further efforts. Currently the Annual Producer Report has a section where key challenges are reported however despite low levels of women's participation in SPOs, and significant gender issues within grower communities, gender related issues, challenges and lessons are not being reported.

Information about the number of female producers is collected through the producer survey and data is then reported in the Annual Producer Report as the indicator for women's decision making, however it is not an accurate measure of women's decision making, it is only a measure of whether a woman is an SPO member. This indicator will need to be reviewed for any subsequent projects.

Gender equality is a complex issue, requiring long-term attitudinal and behavioural change. An enhanced focus on gender equality in its monitoring and reporting would allow Fairtrade ANZ to be much better positioned to provide important information to SPOs, donors, partner governments and other stakeholders about how value chain work and the private sector can support gender equality and women's economic empowerment and contribute to the evidence base for better accountability. While there is anecdotal evidence that women are benefiting from the community development activities and to a lesser extent from increases in household income, there is a lack of quantitative and qualitative data to fully substantiate it. With the increased focus by donors on the achievement of gender equality results, it is critical for Fairtrade ANZ to be able to demonstrate the impact of its work on both men and women.

### 6.5.1 Social Impact Framework

A key outcome of the evaluation has been the further refinement of the Project Theory of Change and the development of the new Social Impact Framework (SIF) (refer to Appendix D for the SIF). With the new SIF, Fairtrade ANZ have an opportunity to clearly articulate their performance to MFAT and consumer audiences, in addition to their performance management expectations with all SPOs, partners and support organisations. It will ensure that all team members have a sound strategic performance framework to report outcomes against. Enabling reporting of outcomes against a strategic performance framework allows Fairtrade ANZ to aggregate findings from the activity level and tell a coherent story at the whole-of-project level.

This framework will form the basis for Fairtrade ANZ to support development of 'cascading M&E frameworks' for SPOs where possible. Fairtrade ANZ understand the need for the SIF to operate as a strategic level monitoring tool which facilitates management oversight as to the on-going effectiveness of the project as a whole, as well as its constituent parts. Fairtrade ANZ will, at an appropriate point in time, operationalise the SIF into a fully defined plan in accordance with MFAT<sup>69</sup>/DFAT M&E Standards (Standard 2)<sup>70</sup>. The completed plan will outline standards, processes and resourcing requirements to support implementation of SIF and ensure it achieves management, learning and accountability objectives. It is anticipated that the majority of the information can be collected on an annual basis through the development of a 'Producer Survey' that can be implemented by SPOs with support from the Liaison Officers.

Operationalising the SIF will involve consideration around the extent to which indicators and evaluation questions have been fully operationalised (all methods for data collection and analysis defined), and assessment of the quality of data expected from other sources.

Using the SIF as the strategic framework for performance management across the project will:

- guide improvements in the quality of M&E products at both the strategic and project level and in the generation of credible information for performance reporting by all actors in the project;
- increase the focus on outcomes reporting and reduce the focus on outputs activity reporting, or "good news" stories and anecdotal information about major achievements;
- enable Fairtrade ANZ to intervene more effectively to manage risks, improve country level project performance, and generate learning for the wider regional project ;
- improve its focus on measuring differences in impacts for men and women in producer communities – including for hired labourers; and
- improve Fairtrade ANZ's ability to inform future programming and strategy development.

#### Considerations for implementation

Fairtrade ANZ understand the need for the SIF to operate as a strategic level monitoring tool which facilitates management oversight as to the on-going effectiveness of Fairtrade ANZ's strategy and support for business development in Pacific Island Countries, as well as its constituent parts. Whilst the draft SIF has been initially populated with indicators, it requires further elaboration by Fairtrade ANZ to enable it to be adopted into the operations of SPOs. Fairtrade ANZ will, at an appropriate point in time, operationalise the SIF into a fully defined plan. The completed plan will outline Fairtrade ANZ's

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<sup>69</sup> New Zealand Government Aid Programme. "Activity Quality Policy" Accessed 22 July 2016 at [https://www.mfat.govt.nz/assets/\\_securedfiles/Aid-Prog-docs/Activity-Quality-Policy.pdf](https://www.mfat.govt.nz/assets/_securedfiles/Aid-Prog-docs/Activity-Quality-Policy.pdf)

<sup>70</sup> Australian Government, Department of Foreign Affairs and Trade. "DFAT Monitoring and Evaluation Standards" Accessed online 22 July 2016 at <https://dfat.gov.au/about-us/publications/Documents/monitoring-evaluation-standards.pdf>

standards, processes and resourcing requirements to support implementation of the SIF and ensure it achieves management, learning and accountability objectives.

Operationalising the SIF will involve consideration around the extent to which indicators and evaluation questions have been fully operationalised (all methods for data collection and analysis defined), and assessment of the quality of data expected from other sources. Baseline data will need to be included by Fairtrade ANZ against new performance measures where available.

A sampling strategy will also need to be carefully devised and communicated to those who will be responsible for primary data collection (eg. The cooperative boards or cluster/gang delegates) to ensure a representative sample of producers, for example, is selected and avoids the introduction of bias. Access to the 'usual suspects' or key informants in any implementation process will tend to be biased towards the already privileged or articulate groups within society. This process will also need to recognise that gender analysis will require incorporation of both male and female perspectives.

Selection of a judgemental sample may be appropriate in this instance, whereby selection is based on the knowledge and experience of the Fairtrade ANZ team. Only a subset of the populations is included in the selection process, and the sample is assumed to be representative of the population such that the results may be used to make inferences only about those items from within the sample.

Within the samples of interest, samples may be selected upon a systematic basis, ie. selected based on a pre-defined sequence. For example, producers participating in the project may be stratified to assist with ensuring a rigorous sampling framework that will provide optimal information on outcomes and experience within the project. To this effect sampling may occur as follows:

- Across the project countries – selection of certain percentage of clusters/gangs within each cooperative may be asked to participate in a household survey.
- From this sample, the registered producers within those clusters/gangs participating will be alphabetised by surname of the registered member and a sample of every third or fifth member will then be randomly selected and invited to participate.

## 7 Mainstreaming cross cutting issues

This section outlines the evaluation findings in relation to the four cross cutting themes, highlighting both enablers and barriers to the project successfully addressing these issues.

### 7.1 Gender Equality

Promoting gender equality and women's empowerment was/is not an overarching goal of the Fairtrade system or the MFAT Fairtrade ANZ project. The overarching goal of the project is improving economic development in rural communities with a key objective of improving livelihoods. Within this framework lies the potential for a strong commitment to gender equality and an opportunity to address improve livelihoods and alleviate poverty for women who are at a disadvantage in market access in the Pacific. However, because gender mainstreaming is not an explicit focus of Fairtrade internationally, gender analysis was not undertaken as part of the project design process and there were no inputs from a gender specialist. Gender equality is not an explicit objective of project however one gender target is included with the aim to increase the percentage of women in decision making bodies from 2.1% in 2011 to 35% in 2017.

In terms of the project's key planning and strategic documents Fairtrade ANZs Strategy 2016 has implicit references to promoting gender equality, for example through its support of the Fairtrade Principles, (specifically principle 6 non-discrimination, gender equity and freedom of association) and in referencing its support for Global Sustainable Development Goals (SDGs) as framework for delivery to drive national and regional governments and business to Fairtrade solutions, however there is no explicit mention of gender equality. This is generally consistent with Fairtrade documents internationally which focus on principles of non-discrimination and equal participation, rather than on gender equality specifically. A review of a sample of Fairtrade ANZ key documents finds only few references to gender equality. One such example in the 2014 Producer report notes "in partnership with local expert organisations, Fairtrade ANZ's PSR project provides the following specific support: roles of women in agriculture: food security, farming activities, leadership within producer organisations, access to training, access to tools, sustainable income."<sup>71</sup>

While gender equality was not a specific objective of the project it has been addressed in project implementation in a number of ways, including through the promotion of Fairtrade non-discrimination, good governance and child labour principles; by encouraging women's participation in training activities; through the development of a gender module for the Fairtrade Producer Library; by partnering with CARE International to implement gender training for SPOs in PNG; by engaging importers to implement gender focused activities using the PDF; and most recently through the development of a gender-focused project in PNG and the recruitment of a gender liaison officer in PNG.

#### Producer Support and Relations

In the early stages of the project the main avenue for addressing gender equality was through the promotion of the Fairtrade principles – specifically principle 6 related to non-discrimination. Fairtrade

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<sup>71</sup> Fairtrade ANZ (2014), Producer Report 2014, p.5

ANZ staff also encouraged women's participation as SPO members and in training activities. Early in project implementation, Fairtrade staff recognised that in order to be more effective in its education work with farmers, it needed to develop training materials to cater for unique challenges in the Pacific, including low rates of literacy and this led to the development of a Pacific Fairtrade Producer Library.

After first developing modules on the Fairtrade story, several other modules were then completed. A specific gender module was developed in 2014 (Refer to Section 6.1 footnote 47). Principles of equal participation are also addressed in the governance module and the child protection module which profiles both girls and boys. The modules have been used to train producers and training of trainer sessions were implemented in PNG, Fiji, Samoa, Solomon Islands and Tonga and at annual Fairtrade Pacific Stakeholders Workshop. The tools are available in Papua New Guinean Tok Pisin, Samoan, Tongan, and Fijian Hindi. The international Fairtrade system, including the international gender adviser, has recognised the strength of the Fairtrade Producer Library, committing to engage Fairtrade ANZ to adapt and disseminate the tools in Asia, Africa, and Latin America.

