



FAIRTRADE
INTERNATIONAL

WEST AFRICA COCOA PROGRAMME MONITORING REPORT

Third Edition

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Credits:

Data team: Jesse Hastings (Fairtrade International), Teodora Mihaljic (Fairtrade International), Francis Donzuo (Fairtrade Africa), and the GeoDev team (External consultancy).

Editorial team: Jesse Hastings (Fairtrade International), Jon Walker (Fairtrade International), Sonndia Ouattara (FTA), Abubakar Afful (FTA), and many other colleagues in FLOCERT, Fairtrade International, Fairtrade Africa, National Fairtrade Organisations (NFOs), and external partner organisations.

Design/layout: Alberto Martínez, Renderparty. *Proofreading:* Laura O'Mahony

Cover picture: Heaped ABOCFA Cocoa Pods, Aponoapono Ghana. *Photographer:* Nipah Dennis

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NOTE FROM FAIRTRADE AFRICA'S EXECUTIVE DIRECTOR



Isaac H. Tongola
Executive Director,
Fairtrade Africa

In 2016, we started the West Africa Cocoa Programme. This year, 2023, marks the seventh year of continuous investment in working with small-scale producer organisations (SPOs) in Côte d'Ivoire, Ghana and, more recently, Sierra Leone to create viable and resilient businesses that are able to serve their members' needs.

Our WACP Monitoring Report, Third Edition continues to show good progress in achieving the outcomes in our Theory of Change. As we continue our work in 2023 and beyond, we will be working with SPOs, their members and commercial partners to implement our new Fairtrade Cocoa Standard published at the end of 2022. The Fairtrade Cocoa Standard aligns well with upcoming regulation in the European Union where, including countries adjacent to the EU, the majority of Fairtrade cocoa is sold.

Ensuring SPOs and their members can meet new regulatory requirements for market access will take money and partnerships. Our Fairtrade Cocoa Standard seeks to facilitate support for SPOs by also putting requirements on other actors in the supply chain to support SPOs with their efforts on deforestation and human rights and environmental due diligence. However, we will need to see that support

materialise and more programmatic partnerships funded by commercial actors and governments.

We hear the clear call from SPOs that they are seeking direct contracts with brands and retailers for Fairtrade cocoa. In theory, the new wave of regulation should help facilitate that. We have used our institutional capacity and the partnership between Fairtrade and SPOs as a springboard for creating living income partnerships with some brands and retailers.

However, given that Ghanaian SPOs sold an average of 18 percent of their volume on Fairtrade terms and Ivorian SPOs only 33 percent, the reality is that we need to increase sales on Fairtrade terms and the number of partnerships between brands, retailers and SPOs.

During 2022, we received extremely concerning news from the two ends of the supply chain. SPOs and their members were reporting that their costs had exploded fuelled by inflation. At the same time, some of our market partners expressed concern about the impact of inflation on their own business and we saw a historically high Ivorian Fairtrade Minimum Price (FMP) Differential of US\$311.40 per tonne.

All of the Ivorian FMP Differential is passed onto SPO members by the SPO and is in addition to the US\$240 Fairtrade Premium. Our Fairtrade Minimum Price is, in effect, a safety net for farmers at times of high inflation and low prices and a first step on the path to achieving living incomes.

While we accept that almost all actors in the cocoa market are feeling the impact of inflation, the sector has to acknowledge and act on the reality that, without higher prices and higher margins for SPOs and their members, most of whom live in poverty and many in extreme poverty, there will be no sustainable cocoa.

Fairtrade will continue to work with SPOs and their members to build democratic, transparent and participative organisations. The WACP aims for SPOs and their members to embrace the principles of economic, environmental and social sustainability in cocoa production and community life. However, this cannot be achieved by SPOs, their members and Fairtrade in isolation. The rest of the cocoa sector needs to step up with long-term contracts and fair prices. We are here to facilitate that, and we can do that with all stakeholders in the chain. We are, therefore, calling on all stakeholders who have the interests of the producers at heart to come on board to push this agenda.

A handwritten signature in blue ink, appearing to read 'Isaac H. Tongola', written over a horizontal line.

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INTRODUCTION TO THE WEST AFRICA COCOA PROGRAMME (WACP)

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

Therefore, in mid-2016, Fairtrade launched the West Africa Cocoa Programme (WACP). The WACP seeks to build strong and viable Fairtrade SPOs that are responsive to their members' and business partners' needs. The WACP is implemented in Côte d'Ivoire, Ghana and Sierra Leone by Fairtrade Africa (FTA), with support from Fairtrade International. National Fairtrade Organisations (NFOs) in countries with markets for Fairtrade products relay the outputs and outcomes of WACP to customers buying Fairtrade cocoa. Consistent funding since mid-2016 for the WACP has enabled the FTA team in West Africa to grow its personnel capacity both in terms of numbers and skills. Institutional strength and knowledge have been built.

An external assessment published in 2022 showed clear evidence that SPOs participating in the WACP were more effective and resilient businesses and responsive to their members' needs. SPOs had greater skills and confidence in accessing Fairtrade markets. However, sustained growth in Fairtrade sales was yet to be achieved.

The inability of SPOs to sustain growth in Fairtrade sales reflects a very large oversupply of Fairtrade cocoa and a decline in demand after the 2019 increase in the Fairtrade Minimum Price and Premium. Fairtrade sales rebounded in 2021.

SPO members were also found to be diversifying their income. Further work on enabling SPO access to child labour and forced labour monitoring and remediation systems and deforestation risk assessments were recommendations of the external assessment. These are being addressed through new Fairtrade Cocoa Standard requirements published after consultation in December 2022 and through relevant programmes and partnerships.

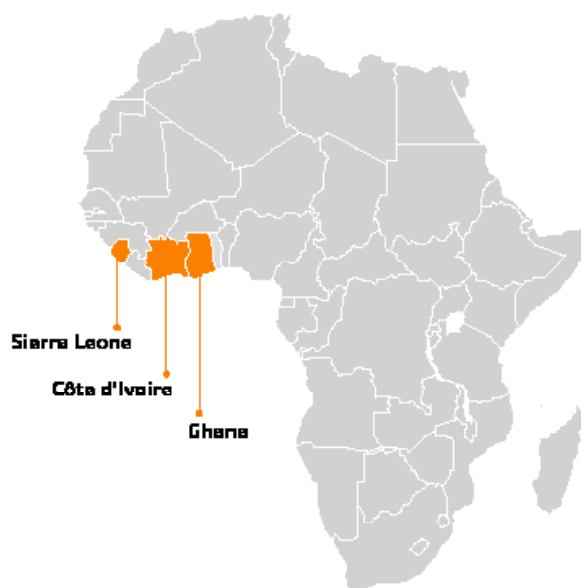
The main WACP interventions are trainings, coaching and advisory and technical support for SPOs and peer-to-peer learning. SPOs receiving trainings under the WACP are stratified into one of four levels. These levels are differentiated by level of service and intensity/type of training. Stratification of SPOs into levels is based on their volume of sales on Fairtrade terms, length of time certified, the permanency of contracts to sell on Fairtrade terms, and the amount of WACP training already received, among other factors. This stratification (rather than all Fairtrade cocoa SPOs receiving the highest intensity of trainings) has been necessary due to budget restrictions and the increasing number of Fairtrade certified SPOs in Côte d'Ivoire. All SPOs

receive basic group trainings focused on assisting the SPOs in maintaining their Fairtrade certification and adhering to the relevant Standards, including the SPO Standard and the Cocoa Standard.