In early 2015 MFAT approached the Fairtrade ANZ team and asked it to focus more on gender equality in its work. There was a recognition that promoting gender equality under the equal participation principle was not sufficiently embedded in Fairtrade's work in the Pacific context to ensure women's participation and benefit from Fairtrade ANZs work. At this stage Fairtrade approached CARE International to provide support, however at the time CARE did not have the resources to partner with Fairtrade so Fairtrade developed a pilot project "Gender Equality in Fairtrade Communities". The goal of the project is to address gender inequality to strengthen development impact and effectiveness in Fairtrade communities. The project commenced in April 2016 and aims to increase participation in female empowerment projects within Fairtrade communities; to increase awareness on market value added to business ventures through the inclusion of gender equality; and to increase equal participation of women and men in profitable economic activities with Fairtrade communities. The main activities of this program include:

- identification of economic areas of interest to women within Fairtrade communities;
- identification of potential partners on gender equality within Fairtrade ANZ's geographical scope, to support Fairtrade communities;
- a one-week tour, visiting four producer organisations in PNG and potentially other countries; led by three guest speakers (one male and two female). The tour will aim to highlight the role of women in agriculture and the value of gender equality in the market place through the presentation of case studies; and
- identification of businesses initiatives within producer organisations, led by or with strong women's input, to be supported through the Producer Development Fund.

The program will be implemented in PNG from April to October 2016 and a part-time gender liaison officer was employed to support its implementation. The Fairtrade ANZ team consider the project to be a pilot to learn lessons and expand upon at the completion of the pilot. At the same time as the commencement of the gender activity, Fairtrade ANZ partnered with CARE in PNG to implement a 4-day gender training for PNG SPOs. 42 people attended the training, including 21 women.

A lack of gender analysis during the design has significantly impacted on Fairtrade's ability to effectively address gender equality issues in implementation, particularly in its producer support work. While there is a recognition among the Fairtrade ANZ Team that the focus on non-discrimination, and principles of democracy and transparency is insufficient in the Pacific context to ensure that women participate in and benefit from Fairtrade's work, gender analysis during the design would have established this up-front and enabled Fairtrade to put a more explicit focus on promoting women's participation in its work.

However, it should be noted that this challenge is not limited to Fairtrade ANZ, with the recognition by Fairtrade International that gender analysis and attention to gender equality has been a gap across the system globally. While Fairtrade International has recently taken steps to address this gap including through the development of its gender strategy and increasing human and financial resources progress internationally has been slow. The strategy, for example, was approved in 2012 but not operationalised until 2016 due to resourcing constraints.

Moving forward, there is a substantial amount of recent gender analysis that Fairtrade ANZ can draw on to inform and strengthen its approach to addressing gender equality and to strengthen partnerships for addressing gender equality. For example, recent analytical work undertaken by the Pacific Horticultural and Agricultural Market Access Program (PHAMA) outlines entry points for addressing gender inequalities and increasing women's economic empowerment in cocoa and coconut value chains in Samoa, in coffee and coconut value chains in the Solomon Islands, and in selected horticulture value chains and handicraft value chains in Tonga. The PHAMA reports also provide a snapshot of work being undertaken by other stakeholders in similar areas.

In PNG, CAREs Coffee Industry Support Project undertook significant gender analysis during its development as well as gender analysis in cocoa in Bougainville. CARE PNG is also undertaking research to build the business case for women's economic empowerment in the coffee industry. This research when completed will be highly relevant for Fairtrade ANZs work. In PNG, ACIAR is implementing a project to improve opportunities for economic development for women smallholders in rural PNG. The project is focusing on building women's agricultural and business acumen to improve agricultural productivity through: agricultural extension; improved banking, saving and skills in financial management for agricultural small business activities; increased capability to access micro-finance, and building gender inclusive decision making capacity within the family and community through the family teams training approach. The World Bank/IFC also conducted gender analysis in value chains in PNG producing its study "The Fruit of Her Labour: Promoting Gender-Equitable Agribusiness in Papua New Guinea" in 2014. Other work funded by MFAT in fresh food value chains in PNG is also drawing on gender specialist expertise. The World Bank's PPAP program also employs a gender adviser. There are significant opportunities for Fairtrade ANZ to coordinate and share lessons with other projects and their gender advisers and to draw on other analysis and work to inform its approach.

The pilot gender project, developed despite limited resources and technical support is a sign of Fairtrade ANZs commitment to doing more and important first step. However there is also a need to look beyond the scope of this project to assess how gender equality can be addressed across the system.

**Scope of the gender project:** While there are some similarities in gender challenges and issues across the Pacific, due to the complex nature of gender relations, context specific information is needed to develop a comprehensive and strategic approach to gender mainstreaming. The scope of the gender project is currently limited to one country – PNG. The pilot project will be reviewed and analysed in conjunction with the international gender adviser at the completion of the project but there is still a risk that the project on its own, will not provide Fairtrade ANZ with the information it needs, to develop a systematic and comprehensive approach to gender equality across all geographic areas and core business activities.

A review of existing gender analysis in each country is required to assess gender related challenges and opportunities and to map other stakeholders and their work. Fairtrade ANZ also needs to review its internal processes and systems to ensure adequate attention to gender mainstreaming in its core business.

When implementing the pilot in PNG, Fairtrade should consider exploring the potential to implement a system of quotas for women's participation in SPOs given the low levels of women's involvement in

producer organisations in the Pacific. Gender quotas and reservations have significantly improved women's political representation at national and local levels in political and post-conflict transitions. Results are notable in Mongolia, Nepal, Timor-Leste, Afghanistan, New Caledonia and the non-independent territories of French Polynesia<sup>72</sup>. Lessons learned from the Asian Development Bank on the effectiveness of targets for women's participation in ADB funded may also be relevant for Fairtrade ANZ.<sup>73</sup>

One of the aims of the pilot project is to assess the potential for creating women led income streams through crop diversification in Fairtrade communities. The Fairtrade international gender adviser, is very supportive of the use of premiums to promote diversification. In other parts of the Fairtrade system there has been some success with this approach. In Ghana for example, women have been supported to grow yams and sell them through local conventional markets. This is providing women with increased livelihoods and food security.

It will be important for Fairtrade ANZ to monitor this component of the pilot carefully to ensure it is also a good approach in the Pacific. This should include ongoing consultation with women to ensure they want to be involved, and that the project will not increase their workload or put them at risk of domestic violence. At the completion of the pilot Fairtrade ANZ should carefully examine its comparative advantage for implementing separate income generating activities for women in the Pacific versus supporting women to benefit more from the existing Fairtrade system.

With the increased focus on gender across the international system, there are also more opportunities for Fairtrade ANZ to collaborate and coordinate with partners within the Fairtrade system. For example, Fairtrade in Latin America has successfully implemented a women's school of leadership with women from producer communities. The school operates over a period of a year. 10-15 women from producer communities receive training in their community in 10 different modules that include topics such as self-esteem and confidence building, women's human rights, group cohesion and working with other women, business and entrepreneurship, project management and financial management. At the end of each quarter participants are given projects to complete and are appointed mentors to support them to build their skills and confidence to become board members and take on leadership roles. A key aim of the school is to build women's literacy and also support projects that help to promote and diversify women-led income. After working with donors to receive additional funds, this model is now being implemented in Africa. As part of any new project design, Fairtrade ANZ should look to replicate existing successful models in the Fairtrade system and build support from donors to provide additional funding for implementation of gender focused activities.

**Staff capacity and resourcing:** International reviews of gender mainstreaming highlight the links between gender equality results with good staff capacity, dedicated resources and access to technical advice. While Fairtrade ANZ staff are motivated and committed to addressing gender equality, their technical skills are mixed and several staff reported that they do not have technical skills to confidently address gender in a way that is practical and effective in the Pacific context. Fairtrade ANZ has developed and mobilised the gender project without dedicated resourcing and technical support and with only limited guidance from Fairtrade International. This is a testament to its committed to do more to address gender. The international gender adviser has committed to providing support to review and

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<sup>72</sup> Professor Jacqui True, Dr. Sara Niner, Dr. Swati Parashar and Dr. Nicole George (2012), Women's Political Participation in Asia and the Pacific, accessed online (<http://artsonline.monash.edu.au/thebordercrossingobservatory/files/2013/02/UNDPA-Women%E2%80%99s-Political-Participation-in-Asia-and-the-Pacific.pdf>)

<sup>73</sup> See for example Hunt, J., Nethercott, K., and Thomas, H., (2010), Gender Equality Results in ADB Projects, Regional Synthesis of Rapid Gender Assessments in Indonesia, Mongolia, Sri Lanka and Vietnam, ADB, 2010.

analyse findings of the pilot once completed and a new gender adviser has recently been recruited for Asia who may be able to provide support. However, without additional dedicated local resources and additional capacity building of staff it will be difficult for Fairtrade ANZ to fully operationalise the international gender strategy in the Pacific. Moving forward Fairtrade ANZ needs to work more with donors, the international Fairtrade gender adviser and other partners to build support for improved resourcing and capacity for mainstreaming gender and increase the resources in its own team. This is in line with moves elsewhere in the fairtrade system to better resource gender mainstreaming work.

Both in country-based Liaison Officers are men which poses both a challenge and an opportunity to address gender equality. As men, it may be difficult for them to fully engage with women in rural communities, at the same time there is an opportunity for them to be further supported to act as male advocates and work with men in communities to facilitate change. Previous and current projects in PNG such as the Basic Education Development Project (BEDP) and the current CARE coffee project highlight the effectiveness of models that pair male and female facilitators and trainers together. This approach builds women's capacity and confidence and models men and women working together in communities. While there may not be resources to partner male and female locally based liaison officers together, BEDPs approach of training local women in each community to work alongside Fairtrade's Liaison Officer could be further explored.

As Fairtrade ANZ moves forward, additional work is needed to develop and document a comprehensive gender strategy for producer support that:

- analyses and synthesizes existing gender analysis in each country to identify country specific gender barriers and challenges;
- identifies potential partners for gender equality within all countries of Fairtrade ANZ's geographical scope;
- reviews all of Fairtrade ANZs systems, processes, templates and forms and proposes amendments to ensure attention to gender equality throughout Fairtrade ANZs operations;
- demonstrates how Fairtrade ANZs gender work links with and supports the achievement of Fairtrade ANZ overarching strategic objectives and the objectives of the FI Gender Strategy;
- identifies measures to build the capacity of the Fairtrade ANZ team to understand how to practically address gender equality in their work; and
- identifies adequate human and financial resources to achieve gender objectives in the area of producer support.

Other existing strengths that Fairtrade ANZ can leverage to strengthen its attention to gender issues in producer support include:

- the Fairtrade model itself, with principles of good governance and non-discrimination and premium funding of community projects lends itself to addressing gender equality;
- the new Fairtrade International Gender Strategy provides strategic guidance for Fairtrade ANZ and the Fairtrade system is increasing its resourcing and capacity to address gender;
- Fairtrade ANZ has a highly committed and dedicated team who have achieved a lot with relatively limited human resources and the team is committed and supportive of doing more to address gender equality. In addition, the team has built highly effective relationships with producers and communities. A level of trust has been built with them that can now be leveraged to engage more on gender issues;

- the gender module has been developed specifically for the Pacific context a can be used to continue to raise awareness of gender issues in producer communities; and

Fairtrade ANZ is well placed to partner and collaborate with existing stakeholders and to learn from and support each other's gender focused work.

### **Business Development (Consumer Support)**

In 2015 Fairtrade ANZ developed a producer support project proposal for one of its importers in Australia – Grinders. This came about at Grinders request following a field visit to PNG the previous year. The proposal was for a project to support women's groups within Fairtrade cooperatives. The idea was for their contribution to be matched by Fairtrade ANZ's Producer Development Fund. Initially Grinders CEO turned down the proposal, but this has recently been repropoed to the business by the new Business Development Director ANZ who believes the project could be viable for Grinders. Overall Fairtrade ANZs integration of gender into business development has been limited to date but there is significant potential for expansion.

Fairtrade International's Gender Strategy highlights that women as consumers tend to be more aware and active in ethical shopping, and therefore play an important role in advancing the sustainability agenda. Compared to men, women are more likely to be buyers of Fairtrade products, and woman-to-woman connections could add a competitive advantage to Fairtrade's positioning in the ethical market.<sup>74</sup> The strategy also highlights some examples of the effectiveness of women to women marketing such as branding of women grown coffee. The power of women as consumers is also being increasingly recognized globally<sup>75</sup>. Fairtrade ANZ may wish to explore the potential of woman-to-woman connections in the Pacific as part of its consumer support. Fairtrade would benefit from further interrogation of the Colmar Brunton survey and ensure all all results are reported in a sex-disaggregated manner where appropriate. In addition, it is recommended that Fairtrade ANZ conduct specific consultations with importers and licensees to explore the potential of specific marketing strategies that promote Fairtrade awareness and consumption through the use of women-focused case studies highlighting the impact of Fairtrade on women's lives in the Pacific.

There is also potential for Fairtrade ANZ to do more to leverage importer and licensee resources in order to support its own work to promote gender equality. The case of Grinders coffee requesting and then turning down a project to support women's groups within Fairtrade cooperatives is an example of the unmet potential. While acknowledging that Grinders board turning down the proposal was through no fault of Fairtrade, its initial interest shows that there is still potential to work with companies to amplify impact and women's participation. Trader trips offer an opportunity to educate traders about the barriers and challenges faced by women in Fairtrade communities and to educate them about the business case for supporting women. For example, the important role that women play in coffee and cocoa quality is a key piece of information for importers.

Research undertaken by the DFAT funded Enterprise Challenge Fund (ECF) demonstrates that companies are willing and open to addressing gender equality. Companies working with ECF found they had business challenges that could be addressed by better empowerment for women showing the

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<sup>74</sup> Opcit, Fairtrade International (2016), p.9.

<sup>75</sup> See for example [http://www.campaignlive.co.uk/article/1282888/brands-know-new-woman-consumer?src\\_site=marketingmagazine#](http://www.campaignlive.co.uk/article/1282888/brands-know-new-woman-consumer?src_site=marketingmagazine#)

link between human rights and economic growth. There were industry inefficiencies and underuse of 50% of potential customers and suppliers (women).<sup>76</sup>

The case studies from this research found an important link between gender equality and commercial benefit that could be leveraged by Fairtrade ANZ to garner support for joint funding of gender focused activities between Fairtrade ANZ PDF and traders. Cases where the commercial and social benefit of supporting women is already known and understood by importers, such as the case of Peru Café in the Solomon Islands, Fairtrade should seek to partner and provide support to leverage that work. This is particularly important in new areas and communities being explored by Fairtrade ANZ so that a more equitable model can be established and demonstrated early and then transferred to other communities whose interest in Fairtrade grows once they see the benefits from being involved. In additional where Fairtrade ANZ is supporting traders to implement projects with growers, such as the case of Whittaker's cocoa improvement program in Samoa, it is important that Fairtrade ANZ work with them to understand and addressed gender related challenges and barriers, particularly given the strong links between women's roles in production and the quality of the products.

## 7.2 Environmental Sustainability

Environmental sustainability is a key pillar of the Fairtrade system underpinned by its environmental standards. There is clear evidence of sustained and consistent efforts to ensuring the environmental sustainability and best practices in farming methods are being utilised across all projects operating in the Pacific. Based on a schedule of regular auditing by extension and environmental officers as part of Fairtrade associations or local government regulators (for example the Coffee Industry Corporation (CIC) in PNG and the Ministry of Agriculture, Food and Forestry (MAFF) in Tonga) sound agro-ecological production and processing practices were being supported and adopted in a more systematised way by farmers working across different commodities. For example, Fairtrade growers are sustaining critical eco-system-protecting services of shade grown and organic coffee.

In the Pacific dual Fairtrade and organic certification is common – the former providing support for transition to organic certification. The decrease in the use of agrochemicals is leading to clear environmental benefits. Regular extension work has provided gains in knowledge and practices for producers in areas such as coffee tree management, vanilla vine management, soil fertility and conservation, pest management, composting and waste management, pollination and harvesting techniques, and other quality related procedures. Furthermore, soil conservation measures, for example in Fiji, have helped to reduce soil loss from erosion and the construction of drains and culverts has provided more land area for planting sugar cane, in turn increasing production potential.

For some SPOs premium funds have been reinvested back into environmentally focused activities supporting further agro-ecological production for example through the purchase of seedlings, through the establishment of nurseries and subsidies for fertilisers. There are also significant programs of replanting across all commodities to improve the quality of produce as some coffee trees, vanilla vines and coconut trees are very old which impacts on the grade, size and quality of product.

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<sup>76</sup> Kate Nethercott, Marianne Jago-Bassingthwaighe and Amanda Jupp, (2013), Women's Economic Empowerment – Practice and Policy Implications from the Enterprise Challenge Fund, Coffey International Development.

## 7.3 Climate Change

Apart from one community development project funded through premiums and one explicit pilot project there is no evidence of mainstreaming of disaster risk reduction or climate change adaptation measures across activities despite growers in every country reporting the effects of climate change and the impacts on their products. Reported effects range from a decrease in the size of green vanilla beans in Tonga and coconuts in Samoa due to El Nino resulting in lower prices/incomes due to lower grade classifications of the smaller produce; and a late harvest season for sugar cane in Fiji. In Fiji, however, one Fairtrade premium community development project in Lautoka invested in digging drainage and culverts around cane fields to good effect to better manage run off from heavier rain events following the drought.

Beyond the benefits that Fairtrade offers to producers (Fairtrade Minimum Price, Fairtrade Premium, strong environmental standards, etc.), the system supports basic pre-conditions that are needed to implement climate change adaptation measures such as: organizational development, environmental sustainability, financial stability, investment possibilities, and greater autonomy. The Fairtrade Standards promote sustainable development through best agricultural practices, which not only guide producers to adapt to climate change, but also encourage them to mitigate their impact. The environmental standards include the following practices: integrated pest management, prevention of soil erosion, improvement of soil fertility, sustainable use of water sources, sustainable waste management, prohibition of GMOs, protection of biodiversity, use of renewable energy, and reduction of greenhouse gas emissions.

However, FI acknowledges that the current benefits of the Fairtrade system are insufficient to help producers confront the effects of climate change. As a result, FI have developed a climate change strategy that defines the scope, establishes Fairtrade priorities and provides a framework for action.

A global work plan for climate change has been developed, focusing on producer services (i.e. climate change standards), producer support for climate change adaptation (creating partnerships for adaptation projects), and producer-driven advocacy. The overall mission is to enable vulnerable producers to adapt to climate change and support them to mitigate the impacts, while promoting further sustainable development practices. Fairtrade International and some member organisations have also introduced carbon reduction plans to reduce their operational impact on climate change.

At the time of reporting it was unclear how this global strategy and work plan would be adopted and implemented by Fairtrade ANZ. It was reported that there are plans to pilot a Climate Neutral Coffee project based on the Fairtrade Climate Standard and a similar project with partners in Ethiopia.

The main goal of this project is to make small scale coffee producers economically stronger to face the impacts of climate change and to support them to bring an end to the deforestation that threatens their future.

The project has two components as follows:

- A program to support coffee producers in Ethiopia to reduce greenhouses gases in the air and earn carbon credits for their efforts. The Fairtrade carbon credits from the producers are sold to coffee roasters in Australia and New Zealand, that measure their emissions, reduce them where possible and offset the remaining emissions.
- A campaign that raises awareness of the effects of climate change and introduces the concept of a Fairtrade climate neutral coffee product and supply chain. This campaign involves a partnership with coffee licensees and commercial partners such as Woolworths and Countdown.