At the highest intensity, the trainings are informed by prior needs assessments and include intensive thematic coaching that builds capacity in such subjects as compliance with the OHADA Law (Organisation pour l'harmonisation en Afrique du droit des affaires, which translates as Organisation for the Harmonisation of Corporate Law in Africa), Child Rights, Gender Inclusion, Good Agricultural Practices (GAPs), Internal Management Systems (IMS), Human Rights and Environmental Due Diligence (HREDD), Financial Management and enhancing member outreach, among other interventions.

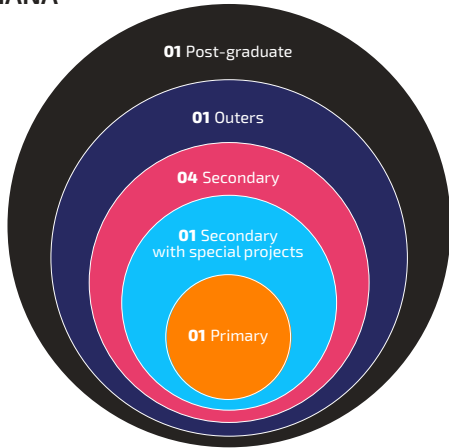
The WACP training interventions seek to strengthen both the SPO's management and the members themselves. Training modules are explicitly designed for the West African cocoa context and regularly updated with new subjects as a result of the evolving nature of the Fairtrade Standards and the cocoa landscape.

In 2022 and 2023, the WACP training interventions are being expanded further reflecting the new Fairtrade Cocoa Standard published in December 2022. Key topics include Human Rights and Environmental Due Diligence, deforestation, traceability and transparency, and sharecroppers .



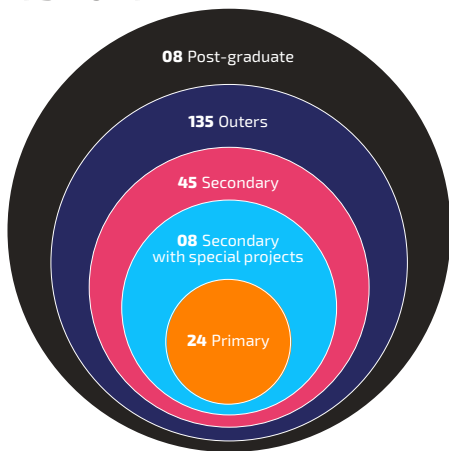
¹ Available at <https://www.fairtrade.net/library/baseline-for-assessing-the-impact-of-fairtrade-certification-on-cocoa-growers-and-cooperatives-in-cote-divoire> and <https://www.fairtrade.net/library/baseline-for-assessing-the-impact-of-fairtrade-certification-on-cocoa-farmers-and-cooperatives-in-ghana>

GHANA



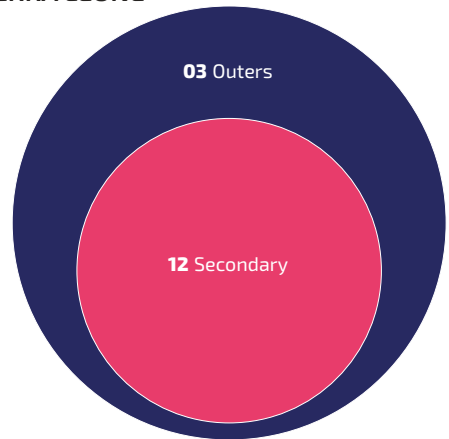
Primary	Core certification workshop + Strategic support + Annual General Meeting (AGM) + Village Savings and Loans Association (VLSA) + 2 thematic + 2 follow-up
Secondary with special projects	Core certification workshop + Strategic support + AGM + 1 thematic + 1 follow-up
Secondary	Core certification workshop + Strategic support + AGM + One-on-One coaching
Outers	Core certification workshop only
Post-graduate	Core certification workshop + Strategic support + AGM + other services based on needs

CÔTE D'IVOIRE



Primary	Core certification workshop + Strategic support + AGM + 2 thematic + 2 follow-up
Secondary with special projects	Core certification workshop + Strategic support + AGM + 1 thematic + 1 follow-up
Secondary	Core certification workshop + Strategic support + One-on-One coaching
Outers	Core certification workshop
Post-graduate	Core certification workshop + Strategic support + AGM + other services based on needs

SIERRA LEONE



Secondary	Core certification workshop + One-on-One coaching
Outers	Core certification workshop only

In 2021, there were 22,717 attendances by members and management from SPOs at trainings including (16,741 males and 5,976 females) at trainings implemented by Fairtrade Africa staff and SPO representatives (who have taken on training roles funded by Fairtrade Africa and the SPOs themselves). In 2022, FTA trainings through WACP reached 39,939 SPO members and management (27,867 males and 12,072 females). This represented a 75 percent year-on-year increase in participants reached.

In 2022, we saw a welcome increase in cascading trainings by SPOs to their members. This was achieved after a focus by FTA in 2021 on building the capacity of SPO trainers. SPO trainers took the lead in training their own SPO members under the supervision of the FTA staff. The process builds the confidence of SPO trainers and leads to a closer relationship between the SPO, SPO members and the trainers.

INTRODUCTION TO WACP MONITORING, EVALUATION, AND LEARNING (MEL)

The WACP Theory of Change (ToC) details the activities and expected outputs, outcomes, and impacts that Fairtrade expects to see from the programme.² The original WACP ToC was designed in 2016 and 2017 after consultation with SPOs and their members, and the current ToC (the version displayed here) was developed in 2021 based on findings from three years of monitoring and evaluation and after extensive consultations with Fairtrade Africa, Fairtrade International, external consultants, and the SPOs themselves.

The current WACP Theory of Change has effectiveness and resilience of SPOs as businesses and empowerment of SPO members as its main outcomes. The concept of SPOs being responsive to their members is deeply rooted in Fairtrade. Ultimately, WACP is aiming for long-term relationships

between the consumer brands, the retailers, the traders that supply them and the SPOs whose members rely on cocoa for the majority of their household income. This mutual understanding should lead to a strong production base and sustained access to Fairtrade markets.