The innovative potential of this pilot project lies in the reduction of carbon emissions by producers (including all the sustainable side benefits for producers linked to healthier environments) and in return

Enables them to earn additional income from the carbon credits that this produces. There is also the potential to design and implement a similar carbon credit project with Fairtrade farmers in the Pacific.

Fairtrade ANZ has commissioned a separate piece of research into Climate Change impacts in PNG which will be a solid foundation on where the project can mainstream climate change adaptation measures and strengthen resilience of producing communities going forward. Broader activities in the Pacific would benefit from extending this research to include climate impacts across all countries of activity to ensure that impacts are being appropriately addressed and mainstreamed. This is currently a missed opportunity.

## 7.4 Child Protection

A key focus of the standards is on preventing child labour and the exploitation of children. Fairtrade ANZ has developed a child protection module as part of its Fairtrade Producer Library to introduce the key elements for the definition and understanding of child labour from a rights-based approach, and to initiate conversation about potential risks in producer communities.<sup>77</sup> This standard has been particularly challenging from a compliance perspective in PICs and has seen continued efforts by the Fairtrade ANZ team to reinforce its importance and to challenge cultural norms. One of the key barriers to compliance as reported by producers has in fact been the cost of school fees. It is considered to be more profitable both from an income and cost reduction perspective to have children contributing to production and sales on the farms instead of attending school. However, where SPOs have been receiving the Fairtrade minimum price and premium for some time, producers have spent the additional income first and foremost on school fees and report greater school attendance by their children. Other benefits include spending the additional income on school lunches and food for the household which arguably contributes to improvements in nutritional status of household members including children. This is currently anecdotal evidence with no systematic data collection on educational or nutritional outcomes. Indicators have been included in the SIF in order to contribute to the establishment of evidence in support of this (refer to Appendix D for the SIF).

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<sup>77</sup> Ibid., p.12.

## 8 Recommendations

### 8.1 General Recommendations

#### Producer Support and Relations Recommendations

There are a number of key areas of opportunity to continue to build on the strong foundations laid in the first few years of the project, namely:

1. Develop stronger relationships with MFAT staff at post in order to leverage other investments and resources in country to better collective efficiency and impact. Further discussion and negotiation with the Regional Program Manager may illuminate an agreed pathway forward.
2. Given the ageing agricultural workforce and land tenure and access issues there is a significant opportunity to target specific project activities to include youth to greater effect and sustainability of the sector. An innovative model of intergenerational mentoring in Tonga between older farmers who own land and youth without land may see an exchange of labour and wages for land access to plots of land for youth and skills and knowledge. Whilst entirely embryonic at this stage, this is a concept worth exploring further within traditional land ownership and cultural knowledge transfer systems.
3. Longer term consideration may need to be given to the location of staff and their ability to provide the level of support required to continue to identify opportunities and support SPOs towards certification and the maintenance of the same. Field visits are resource intensive and greater efficiencies could be achieved through the establishment of a hub and spoke model whereby the number of liaison officer roles in country are increased which may decrease the requirement for frequent field visits from the New Zealand office. As capacity on the ground increases the inputs required from the PSR team decrease in an inversely proportionate manner.
4. Actively look for opportunities within current agro-ecological activities to implement the FI Climate Change Standard and work with SPOs to ensure climate change adaptation planning and activities are at the core of all work. The approach to draw on existing climate change analysis and stakeholder mapping and be closely linked to Fairtrade ANZs overarching strategic objectives and the objectives of the International Fairtrade Climate Change Strategy and Standards.
5. Whilst current resources do not enable a specific focus on policy and advocacy enhancing relationships with MFAT staff at post (recommendation 1 above) may assist in ensuring issues are raised through the appropriate mechanisms for advocacy in the absence of a strategic focus for Fairtrade AnZ in this area. Alternatively Fairtrade ANZ may wish to reconsider their strategic position and sensibly scale their human resources to better advocate on regional and global policy issues.

#### Business Development Recommendations

Fairtrade ANZ are engaged right across the value chain, an approach that demonstrates significant potential to contribute to the economic development of PICs and certainly is demonstrating promising progress towards this end at the grassroots level. As evidenced in Fairtrade ANZ's latest Strategy, there is continued recognition that strong relationships and engagement with key stakeholders - underpinned

by trust and transparency - are required to ensure awareness continues to grow (in addition to supporting commercial returns to producers and commercial partners).

Further consideration on how to strengthen market linkages needs to be undertaken and a more targeted approach to campaigns undertaken, involving:

6. Formulating strategic partnerships and consider a greater emphasis on B2B and relationship management with donors and consumers. Stronger collaborative mechanisms and alliances could improve the effectiveness of Fairtrade ANZ's work together with continued implementation of the contact plan outlined in 2015.
7. Strengthening communication and marketing strategies in order to use SPO impacts to greater effect with buyers and consumers – to also contribute to their brand enhancement and create stronger entry points for engagement by businesses.
8. Ongoing website analytics on (1) where the traffic flow is coming from; and (2) why consumers are coming to the website to assist in better targeting campaigns, for example search engine optimization and the purchase of key words/messages such as “organic chocolate” or “organic coffee” that resonate with target audiences in order to continue to evolve the digital strategy and amplify online presence to increase awareness and purchase behaviour.

Fairtrade is well recognised and the emphasis should be on promoting the range of benefits associated with Fairtrade products. Clear communication of what the Fairtrade label brings will become more important as a wider range of new ethical products claim ‘sustainability’ and/or other ethical benefits. If Fairtrade wants to stand for good quality ingredients and sustainability as well as improving farmers’ livelihoods it will need to ensure that communications feature these. Strengthening M&E frameworks through operationalization of the SIF to ensure credible information and data capture of social and environmental impacts of project activities will assist to this end. Recommendations related to monitoring and evaluation are provided in Section 8.2 below.

## 8.2 Gender Specific Recommendations

Overall, despite significant potential to do so, the Fairtrade ANZ project has yet to realise its ability to address gender equality and women’s empowerment in its work. While women are benefiting through access to training and community development activities, the project would benefit from and potentially minimise missed opportunities to achieve stronger results including more direct benefits for women through an increased focus on embedding a gender mainstreaming approach across all activities. Fairtrade ANZ should also review and revise monitoring and reporting accordingly to ensure that the collection and reporting of sex-disaggregated data and gender challenges and opportunities is part of its monitoring and evaluation efforts.

To continue to sustainably address gender equality and women’s empowerment in its work the following key areas are suggested to have a positive, material impact:

9. As part of the design of new projects gender analysis be used; a gender specialist be involved; and all systems, processes, templates and forms be reviewed to ensure attention to gender equality throughout the project design.
10. Design of future projects explore the potential for the Fairtrade model in the Pacific to implement quotas for women’s participation in producer organisations; the potential to recruit female liaison officers; and the potential for the Pacific to adapt successful models from Fairtrade in other regions.
11. At the completion of the pilot, Fairtrade ANZ report on risks associated with the implementation of separate income generating activities for women and examine its comparative advantage for

implementing separate income generating activities versus supporting women to benefit more from the existing Fairtrade system.

12. For the remainder of the existing project, Fairtrade ANZ develop a systematic approach to mainstream gender across its operations. The approach to draw on existing gender analysis and stakeholder mapping and be closely linked to Fairtrade ANZs overarching strategic objectives and the objectives of the International Fairtrade Gender Strategy.
13. Fairtrade ANZ build the capacity of its team to address gender equality in their work.
14. Fairtrade ANZ work with MFAT, donors and the international Fairtrade gender adviser to identify human and financial resources to achieve gender objectives and document risks related to existing resource levels and budgets.
15. Fairtrade ANZ consult with importers and licensees to explore the potential for specific marketing strategies that promote Fairtrade awareness and consumption through the use of women-focused case studies highlighting the impact of Fairtrade on women's lives in the Pacific.
16. Fairtrade ANZ educate exporters, importers and licensees on the business case for promoting gender equality in SPOs and leverage existing and potential importer and licensee resources in order to enhance Fairtrade's ability to promote gender equality.

## 8.3 Monitoring and Evaluation Recommendations

The development of a SIF together with a commitment to resourcing M&E and research capacities to identify information gaps in baseline information sets will lay the foundation for Fairtrade ANZ to develop the robust evidence based decision making processes in investment design and implementation that will improve not only the delivery of the project but provide the critical substantiation required by MFAT and DFAT and most importantly consumers in justification of their spending decisions.

A realistic time horizon of investment and activity is required to achieve a sustainable and genuine improvement in performance measurement together with improvements in the proficiency of actors expected to contribute primary data ie.SPOs. As such, "on-the job" technical assistance and capacity building is required to operationalise the SIF that has been developed through:

17. updating their M&E plans to reflect new performance measures as per the SIF, including an increased focus on collecting sex-disaggregated data and gender focused information;
18. refining data collection tools to reflect the updated SIF and clearer indicators, for example, in health and education outcomes and in impacts for women;
19. providing support to SPOs and Liaison Officers to refine and use any refined data collection tools;
20. assisting in the application of tools and approaches to synthesis, analysis and reporting of information against the new SIF;
20. sex-disaggregated data be collected for all training and Fairtrade activities and reported in Annual Plans in order to assess women's participation in project activities;
21. monitoring of gender-related challenges, risks and lessons learned be included in Annual Producer Reports and Annual Reports; and
22. the indicator for women's decision-making be revised in future project design to ensure a more accurate measure of women's decision making.

## 9 Conclusions

Fairtrade ANZ has a significant opportunity to leverage its strong global and local reputation and continue to tackle support for Fairtrade business development in PICs initiatives in an effective and efficient manner, through consideration of the following elements:

- Continue to conduct itself with ***rigour and self awareness*** as evidenced in the new Commercial and Communication Strategies 2015 and supporting activities. An ongoing commitment to robust relationships, transparency and consistency in consultation, active listening to stakeholder's and commercial partners concerns and a willingness to modify products and services based on rigorous monitoring through the SIF.
- Continue to apply ***unparalleled perspective and skill*** in working with producers and for PIC's social, economic and environmental issues and benefit, by bringing ideas and products, such as the Producer Development Fund and the Fairtrade Producer Library, to the market that yield benefit, while ensuring the public sees the connection between new developments and societal benefit.
- Continue to implement the ***new business development framework*** rooted in facilitating dialogue, sharing, information and fostering collaboration. Realising that progress and new developments do not speak for themselves, active engagement of a broad range of commercial partners and re-engaging with the grassroots community may facilitate greater understanding through producer's stories that reach and touch audiences.

Simply put, in order for Fairtrade ANZ to advance key initiatives in both the PSR and commercial part of the business, it must consider this ecosystem of trust and adapt their engagement styles and keep moving forward.

# **Appendix A**

## **Evaluation Questions**

Table 3: Link between DAC criteria and evaluation questions

DAC Criteria	Evaluation Question	Sub-questions - producers	Sub-questions - consumers
<b>Relevance</b>	<ul style="list-style-type: none"> <li>▪ Is the project strategically important to the Government of New Zealand?</li> <li>▪ To what extent does the project correspond with the development priorities, needs and the practical requirements of the Pacific Island countries including towards reducing poverty?</li> </ul>	<ul style="list-style-type: none"> <li>▪ To what extent do projects and partnerships supported by Fairtrade ANZ align with Trade, Agricultural, Economic Development, Gender and other relevant policies of the Government of New Zealand?</li> <li>▪ To what extent do project and partnerships supported by Fairtrade ANZ align with the Pacific Island countries' development goals?</li> <li>▪ To what extent do projects and partnerships supported by Fairtrade ANZ align with Trade, Agricultural, Economic Development, Gender and other relevant policies of the Government of Australia?</li> <li>▪ To what extent have the economic development needs and aspirations of participating communities and key stakeholders been incorporated into and supported by the project?</li> </ul>	
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>▪ How effective was the project at increasing the supply of Pacific Fairtrade Certified products?</li> <li>▪ How effective was the project at increasing the demand for Fairtrade Certified products in consumer markets?</li> <li>▪ How effective was the program at establishing partnerships which invest in Pacific Island countries' development goals?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is the Fairtrade ANZ approach in the Pacific an effective way of creating linkages to Fairtrade markets? If so why and under what conditions does it work best?</li> <li>▪ What factors enable or inhibit the effective development of Fairtrade supply chains?</li> <li>▪ To what extent does the project contribute to establishing effective and sustainable partnerships – at the delivery, management and governance levels of the project?</li> <li>▪ To what extent has the project facilitated regional supply chain development and linkages to Fairtrade markets?</li> <li>▪ To what extent has the results measurement table and implementation of the M&amp;E system supported the evidence base underpinning the project design, the description of the project and achievement of end-of-project outcomes?</li> </ul>	

DAC Criteria	Evaluation Question	Sub-questions - producers	Sub-questions - consumers
		<ul style="list-style-type: none"> <li>▪ Is the Fairtrade ANZ approach an effective way of promoting economic development through the promotion of Fairtrade certification among rural communities in Pacific Island countries? If so why and under what conditions does it work best?</li> <li>▪ To what extent have male and female members of rural communities in the Pacific benefitted from their participation in Fairtrade ANZ activities/programs?</li> <li>▪ To what extent has the project strengthened the capacity of small producer organisations to develop their business and to obtain, maintain and benefit from Fairtrade certification?</li> <li>▪ Is the Fairtrade ANZ approach an effective way of promoting gender equality and women's economic empowerment in the Pacific context? If so why and under what conditions does it work best?</li> <li>▪ Are male and female actors along the supply chain satisfied with the inputs, outputs and outcomes generated by the project?</li> </ul>	
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>▪ Has the project demonstrated an efficient use of resources in delivering quality products and services?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Is the Fairtrade ANZ approach in the Pacific and New Zealand the most efficient way to support the development of Fairtrade supply chains, including regional Fairtrade supply chains?</li> <li>▪ How has the project improved the quality and efficiency of Fairtrade ANZ's activities including their uptake by producers and consumers?</li> </ul>	

DAC Criteria	Evaluation Question	Sub-questions - producers	Sub-questions - consumers
<b>Impact</b>	<ul style="list-style-type: none"> <li>What are the positive and negative changes brought about by the program?</li> </ul>	<ul style="list-style-type: none"> <li>To what extent have the economic development needs and aspirations of participating communities and key stakeholders been realised as a consequence of the project?</li> <li>Were there any unintended consequences of the project?</li> </ul>	<ul style="list-style-type: none"> <li>To what extent have commercial partners in New Zealand invested in the development of Fairtrade global and regional supply chains through support for Fairtrade/purchase of Fairtrade ingredients?</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Are the benefits resulting from the project and partnerships sustainable?</li> </ul>	<ul style="list-style-type: none"> <li>To what extent will the benefits from Fairtrade certification and increasing supply and demand for Fairtrade products be sustained beyond the life of the project (ie. is the project enabling producer organisations to become independent and self sufficient)?</li> <li>What factors have enabled or inhibited benefits from being sustained?</li> <li>Has there been sustained participation in Fairtrade ANZ activities/programs and supply chains (including partnerships and alliances) by actors?</li> </ul>	<ul style="list-style-type: none"> <li>Where initial gender equality results have been demonstrated, how have these results (or the lack of them) contributed to the achievement of Fairtrade ANZs overall objectives, outcomes, effectiveness and sustainability of results?</li> </ul>

DAC Criteria	Evaluation Question	Sub-questions - producers	Sub-questions - consumers
<b>Gender Equality</b>	<ul style="list-style-type: none"> <li>▪ To what extent are Fairtrade ANZ's investments focused in the areas of producer support and business development promoting women's economic empowerment?</li> <li>▪ To what extent are Fairtrade ANZ's investments supporting national and regional efforts to end violence against women and girls?</li> <li>▪ To what extent are Fairtrade ANZ's investments promoting women's leadership and participation in decision-making?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Has the project helped to develop capacity, including of producer groups, supply chain partners and other project stakeholders, to understand and promote gender equality in Fairtrade activities? If so how?</li> <li>▪ What access have women had to project resources compared with men? (for example access to project funding, market information, supply chains etc.)</li> <li>▪ What practical benefits have been received by women compared with men? (for example increased income, better access to health and education services in their community due to Fairtrade Premium)</li> <li>▪ Is there any evidence of changes in gender relations due to project activities? (E.g. differences in the way women are viewed or treated within the household, producer groups and in the community?)</li> <li>▪ What processes have been used to integrate gender equality into the project? (For example to what extent have investments drawn on quality gender analysis to set priorities for assistance, and integrated gender equality effectively in their designs?)</li> <li>▪ To what extent have Fairtrade ANZ's investments integrated gender equality in their monitoring and evaluation frameworks, and is this information being used to improve the project's performance on gender equality?</li> <li>▪ How have women participated in the project compared with men?</li> </ul>	

## **Appendix B**

### **Stakeholders Consulted**

**ACIAR**, Port Moresby, Program Manager

**AGMARK NGIP**, Madang, Extension Officer

**Ah Liki**, Savai'i, Managing Director

**Alang Doam Association**, PNG, Project Coordinator, Conservation Officer, Chairman, Women's Representative, Quality Inspector