In 2017, Fairtrade International and Fairtrade Africa began a comprehensive effort to monitor the impact of WACP on SPOs and their cocoa farmers. Indicators were developed based on the original WACP ToC and input from all relevant stakeholder groups. Data was designed to be collected both from SPOs themselves (via the management) and their members. The focus of the data collection was to be on those SPOs in "key supply chains", in other words, those SPOs within WACP that were supplying significant volumes to commercial brands.



West Africa Cocoa Programme Theory of Change

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

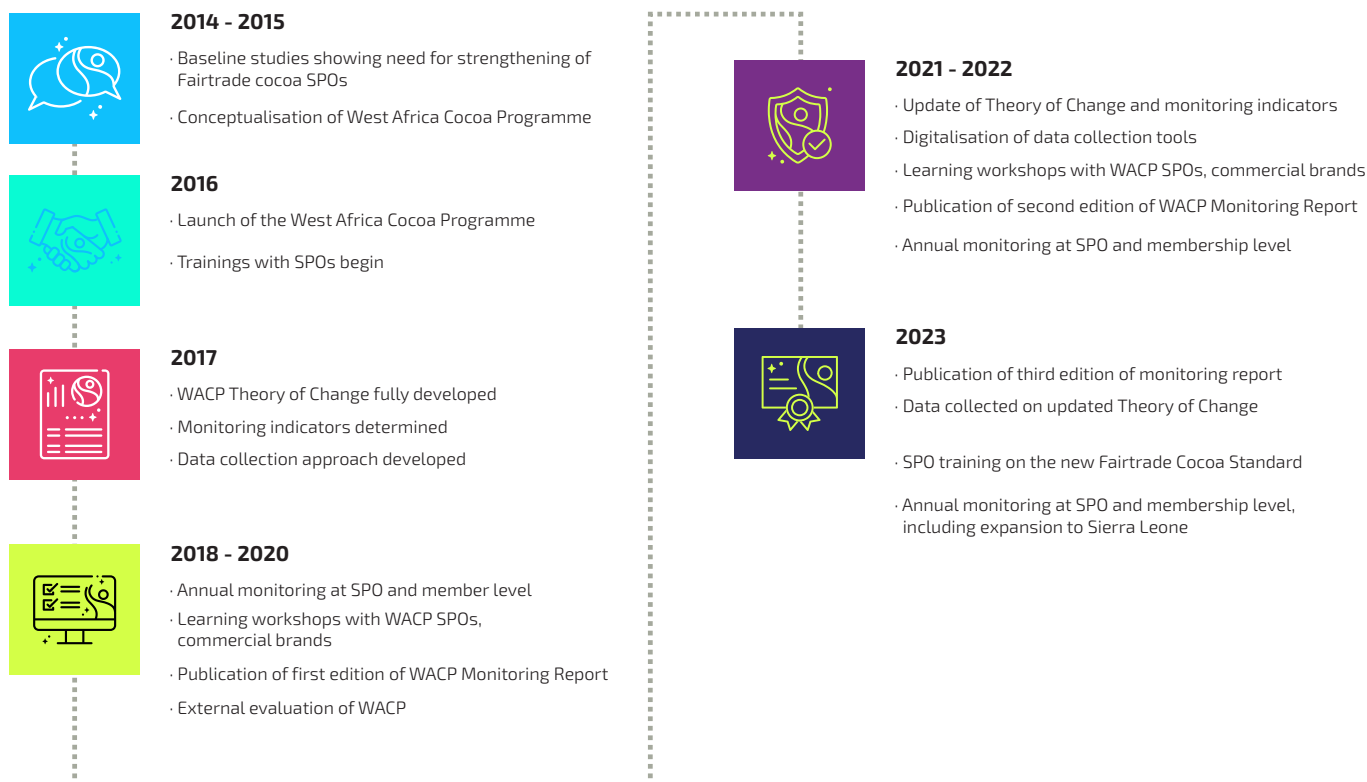
The first round of annual monitoring aimed at collecting data on the agreed indicators took place between July and November 2018. The second round of monitoring was conducted between July and October 2019. The third round of monitoring was conducted during the COVID-19 pandemic from September to November 2020. The fourth round of monitoring took place from March to June 2022, focusing on the updated ToC and revised indicator set. Data from 35 SPOs was collected in 2018; 28 in 2019; 30 in 2020, and 37 in 2022. In total, more than 2,600 SPO staff and members were sampled in this multi-year period.

WACP learning workshops have been held with Fairtrade Africa as well as key NFOs from end-2018 onwards. The first large-scale learning workshop took place with selected representatives from consumer brands, NFOs, FTA, Fairtrade International, and the SPOs themselves in May 2019. Held in Yamoussoukro, Côte d'Ivoire, this workshop allowed the attendees to discuss and learn from the WACP MEL data as well as other topics of mutual interest. Online learning workshops were held in 2020 with SPOs and commercial brands.

Since 2020, learning has been promoted with SPOs through bilateral conversations between Fairtrade Africa and SPO management. A process of identifying areas for improvement was undertaken by the SPOs and supported by Fairtrade Africa. In addition, the aggregated performances of SPOs at country level were presented to the SPOs during joint planning meetings. SPOs collectively discussed the results.

Most of the SPOs sampled and their members have been in Côte d'Ivoire with only a small minority in Ghana. In this report, for the first time, data from Côte d'Ivoire and Ghana are completely broken down and analysed separately. However, this means that, at times, data from Ghana is not available or may not be representative due to the small sample size. It also means that there may be some differences in figures compared with past monitoring reports where data from Ghana at SPO level was analysed together with that from Côte d'Ivoire.

One limitation of the data is that while all SPOs in the sample were surveyed at management level every year, only one-third to half of the SPOs in the sample had some of their members sampled at household level every year. Data is also largely generated based on respondent records and recall as opposed to on-the-ground observations. This means some recall errors can occur.



Timeline of WACP MEL Activities

SPOS ARE SATISFIED WITH THE HIGH QUALITY TRAININGS RECEIVED FROM FAIRTRADE AFRICA AND ARE GETTING THEIR TRAINING NEEDS MET