**All Good Organics**, General Manager and Director

**Asian Development Bank**, Sydney, Private Sector Development Initiative

**Auckland Fairtrade City Group**

**Bennetto Fine Foods**, Owner

**BNZ**, Sustainability Manager

**Business Coalition for Women**, Port Moresby, Executive Director

**CARE International**, Goroka, Coffee Industry Support Project Manager

**CARE International**, Goroka, Cocoa Industry Support Project Manager

**Cerebos Gregg**, Brand Manager and Green Bean Buyer

**Club 3000**, PNG, Chairman

**Coffee Industry Corporation Ltd**, Ukarumpa, National Farmer Training and Extension Coordinator

**Conscious Consumers**, CEO

**CWS**, NGO

**Department for Community Development**, Port Moresby

**DFAT**, Nuku'alofa, Acting High Commissioner

**DFAT**, Nuku'alofa, Program Manager

**DFAT**, Port Moresby, Counsellor for Gender

**DFAT**, Port Moresby, First Secretary Economic Development

**Dunedin Fairtrade Group**

**Fairtrade ANZ**, Auckland, Marketing Officer

**Fairtrade ANZ**, Auckland, PSR Manager

**Fairtrade ANZ**, Auckland, PSR Officers

**Fairtrade ANZ**, Auckland, Business Development Manager

**Fairtrade ANZ**, Auckland, Business Development and Partnerships Officer

**Fairtrade ANZ**, Melbourne, Advocacy Officer

**Fairtrade ANZ**, Melbourne, Business Development Director

**Fairtrade ANZ**, Melbourne, CEO

**Fairtrade ANZ**, PNG, Liaison Officer,

**Fairtrade ANZ**, PNG, Gender Liaison Officer

**Fairtrade ANZ**, Pacific Islands Liaison Officer

**Fairtrade International**, Adids Ababa, Gender Advisor

**Female Growers** PNG Coffee Industry (various affiliations)

**Fiji Export Council**, Suva, CEO

**Griffiths Coffee**, Buyer

**Grinders Coffee**, Business Improvement Manager and Master Roaster

**Heilala Vanilla**, Vava'u, CEO

**HOAC**, PNG, Field Technical Officer, Organics Program Coordinator, Internal Systems Control Officer

**International Finance Corporation**, Port Moresby, Program Assistant East Asia Pacific

**John Burton**, Green Bean Buyer

**Keto Tapasi Association**, PNG, Manager, Clan Representative and Premium Committee Member

**Kokako Coffee**, Director

**Krissy Co**, Auckland, CEO

**Krissy Co**, Apia, Country Manager

**L'affare Coffee**, Brand Manager

**LCPA**, Labasa, President and Board Members

**LCPA**, Labasa, male Growers

**LCPA**, Labasa, Community Members and Head of Women's Centre

**Liminal Apparel**, Owner

**LtCPA**, Lautoka, President and Board Members

**LtCPA**, Lautoka, male Growers and Families

**MFAT**, Apia, Development Programme Coordinator

**MFAT**, Nuku'alofa, First Secretary Economic Development

**MFAT**, Port Moresby, First Secretary Development

**MFAT**, Port Moresby, Senior Development Programme Coordinator

**MFAT**, Suva, Senior Development Programme Coordinator

**MFAT**, Wellington, Fairtrade ANZ Program Manager

**Monpi Coffee Exports**, Goroka, Deputy Country Manager

**Monpi Coffee Exports**, Goroka, Cocoa Production Manager

**Network of Asia Pacific Producers**, Bangalore, Monitoring, Evaluation and Learning Manager

Network of Asian and Pacific Producers

**Nice Blocks**, Auckland, Owner

**Neknasi**, PNG, Manager, Chairman, Secretary, Partner Contact Person

**OXFAM**, Goroka, Livelihood Program Manager

**Pacific Islands Trade and Invest**, Auckland, Trade Development Manager

**Queen Fine Foods**, CEO

**Sacred Grounds**, Buyer

**SCFA**, Savai'i, Chairman and Secretary

**SCFA**, Savai'i, male and female farmers

**Sugar Cane Growers Council**, Lautoka, CEO

**Sustainable Business Network**, CEO

**Sustainable Management Services**, Goroka, Managing Director

**Taste of Tonga**, Vava'u, Director

**Tongan Ministry of Agriculture, Food and Forestry**, Nuku'alofa, CEO

**Tongan Ministry of Agriculture, Food and Forestry**, Vava'u, Director

**Vanilla Growers Association**, Vava'u, Board President and Chairperson

**Vanilla Growers Association**, Vava'u Extension Officer and Secretary

**Vanilla Growers Association**, male and female producers

**Unen Choit Association**, PNG, Chairman, Vice Chairman, Secretary, Sales and Marketing

Contact Officer, Finance Officer and Manager

**United Nations Development Programme**, Port Moresby, Resident Representative

**Wellington Fairtrade Group**

**Whangerei Fairtrade Group**

**Whittakers**, Marketing Manager

# **Appendix C**

## **Country Level Case Studies**

The sections below provide a brief overview of economic development, trade and gender in selected Pacific Island countries.

## C.1 Papua New Guinea

Papua New Guinean (PNG) is faced with enormous social and economic development challenges. The agriculture, forestry, and fisheries sector has been sorely affected by drought and low commodity prices in 2015<sup>78</sup>. PNG's hope of achieving higher levels of growth and better results for progress and development lie in its vision to integrate into the global economy through building and growing a strong, diversified, resilient and competitive economy. PNG continues to have a trade deficit despite an abundance of primary commodities that can be converted to value-added products and manufactured goods for exports.

The challenge requires the participation of all sectors in transforming and modernising PNG's economy. A key part will be to diversify the economy so that other economic sectors are productive and self-sustaining.

The PNG economy remains dominated by a small formal sector focused mainly on minerals and energy, which accounts for nearly two-thirds of export earnings. Another third of the country's export earning is drawn from the primary sector consisting mainly of agriculture, forestry and fishing. There is a burgeoning informal sector providing a subsistence livelihood for 85% of the people, but this has not yet factored into the formal economy<sup>79</sup>.

About 80% of the population – and 80% of the country's poor – live in rural areas and, although agriculture potential is high in many regions, weak national transport system networks and limited service delivery constrains the ability of rural workers to participate in the economy<sup>80</sup>.

PNG has an open, competitive trading regime – although this has contained elements of protectionism, preferential treatment on certain exports, and the selected use of tariffs to control entry of certain goods and services at various points in time. Despite several teething problems, PNG's trading regime has ensured a steady growth in its domestic market and a marginal expansion of its export basket. From a small primary-based economy dominated largely by imports and the export of few selected raw materials in 1975, PNG's economy has steadily expanded with a growing list of exports in the agriculture, natural resources and the non-renewable sectors some four decades later.

The Government of Papua New Guinea (GoPNG) is currently drafting its first National Trade Policy since independence in 1975. The policy recognizes the need for a coherent trade policy. Current interventions affecting trade development and competitiveness in PNG can be found in numerous policy documents and the implementation and coordination is scattered to a number of institutions and ministries, which has hindered the successful implementation of the trade policies. The vision of Papua New Guinea's National Trade Policy is to “create a globally competitive export-driven economy supported by an expanding domestic market that is efficient and competitive”.

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<sup>78</sup> Asian Development Bank. “Papua New Guinea: Economy.” Accessed online 25 April 2016 at [www.adb.org/countries/papua-new-guinea/economy](http://www.adb.org/countries/papua-new-guinea/economy)

<sup>79</sup> GoPNG. “Papua New Guinea National Trade Policy DRAFT.” Unpublished.

<sup>80</sup> Asian Development Bank. “Poverty in Papua New Guinea.” Accessed online 25 April 2016 at [www.adb.org/countries/papua-new-guinea/poverty](http://www.adb.org/countries/papua-new-guinea/poverty)

Furthermore, gender equality remains a key development challenge in PNG with PNG ranked at 140 out of 155 countries in UNDP's Gender Inequality Index in 2014.<sup>81</sup> Gender inequality impacts on all dimensions of women's lives including lower literacy rates, limited access to reproductive and maternal health services, low levels of women in decision-making and wide-spread gender-based violence.

Related to trade and agriculture, there are inequalities in men and women's economic opportunities in the agriculture sector that lead to inefficient use of the country's labour resources. Women farmers do not receive the level and type of training and extension support that they need to contribute their full potential to the agricultural economy; women traders are more disadvantaged than men by unsafe and insanitary markets, and poor transport infrastructure and there are continuing differences and inequality between women and men work force participation, occupations and wages.

In general women tend to work longer hours than men.<sup>82</sup> Men predominate among smallholders growing export crops such as coffee, cocoa and oil palm. Coffee and cocoa are the main smallholder crops, with 30 percent and 20 percent of the labour force, respectively, involved in their production, processing and sale. Women contribute significant labour inputs for cash crop production (50-70 percent of agricultural labour, particularly in activities such as clearing, planting, weeding, harvesting, processing, transporting, storing and marketing) Despite this, the income from cash crops is usually considered to belong to the man who controls the smallholding.<sup>83</sup>

## C.2 Fiji

Fiji is described as a middle income country and one of the more developed Pacific Island economies, despite remaining a developing country with a large subsistence agricultural sector. For a number of years sugar and textile exports have been the engines behind driving the Fijian economy, however decline in preferential market access and the phasing out of a preferential price agreement with the European Union -namely in sugar price reductions – undermined earnings and the potential of these two sectors in becoming competitive in globalised markets.

The end of the quota system under the Agreement on Textiles and Clothing (ATC) and the integration of textiles into the World Trade Organisation (WTO) General Agreement on Tariffs and Trade also saw a significant decline in the textile industry since 2005.

Encouragingly, Government led reforms in the sugar cane industry are starting to recognize outcomes to improvements in cane quality and increasing levels of sugar production. Other important export crops include coconuts, dalo, tropical fruits and ginger<sup>84</sup>. Fiji also has extensive mahogany timber reserves, in addition to fishing being an important export and local food source. The export of still mineral water to the United States has also expanded rapidly since 2000.

Despite a strong tourism sector, Fiji runs a persistently large trade deficit and the state's presence in the economy remains pervasive, with regulatory inefficiency constraining progress towards economic development. Reports state that following the successful elections in 2014, investor confidence has increased and contributed to direct foreign investment as a result<sup>85</sup>. Australia accounts for between 25%

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<sup>81</sup> UNDO, (2015), United Nations Human Development Report, Papua New Guinea Briefing Note

<sup>82</sup> World Bank, (2012), Papua New Guinea 2011-12 Country Gender Assessment, p.xvii.

<sup>83</sup> Ibid, p.61.

<sup>84</sup> Fiji High Commission to the United Kingdom. "Fijian Economy." Accessed online on 25 April 2016 at [www.fijihighcommission.org.uk](http://www.fijihighcommission.org.uk)

<sup>85</sup> The Heritage Foundation. "2016 Index of Economic Freedom." Accessed online 25 April 2016 at [www.heritage.org](http://www.heritage.org)

and 35% of Fiji's foods trade, with New Zealand, Singapore, the United States, the United Kingdom, and Japan varying year by year between 5% and 20% each.

Fiji has a diverse population, which is reflected in gender relations in different social, economic, racial, and religious groups. Women in urban and rural areas also differ in their experiences of equality, poverty, domestic violence, and access to justice. Women in urban areas are more likely to have higher levels of education and better access to financial resources, information, and economic opportunities. Fiji has made progress toward gender equality with efforts by the government and civil society groups<sup>86</sup>. It is ranked 87 out of 155 countries on the UNDP Gender Inequality Index and has made with regards to health and education related indicators. Ongoing challenged include highly prevalent levels of gender-based violence and few women in leadership decision-making positions.