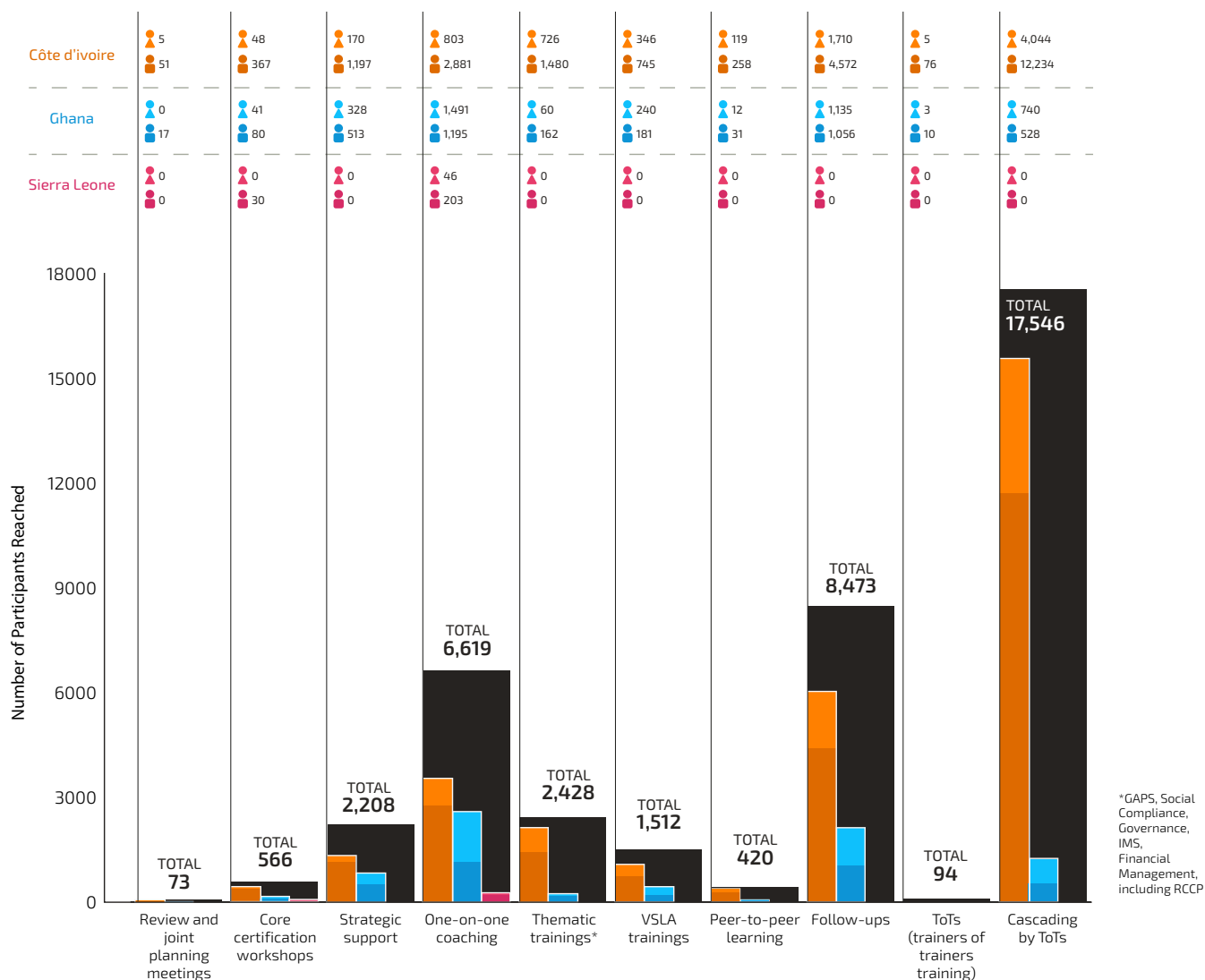
TRAININGS PROVIDED BY FAIRTRADE AFRICA TO SPOS COVER A BROAD RANGE OF TOPICS AND REACH THOUSANDS OF MANAGERS AND FARMERS

Trainings provided by Fairtrade Africa to SPOs cover a broad range of topics and reach SPO Board members, managers and thousands of SPO farmer members. Trainings are tailored to the needs and challenges of each SPO and are agreed with the SPO at the beginning of each year.

The trainings can include:

- Certification advisory support which normally focuses on SPO leadership, SPO certification managers and the SPO's trainers. The training builds the capacities of the personnel involved to comply with the Fairtrade Standards and support the SPO's members to comply.
- One-on-one coaching and community engagement targeting SPO members.

- Thematic training targeting SPO staff and members on topics such as Good Agricultural Practices (GAPs), climate change, child labour, Village Savings and Loans Associations, Internal Management Systems, governance and membership engagement targets the leadership of the cooperatives to ensure that they have the capacity to manage their organisations and reach out to their members.
- Engagement with SPO members at community level on the topics detailed above are undertaken directly by Fairtrade Africa staff and by SPO staff.
- Women's empowerment is embedded throughout the WACP curriculum. This is complemented by our ground-breaking Women's School of Leadership currently operational in Côte d'Ivoire and Ghana.



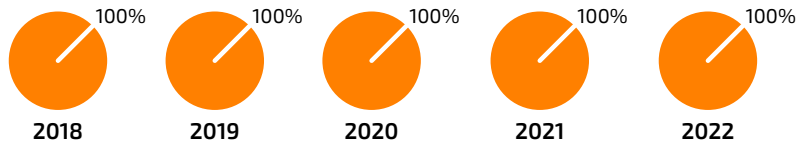
WACP trainings across three countries (Côte d'Ivoire, Ghana, and Sierra Leone) using multiple approaches reached almost 40,000 participants in 2022.

SPO MANAGERS ARE HIGHLY SATISFIED WITH THE QUALITY OF THE WACP TRAININGS

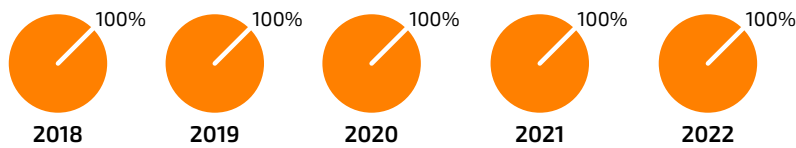
All SPO managers surveyed in both countries during the entire multi-year monitoring cycle (2018 – 2022) reported that they

were satisfied or very satisfied with the quality of trainings provided as part of the WACP.

Côte d'Ivoire



Ghana



All SPO managers in Côte d'Ivoire and Ghana, surveyed from 2018 to 2022, said they were satisfied or very satisfied with the quality of WACP trainings.

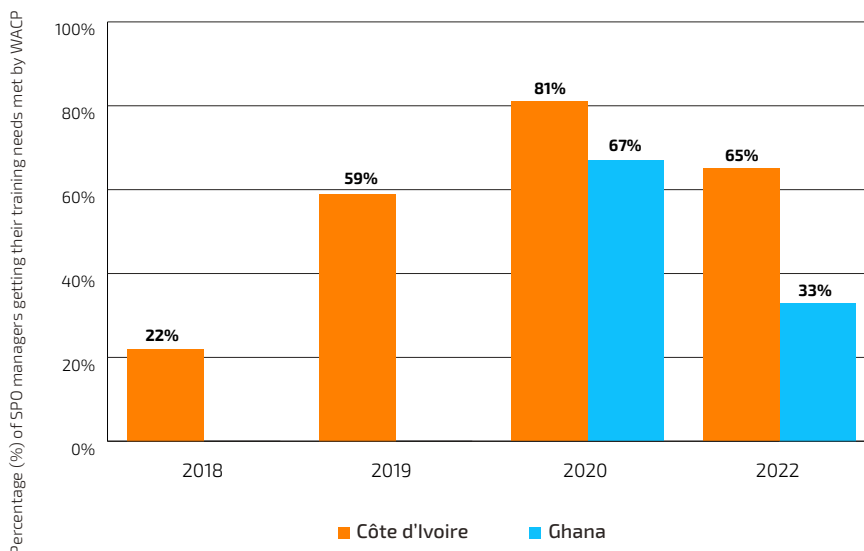
SPO MANAGERS ARE GETTING THEIR TRAINING NEEDS MET, WHILE THE INDUCTION OF NEW SPOS INTO WACP IS EXPANDING ITS REACH

From 2018 to 2020, there was an upward trend of SPO managers getting their training needs met. The percentage of SPO managers sampled who said WACP had met their SPO's most important training needs rose from 22 percent to 81 percent in Côte d'Ivoire. (For Ghana, too few SPOs were surveyed in 2018 and 2019 to make a determination on this indicator). In 2022, we saw a reduction in SPO managers saying their training needs were met.

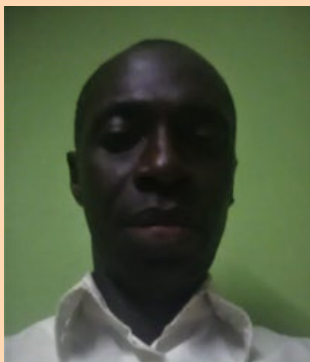
In 2021, Fairtrade Africa created a new category for SPOs called 'post-graduate' and they received a reduced intensity of training. This made space for a new set of SPOs to receive primary category intensive training. Working through the full training curriculum with SPOs only recently included in the

primary training category will take time. We hope to see the number of them saying all their needs are being met rise over time.

A sub-set of SPOs working closely with a commercial partner are now working with an external provider contracted by that commercial partner. In agreement with the commercial partner, and in consultation with the SPOs, we reduced training provided through the WACP to avoid duplication. We hope over time that the external provider will meet those SPOs' needs. We continue to monitor the situation and, for areas where the external provider cannot meet the SPOs' needs, FTA will try to cover that need through WACP.



There is an upward trend in SPO managers getting all of their training needs met, with a slight dip in 2022 due to the induction of new SPOs into WACP.



Bahinchi Aubin, Fairtrade Contact Person, ECAGNI COOP-CA, Côte d'Ivoire

"The WACP trainings allowed the cooperative to better organise its structure and to better guide the tasks and responsibilities of the personnel involved in the certification programme. The trainings have contributed to a democratic decision-making process at organisational level. The training allowed the promotion of gender within the organisation with the participation of women and men in income-generation activities. The trainings allowed the collection of data within households and on the members' farms after carrying out sensitisation campaigns in the community itself to remedy cases of child labour or the risk of dangerous work and other issues. With the Village Savings and Loans Association project, the community is organised in a group to collect funds – savings – and can then benefit from loans for income generation projects and to contribute to community works. Our organisation would also like to see projects in favour of young people."



Mark Obese, Manager, Fanteakwa Union, Ghana

"We are very happy with the services of Fairtrade Africa. Through the WACP, we received support with a number of a number of trainings, including financial management and Village Savings and Loans Associations, Governance and Internal Management Systems as well as Good Agricultural Practices. These have helped us to improve on the engagement of our members and provision of benefits to them. Our members have increased their savings culture, made improvements on their farms and contributed to the development of their community. Fairtrade Africa has also helped us develop a policy, educated our members on the policy, strengthened the community child protection structures, developed and implemented a robust community-based child labour sensitisation programme and established reporting protocols."

SPO MANAGERS HAVE THE SKILLS, TRAINING AND CAPACITY TO RUN RESILIENT AND EFFECTIVE SPOS

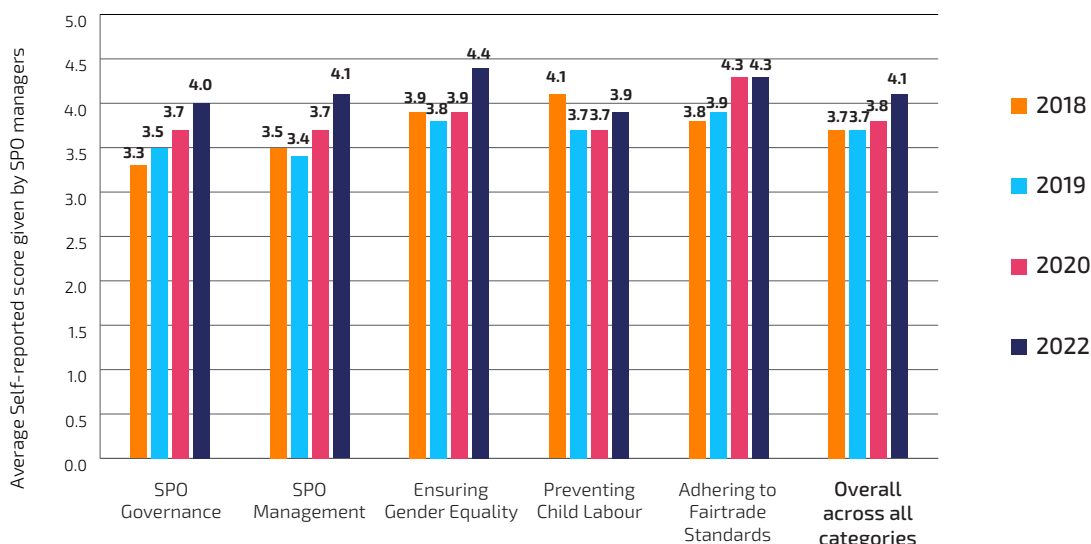
WACP TRAININGS ARE BUILDING THE KNOWLEDGE AND SKILLS OF SPO MANAGERS WHILE SPO CAPACITY TO DEAL WITH CORE THEMES IS HIGH

In the monitoring data, we see an overall increase from 2018 to 2022 in both Côte d'Ivoire and Ghana in terms of self-reported knowledge and skills, both overall and also on many individual themes. We also see that (for a new indicator added in 2022), self-reported SPO financial and human capacity to address these themes is high. This implies that WACP is building not only the knowledge and skills of SPO managers, but also ensuring that the capacity to ensure that this knowledge and these skills can be applied is also there.