Land ownership is a barrier to women's participation in Fairtrade activities as traditional institutions allow women few if any rights to inherit land or formally own property, or to take part in public decision making.<sup>87</sup> Women in most rural regions of the Fiji Islands are the major subsistence producers and small-scale marketers of food and handicrafts however men are more likely than women to specialize in commercial or semi-commercial production than women. While women contribute labour, they rarely control income from commercial enterprises.<sup>88</sup>

## C.3 Tonga

Tonga's economy is characterised by a large non-monetary sector and a heavy dependence on foreign remittances – predominantly from Australia, New Zealand and the United States. The country remains dependent on sizable external aid and remittances to offset its trade deficit. Rural Tongans rely on plantation and subsistence agriculture, which contributes 30% to Gross Domestic Product (GDP). Coconuts, vanilla beans, and bananas are the major cash crops. The processing of coconuts into copra and dessicated coconut is the only significant industry, with the copra industry having been plagued by depressed world prices for a number of years.

Tonga's major global exports include squash, fish, vanilla beans and root crops<sup>89</sup>. Tonga's development plans emphasise a growing private sector, upgrading agricultural productivity, revitalizing the squash and vanilla bean industries, developing tourism, and improving the island's communications and transportation systems. Efforts are also being made to invest in diversification of export products, for examples expanding fisheries and exploitation of forests.

Despite the narrowly based economy that depends on agricultural exports, Tonga has a relatively open trading environment that makes it well developed compared to other Pacific Islands in the region, for example, Tonga imports a high proportion of its food, mainly from New Zealand.

In Tonga, women have traditionally held a high social status. However, in recent centuries, there has been a sociological shift that has resulted in the society becoming more patriarchal. As a result, Tongan women today face various inequalities in legislative matters and work settings. Domestic violence is believed to be seriously underreported with awareness of this issue being extremely low, especially in rural areas. In most cases, men are the decision maker in all-important matters, in both the public

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<sup>86</sup> ADB, (2013), Country Partnership Strategy Fiji 2014-2018, Gender Analysis Summary, p.1.

<sup>87</sup> ADB, (2006), Fiji Country Gender Assessment, p.xiii.

<sup>88</sup> Ibid, p.24.

<sup>89</sup> ANZ Business. "Tonga: economic overview." Accessed online 26 April 2016 at [www.anzbusiness.com](http://www.anzbusiness.com)

(including political) and private spheres with women being poorly represented in politics.<sup>90</sup> The lack of participation by women in decision making is arguably inconsistent with the culture of the fahu system in which sisters are held in the highest regard. Gender stereotypes are also widespread in Tonga, including the notion that politics is the domain of men.<sup>91</sup> Tonga is ranked 148 on the UNDPs 2014 Gender Inequality Index.

Like other Pacific Island countries, women's inability to own land impacts on their ability to benefit from Fairtrade activities. Women are excluded from land holding unless there is no male in the lineage, and even then they have mere occupancy rights. The leasing of land has provided some respite and women now hold the highest number of leases (70%) in Tonga.<sup>92</sup> Although the primary sector accounts for only 20% of GDP, rural people still largely rely on subsistence agriculture and fishing for their existence. In rural areas, agro-forestry is widely practiced with root crops being widely cultivated. Most women do not engage in paid work in agriculture and are only involved in household food production and their contribution towards the agriculture and fisheries industries are not reflected official statistics as they are part of the informal economy.<sup>93</sup>

## C.4 Samoa

Samoa's recent structural reforms have focused on enhancing agriculture and tourism and on lowering the cost of conducting business. However, the lack of commitment to opening markets continues to constrain diversification of the economy, such that it is becoming increasingly dependent upon foreign aid and remittances<sup>94</sup>. Furthermore, institutional constraints to private sector growth are impacting on longer term economic development of the island economy.

Traditionally the economy has been dependent upon agriculture and fishing. Where the agricultural sector has employed roughly two-thirds of the labour force and supplies 90% of exports, mainly in coconut cream, coconut oil, and copra. The manufacturing sector mainly processes agricultural products. Unfortunately, Samoa is extremely vulnerable to extreme weather events.

Women's role in economic activity is constrained by cultural expectations about their domestic and social role. Generally women have a limited public or leadership role in Samoan society. Women's limited access to land also significantly affects their ability to enter the private sector. Samoa has entered into international commitments to gender equality including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The Constitution guarantees non-discrimination, including on the grounds of sex, and the Courts have held that such Constitutional guarantees prevail over customary law practices. But Samoa's statute law continues to contain provisions that discriminate against women.<sup>95</sup> Samoa is ranked 97 on the UNDP 2014 Gender Inequality Index. Samoan women who are engaged in economic activities face the additional challenge of balancing this role alongside their social and family obligations.<sup>96</sup>

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<sup>90</sup> JICA, (2010), "Country Gender Profile, The Kingdom of Tonga", February 2012.

<sup>91</sup> Braun, T (2012), "Stocktake of the gender mainstreaming capacity of Pacific Island Governments, Kingdom of Tonga", SPC, Noumea, 2012.

<sup>92</sup> Ibid

<sup>93</sup> Opcit, JICA, (2010).

<sup>94</sup> The Heritage Foundation. "2016 Index of Economic Freedom: Samoa." Accessed online 25 April 2016 at [www.heritage.org](http://www.heritage.org)

<sup>95</sup> Hedditch, S and Mauel, C, (2010), "Samoa Gender and Investment Climate Reform Assessment", (in partnership with AusAID), IFC, Sydney, p.viii.

<sup>96</sup> Hedditch, S and Mauel, C, (2010), "Samoa Gender and Investment Climate Reform Assessment", (in partnership with AusAID), IFC, Sydney

## C.5 Vanuatu

The majority of Vanuatu's population lives in rural areas where subsistence farming, fishing and production of cash crops such as kava, coconut and cocoa are the main sources of livelihoods. 80% of the population is engaged in agricultural activities that range from subsistence farming to small holder farming of coconuts and other cash crops. Exports are dominated by agricultural products particularly kava, coconut products, beef and cocoa and agriculture accounts for 20% of GDP. Vanuatu is also extremely vulnerable to extreme weather events with significant long term damage caused by tropical cyclone Pam in 2015.

Economic growth has reduced poverty, however it still persists particularly in some urban areas where many people lack access to basic services, jobs, and education, and struggle to access finance to meet regular expenses<sup>97</sup>.

Vanuatu is a traditionally male dominated and largely patriarchal society. Women have extremely low representation in Parliament and in other decision-making bodies. Despite ratification of the Convention Against all Forms of Discrimination against Women a number of Vanuatu's laws continue to discriminate against women, for example in relation to matrimonial property, inheritance, and citizenship. Vanuatu's land laws do not discriminate against women. But 97 percent of land in Vanuatu is under customary tenure which generally means that women have very limited rights to control and manage land.<sup>98</sup> As in many other Pacific societies, economically active women suffer from a double workday – combining responsibilities for home and family with their economic activities. Domestic violence against women is a serious and growing problem.

## C.6 Solomon Islands

Economic growth in the Solomon Islands has recovered following severe floods in 2014, however sustained longer term growth is uncertain in the current environment due to weak exports and projected decline in development assistance in the medium term<sup>99</sup>. Inclusive economic growth and strengthened human productivity will be key levers towards greater stability in the Solomon Islands. The Solomon Islands Government's National Development Strategy has a focus on economic growth, poverty reduction and quality social services.

Over 75% of the labour force are engaged in subsistence farming and fishing. Established industries such as agricultural exports and palm oil and tuna processing offer opportunities to realize economies of scale despite major constraints to growth and private sector development. These constraints include: poor infrastructure, low labour skills, high utility costs and land tenure issues. Public administration and financial management are weak resulting in constrained environment for incentivizing foreign investment and enabling the success and innovation of local actors<sup>100</sup>.

Deep gender inequality limits the opportunities available to women, to the detriment of broader economic and social development. Rates of violence against women are amongst the highest in the

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<sup>97</sup> Asian Development Bank. "Poverty in Vanuatu." Accessed online 26 April 2016 at [www.adb.org/countries/vanuatu/poverty](http://www.adb.org/countries/vanuatu/poverty)

<sup>98</sup> Hedditch, S and Mauel, C, (2010), "Vanuatu Gender and Investment Climate Reform Assessment", (in partnership with AusAID), IFC, Sydney, p.xi.

<sup>99</sup> Asian Development Bank. "Solomon Islands: Economy." Accessed online 25 April 2016 at [www.adb.org/countries/solomonislands/economy](http://www.adb.org/countries/solomonislands/economy)

<sup>100</sup> Australian Department of Foreign Affairs and Trade. "Overview of Australia's aid program to Solomon Islands." Accessed online 26 April 2016 at [www.dfat.gov.au/geo/solomon-islands/development-assistance/pages/development-assistance-aolomon-islands.aspx](http://www.dfat.gov.au/geo/solomon-islands/development-assistance/pages/development-assistance-aolomon-islands.aspx)

world with an estimated two-thirds of women aged 15-49 having experienced physical or sexual violence. Although largely absent from the formal sector, Solomon Islands' women play a major role in the country's rural economy as producers and in marketing. Women are responsible for about 90 percent of fresh fruit and vegetable marketing – as bulk-buyers and as retailers.<sup>101</sup> But Solomon Islands women operate their businesses in a male-dominated culture. They have minimal representation in decision making. They are under-represented in the formal labour market, and face major cultural barriers as entrepreneurs. Although international commitments and the Constitution guarantee women equal rights, laws remain on the country's statute books that discriminate against women in relation to property and employment rights. And at village level customary law, which tends to discriminate against women, is the norm<sup>102</sup>. The vast majority of land is owned under customary tenure. Even in matrilineal systems women are in practice largely excluded from decision-making about the land, particularly when it is 'formalized' and put to economic use, when women's land rights are frequently over-ridden.<sup>103</sup>

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<sup>101</sup> Hedditch, S and Mael, C, (2010), "Solomon Islands Gender and Investment Climate Reform Assessment", (in partnership with AusAID), IFC, Sydney, pviii.

<sup>102</sup> *Ibid*

<sup>103</sup> *Ibid*, p.xi

# **Appendix D**

## **Social Impact Framework**

Please note that indicators that are *italicised* are those that are already collected by Fairtrade ANZ.

Results Area	Key Indicator	Data Collection Method	Frequency	Who
<b>Improved Livelihoods</b>				
<i>Income and Wealth</i>	<ul style="list-style-type: none"> <li>Value of agricultural export sales (FT vs CT) (\$)</li> <li>Value of Fairtrade Premium sales (\$)</li> <li>Producers with bank accounts (No. M/F youth (15-24))</li> <li>Household income expenditure (%)</li> <li>Worker income from agricultural activities (\$ M/F)</li> <li>Producers with access to finance (No. M/F youth (15-24))</li> </ul>	FLO-Cert Records FLO-Cert Records Producer Survey Producer Survey Producer Survey Producer Survey	Quarterly Quarterly Annually Annually Annually Annually	PSR Team PSR Team LO/Producer Association
<i>Agribusiness</i>	<ul style="list-style-type: none"> <li>People who have gained access to agricultural technologies (No. M/F, youth (15-24))</li> <li>Additional agricultural production (% change – based on product quantity)</li> <li>Producers utilising improved pasture/forage systems (No. M/F)</li> <li><i>Agricultural goods (tonnage/volume)</i></li> <li>Producers planting increasing crop diversity (No. M/F)</li> <li>Hired labour or employees used per year/season (No. M/F youth (15-24))</li> <li>Producers with market access services (No. M/F youth (15-24))</li> <li><i>Hectares under production (No. Hectares)</i></li> <li>Producers growing improved crop species (No. % )</li> <li>Producers and commercial partners reporting strong relationships (No. %)</li> </ul>	Producer Survey Producer Survey Producer Survey Producer Survey Producer Survey Producer Survey Producer Survey Producer Survey Producer Survey Producer Survey Relational Proximity Survey	Annually Annually Annually Annually Annually Annually Annually Annually Annually Annually Annually/Every 2 years	LO/Producer Association/Extension Officer  PSR and Commercial Team
<i>Health</i>	<ul style="list-style-type: none"> <li>Health facilities built or upgraded (No.)</li> <li>People that have received essential medicines and care at PHC facilities (No. M/F)</li> <li>Changes in utilisation of health services – by sex, age etc (%)</li> <li>Self-assessed level of wellbeing (eg. ability to fulfil community and religious obligations) (% M/F)</li> </ul>	Producer Survey Producer Survey Producer Survey Producer Survey	Annually Annually Annually Annually	LO/Producer Association/Extension Officer

<i>Education</i>	<ul style="list-style-type: none"> <li>Number of children assisted in primary and secondary education (No. M/F)</li> <li>Producers that complete vocational training (No. M/F)</li> <li>Producers/Association staff that complete tertiary scholarships (No. M/F)</li> <li>Education materials provided eg. Books, computers etc (Yes/No)</li> <li>Classrooms built or upgraded (No.)</li> <li>Children that have gained access to education (No. M/F)</li> </ul>	<p>Producer Survey  Producer Survey  Producer Survey  Producer Survey  Producer Survey  Producer Survey</p>	<p>Annually  Annually  Annually  Annually  Annually  Annually</p>	LO/Producer Association/Extension Officer
<i>Energy</i>	<ul style="list-style-type: none"> <li>Producer households/businesses with new or improved electricity supply (%)</li> <li>Producer perceptions that new or improved electricity supply provides greater opportunities for work/business activities (%)</li> <li>Producer perceptions that new or improved electricity supply provides greater opportunities for social and family activities (%)</li> <li>Time saved by women and girls on collecting biomass fuels (hours/week)</li> </ul>	<p>Producer Survey  Producer Survey  Producer Survey  Producer Survey</p>	<p>Annually  Annually  Annually  Annually</p>	LO/Producer Association/Extension Officer
<i>Water and Sanitation</i>	<ul style="list-style-type: none"> <li>People provided new or improved water supply (No. M/F)</li> <li>People with new or improved basic sanitation (No. M/F)</li> <li>Time saved by women and girls on collecting water for domestic and other use (hours/week)</li> </ul>	<p>Producer Survey  Producer Survey  Producer Survey</p>	<p>Annually  Annually  Annually</p>	LO/Producer Association/Extension Officer
<i>ICT</i>	<ul style="list-style-type: none"> <li>Producer/member households with access to mobile phones (No. %M/F)</li> <li>Associations with internet (email) access (No. %)</li> <li>Associations with a computer (No. %)</li> </ul>	<p>Producer Survey  Producer Survey  Producer Survey</p>	<p>Annually  Annually  Annually</p>	LO/Producer Association/Extension Officer
<i>Resilience/Climate Change Adaptation</i>	<ul style="list-style-type: none"> <li>Percentage of households experiencing negative shocks (natural disaster, economic etc) in project sites.</li> </ul>	<p>Producer Survey</p>	<p>Annually</p>	

Empower Male and Female Small Producers				
	<ul style="list-style-type: none"> <li>Fairtrade Certified Groups (No. and country)</li> <li>Membership of Fairtrade association (No. %M/F youth (15-24))</li> <li>Percentage of Women involved in decision making roles (%)</li> <li>Fairtrade certified product range (No. Commodity type)</li> </ul>	FLO-Cert Records FLO-Cert Records Producer Survey FLO-Cert Records	Quarterly Quarterly Annually Quarterly	PSR Team PSR Team LO/Producer Association PSR Team
Capacity Development	<ul style="list-style-type: none"> <li>Producers that receive training<sup>104</sup> (No. M/F youth (15-24))</li> <li>Producers using skills/knowledge received in training six months later (No. %M/F youth (15-24))</li> <li>Producers reporting confidence in having the appropriate skills and knowledge to look after their plantations/gardens/fulfil their roles (No. M/F youth (15-24))</li> <li>People showing change in: attitude, skills, knowledge, or behaviour (ie. through self-assessment or independent assessment)</li> <li>Organisational systems/processes that are operational after 12 months from inception (No. %)</li> <li>Associations and related community entities are operating in a sustainable manner (eg. Annual planning and reporting undertaken, resourcing, capability) (Yes/No)</li> </ul>	Fairtrade ANZ Training Records Producer Survey Producer Survey Producer Survey LO Monthly and Quarterly Reports LO Monthly and Quarterly Reports	Monthly Annually Annually Annually Quarterly Quarterly	PSR Team/LO LO/Producer Association LO/Producer Association LO/Producer Association PSR Team/LO PSR Team/LO
Make Trade Fair				
	<ul style="list-style-type: none"> <li>NZ retail sales of Fairtrade certified products (\$)</li> <li>Consumers purchasing Fairtrade products (No. %M/F)</li> <li>Fairtrade licensees in NZ (No.)</li> <li>Fairtrade mark recognition (% M/F)</li> <li>Commercial partners reporting stronger relationships with Fairtrade ANZ (%)</li> <li>Unique visitors to website referred from each channel (no.)</li> <li>Net promoter % by channel</li> </ul>	FI Reports Conscious Consumer App Fairtrade ANZ Records Colmar Brunton Survey Relational Proximity Survey	Quarterly Quarterly Annually Annually Every 2 years	Commercial Team Commercial Team Commercial Team Commercial Team Commercial Team

<sup>104</sup> Data collection and reporting forms will need to specify major categories of training eg. Agricultural related governance, finance and administration, gender, child labour, climate change adaptation etc

	<ul style="list-style-type: none"> <li>▪ Number of items and engagement (posts, tweets, likes, shares, views)</li> <li>▪ % increase in followers year on year</li> <li>▪ Reach among target audience in channel and % increase over time</li> <li>▪ <i>Likelihood to purchase among target stakeholders &amp; % increase over time</i></li> <li>▪ <i>%increase in brand preference</i></li> <li>▪ <i>% increase in brand consideration</i></li> <li>▪ <i>% increase in likelihood to recommend</i></li> <li>▪ <i>% association with brand attributes</i></li> <li>▪ <i>Sales</i></li> <li>▪ <i>% increase in inbound requests for information (leads)</i></li> <li>▪ New subscribers</li> <li>▪ New traffic to website</li> <li>▪ % increase in click throughs</li> <li>▪ % increase in time viewing</li> <li>▪ % decrease n bounce rate</li> <li>▪ % increase in event attendance</li> <li>▪ <i>Brand awareness</i></li> </ul>			
<b>Gender Equality</b>				
<i>Income and Wealth</i>	<ul style="list-style-type: none"> <li>▪ Changes in women’s control over income (their own earnings and other family income)(% change – based on household budget)</li> <li>▪ Examples of women’s and men’s spending priorities (qualitative sample)</li> <li>▪ Examples of income diversification or small enterprises established or expanded by women and men (qualitative sample)</li> </ul>	Producer Survey Producer Survey Producer Survey	Annually Annually Annually	LO/Producer Association
<i>Empowerment</i>	<ul style="list-style-type: none"> <li>▪ Examples of changes in women’s decision making in family and livelihood matters in the community due to their engagement in the project (qualitative sample)</li> <li>▪ Changes in the gender division of labor reported by women and men (e.g., men undertaking domestic work, or women working in nontraditional income-earning roles) (qualitative sample)</li> </ul>	Producer Survey Producer Survey	Annually Annually	LO/Producer Association

<p><i>Capacity Development</i></p>	<ul style="list-style-type: none"> <li>▪ Number of men and women participating in activities targeting gender equality and women's empowerment (%. M/F)</li> <li>▪ Changes in perceptions among men and male leaders of benefits of women's empowerment (ie. reported by men and women themselves) (qualitative sample)</li> </ul>	<p>Producer Survey Producer Survey</p>	<p>Annually Annually</p>	<p>LO/Producer Association</p>
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