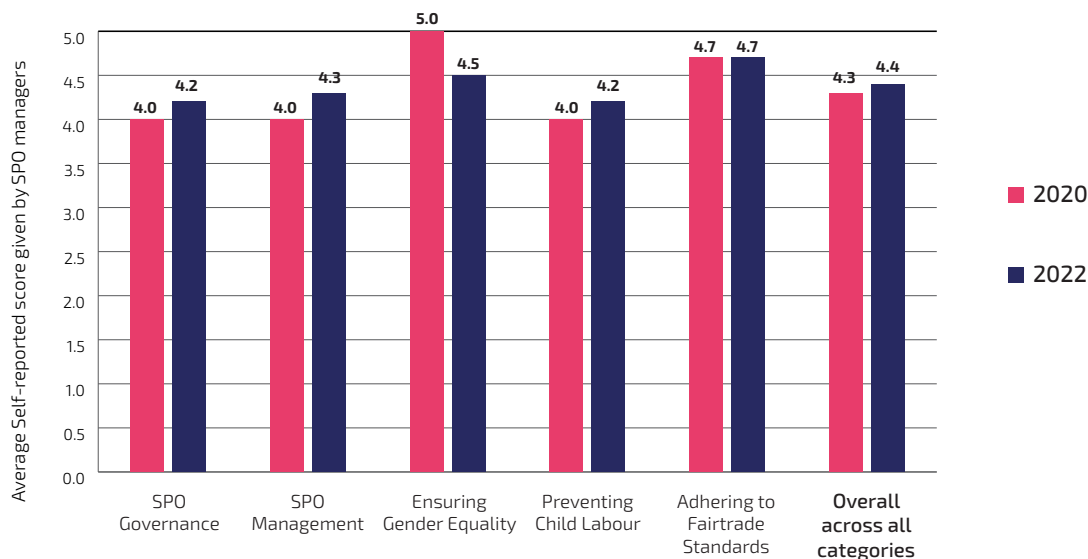
WACP implementation by Fairtrade Africa purposefully creates an environment where Fairtrade Africa and SPOs

challenge each other to improve. Each year begins with joint planning meetings between Fairtrade Africa, SPOs, and other actors, such as representatives from government regulators, relevant ministries, district representatives and other industry partners. SPOs are requested to conduct a gallery walk to showcase what they have done in the past year. This practice has created healthy competition where each SPO wants to improve on their previous performance and display how they have been implementing what has been learnt during the preceding year.

Côte d'Ivoire



Ghana

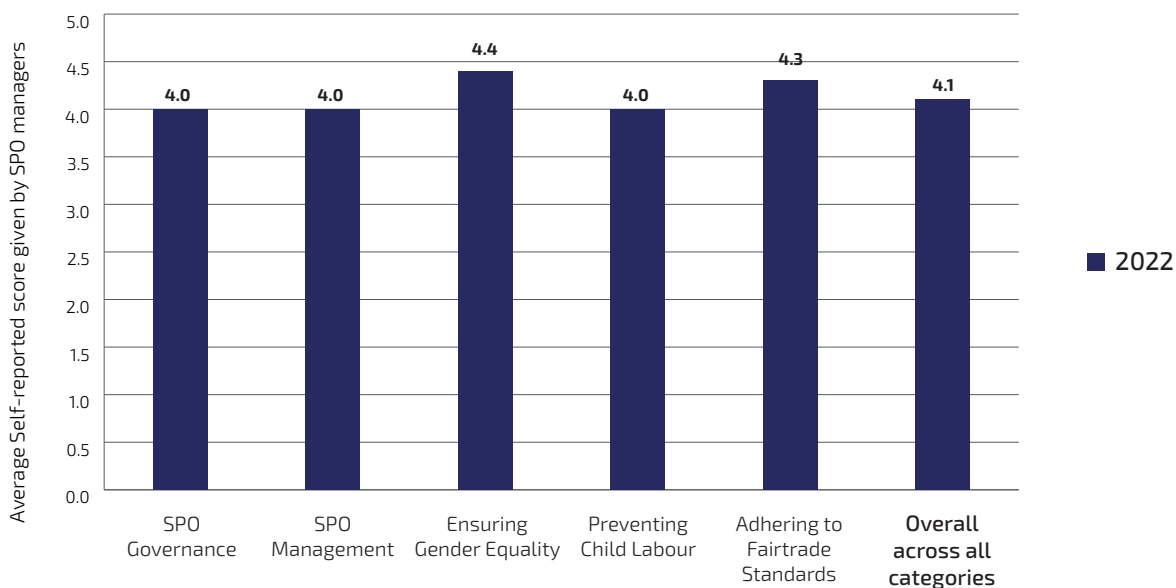


Average self-reported score given by SPO managers (1 – 5, 1 = lowest, 5 = highest) on **knowledge about and skills** in five different themes covered in WACP. We see a consistently upwards trend over time.

Intra-country peer-to-peer learning among SPO managers and Board members is also organised by Fairtrade Africa and is helping them to benefit from observing good practices and hearing about the lessons learnt when implementation could have been better from their fellow SPOs.

The next ambition is to introduce cross-learning from SPOs in different countries. Fairtrade Africa believes this would be particularly beneficial for Sierra Leonean SPOs.

Côte d'Ivoire



Ghana



Average self-reported score given by SPO managers (1 – 5, 1 = lowest, 5 = highest) in terms of their SPOs' **financial and human capacity** to address five different themes covered in WACP. In 2022, we find that the capacity of SPOs in these five areas is also regarded as high.

Bakayoko Sekou, Director, CAUD, Côte d'Ivoire

"Thanks to the training from Fairtrade Africa, we improved our governance through the Strengths, Weaknesses, Opportunities and Threats analysis. The training on child labour allowed us to set up a committee to fight against child labour while the training on gender permitted us to set up and adopt a gender policy and have projects for the empowerment of women. We also increased the number of women on the Board and awoke women's leadership through the Fairtrade Women's School of Leadership. However, we would be very happy to have more contracts between cooperatives and exporters. We can also advise on some initiatives that we think can have a certain impact on our collaboration. Initiate discussion sessions with the cooperatives at the beginning, during and at the end of the campaign on the difficulties encountered in the execution of contracts, link co-ops with chocolate makers, train cooperatives on access to markets, get cooperatives involved in the training and the setting up of the Village Savings and Loans Associations and the Income Generation Activities."

SPOS TAKE POSITIVE ACTION ON THE GROUND AS A RESULT OF WACP TRAININGS RECEIVED

WACP TRAININGS ARE RESULTING IN IMPROVEMENTS IN SPOS AND WITH MEMBERS

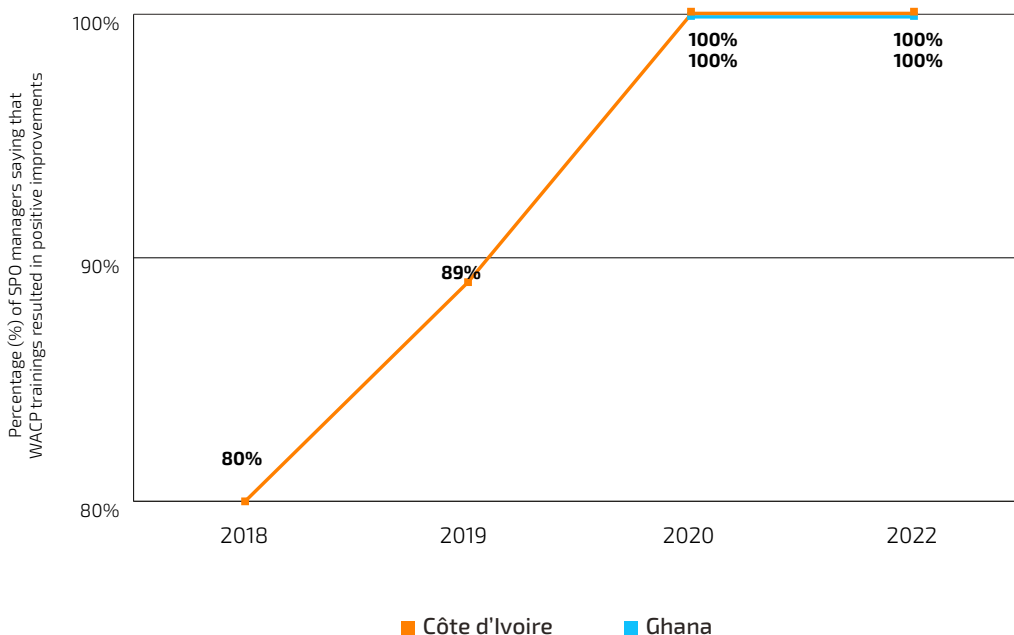
The WACP trainings are catalysing SPOs to take action for their members in addition to strengthening the SPO itself and building the knowledge and skills of SPO managers. By 2020, 100 percent of SPO managers in both countries reported that the WACP trainings contributed directly to positive improvements in their SPO. This trend continued in 2022 despite the induction of a new SPO cohort in 2021. These improvements include promoting diversification to increase household income, Good Agricultural Practices (GAPs), better SPO management, better adherence to the Fairtrade Standards, and more. Many of these improvements happened through SPO staff 'cascading' the trainings to their members.

Fairtrade Africa believes the introduction of a Training of Trainers (ToT) programme for SPOs, combined with co-financing of SPO activities to cascade this training to their membership, has been a significant factor for success. SPO

trainers receive induction training from Fairtrade Africa staff and are accompanied on some trainings to ensure quality control and continued capacity building.

This approach also helps to build the internal capacity of SPOs to take full responsibility for reaching out to their members and engaging with them periodically. This system means more SPO members receive trainings but also helps to reach out to more female SPO members and the communities in which the members live.

The process of training trainers is formalised through a signed MOU between Fairtrade Africa and the SPOs. The SPOs submit reports of training cascaded. These are reviewed and checked by FTA staff prior to the reimbursement of a proportion of the costs spent by the SPOs on cascading training.



All of SPO managers surveyed in 2022 in both Côte d'Ivoire and Ghana said that WACP trainings led to positive improvements in their SPO and/or with their members. That's up from 80 percent in 2018 in Côte d'Ivoire.

Aka Eponon Ghislian, Internal Management Systems Manager, COOPAYAAF, Côte d'Ivoire

"The trainings have helped the organisation with decision making and enabled the managers to strengthen their management skills with regard to their roles and duties. Thanks to the trainings received from Fairtrade Africa, members are actively participating in the decision-making process. Through the training, women are more motivated and interested in the activities of the organisation. Moreover, at COOPAYAAF, women are at the head of the administration (manager). Income generation activities have been set up in some localities to enable women and young people to be financially empowered and these activities are led by women. The trainings and financial support received from Fairtrade Africa have helped us to extend the child labour trainings through the Training of Trainers. This allowed us to avoid non-conformities on child labour during our Fairtrade audit. The Fairtrade Africa trainings have helped us a lot, especially those received on the Fairtrade [Cocoa] Standard and those we receive during WACP strategic support. They have helped us to understand and better address certain aspects of the Fairtrade Standard, which has allowed us to avoid non-compliance."

SPOS HAVE THE SYSTEMS, PROCESSES AND SERVICES IN PLACE TO DELIVER A FUNCTIONAL SPO

IMPROVING SPO ABILITY TO ESTABLISH AND MAINTAIN INTERNAL MANAGEMENT SYSTEMS

By 2020, in Côte d'Ivoire, we saw a decline in the ability of SPOs to maintain an Internal Management System (IMS) with up-to-date records of their members. This decline – from 100 percent of SPOs having an IMS in place and operating in 2018 to only 74 percent in 2020 – appears to be partly due to a large increase in the membership of some SPOs, which then faced challenges in updating their records.

In Ghana, from the small sample of SPOs we have available in 2020 and 2022, all SPOs have maintained their IMS.

In our WACP Monitoring Report of 2020, in relation to Internal Management Systems, we recognised that how data is collected, shared and analysed within Côte d'Ivoire's cocoa value chain is hugely complex. It involves numerous partners and touches on many competing and interrelated issues (e.g. traceability, sustainability, child labour and environmental protection). SPOs fit uneasily into this data chain, collecting and sharing data as directed by their regulator, certifiers and commercial partners, but gaining little or no value from the data flow. In most cases, SPOs are providing data to multiple partners.

In 2020, Fairtrade awarded a tender for a pilot project with six SPOs. The key objectives were to empower SPOs to have access to IMS software and ownership of their data, to be able to understand its value and to have the knowledge to exploit and manage the data effectively.

During the pilot, Fairtrade and our partner, Farmforce, learnt from the SPOs the best methods of implementation and the

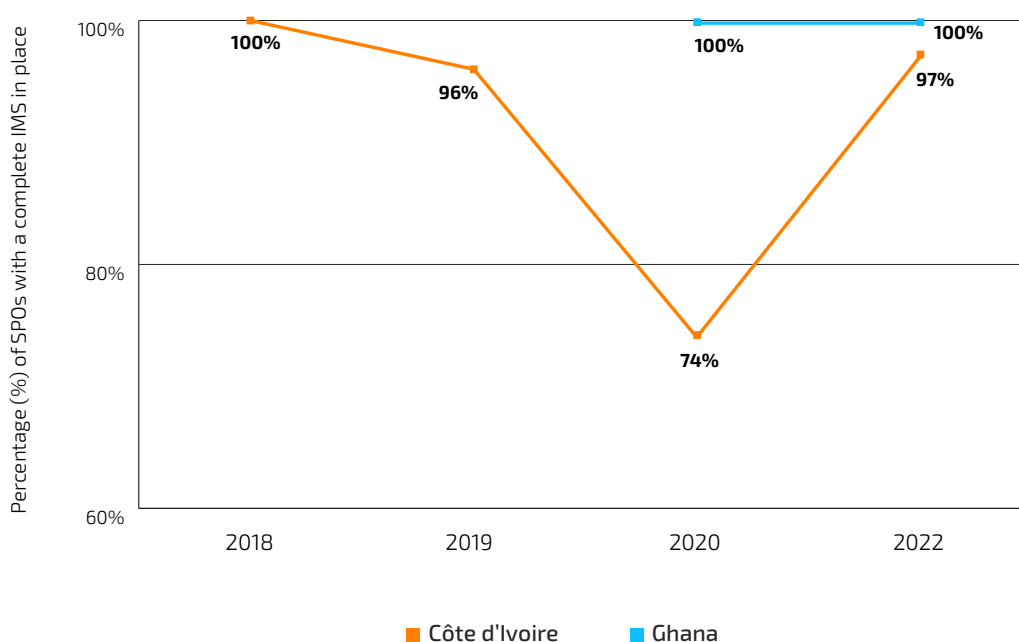
most relevant adaptations. In 2022, the two organisations scaled up implementation to 24 SPOs, training nearly 400 SPO staff members and providing equipment.

These SPOs now have the tools to collect and manage more reliable data, which they can analyse for their members' and businesses' benefit and provide to their partners. Advantages include:

- Increased SPO efficiency through digitalised record keeping of the purchasing of cocoa from farmers,
- Better assurance through digitalised record keeping of first mile traceability of cocoa from farms to the SPO,
- Enhanced risk management through the recording of exact coordinates of each farm, which is visualised in relation to nearby protected forests,
- Better analysis of interventions success, including, for example, how training and inputs provided by the SPO impact members' farm productivity.

Fairtrade believes SPOs and their members should have ownership of their own data and the systems to manage the data so they can fulfil their potential and decide on their own future.

Digitalised management systems enable SPOs to better prepare for new regulatory requirements on deforestation and human rights due diligence that are being introduced in countries their cocoa is sold to.



An Internal Management System is required by the Fairtrade Standards in order to better manage cocoa production and sales as well as meet member needs. In 2020, Ivorian SPOs struggled to keep up-to-date records of all their members. This situation has now improved.

We are currently reviewing the 2022 implementation and have observed three distinct groupings of SPOs:

- SPOs that are using the tool consistently,
- SPOs that we believe will use the tool more consistently with additional support,
- and SPOs where we are concerned about the extent of

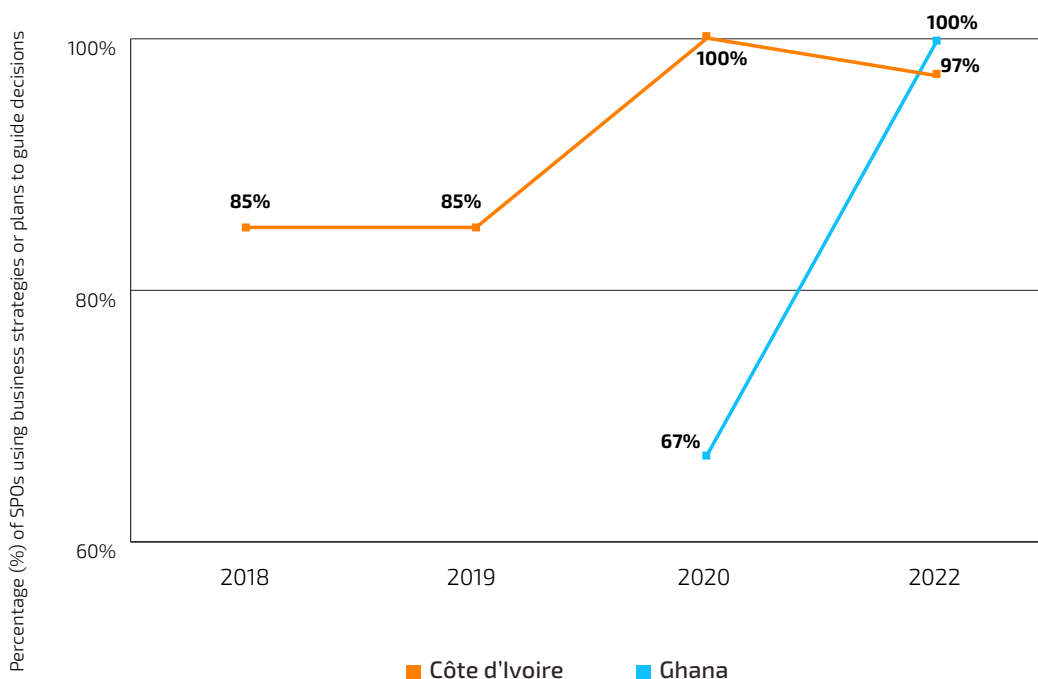
usage of the tool.

In 2023, we will continue to carry out further reinforcement training with the 2022 cohort and potentially implement a modest scale-up. Further scale-up is planned for 2024 onwards and we are actively seeking funding to complement our own resources.

SPOS ARE ALMOST UNIVERSALLY USING BUSINESS STRATEGIES OR PLANS TO GUIDE THEIR DECISIONS

In both countries, WACP SPOs are now universally using business strategies or plans to guide their decisions, starting from a baseline of 85 percent of sampled SPOs in 2018 in Côte d'Ivoire and 67 percent of sampled SPOs in Ghana in 2020.

The WACP training includes the creation of a 3-year or 5-year strategic plan for each SPO's business. These are reviewed annually and FTA also provides technical guidance during the year.



SPOs in both countries are almost universally using business strategies or plans to guide their decision making.

SPOS ARE MAKING USEFUL SERVICES AVAILABLE TO THEIR MEMBERSHIP

A new indicator we started analysing in 2022 was whether or not SPO members are reporting if they or a member of their household had received at least one service from their SPO in the last calendar year. Here we find that members are being serviced well by their SPOs with 83 percent of sampled households saying they received at least one service (often more than one) in Côte d'Ivoire and 88 percent of sampled households in Ghana saying that they did. Services from SPOs to their members include distribution of crop protection products and equipment, planting material or fertiliser, services for member households (e.g. healthcare, scholarships, etc.), Village Savings and Loans Associations and community projects.

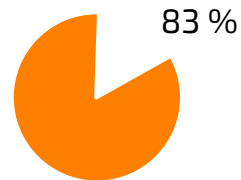
Fairtrade Africa believes a number of activities implemented through the WACP with SPOs are contributing to these results:

- SPOs are encouraged to align their Fairtrade Development Plans with their strategic plan,
- SPOs are encouraged to ensure that their Fairtrade Development Plans support interventions that benefit as wide a section of their membership as possible and are based on their members' needs assessments,
- In some cases, SPO relations with their commercial partners have been improving leading to additional services being provided through the partnership,
- SPOs participating in Fairtrade Living Income and Income Improvement projects with commercial partners have been introducing new services for their members as part of these projects,

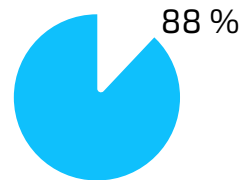
- The capacity of some SPOs to fundraise has been increased leading to SPOs accessing more resources,
- The peer-to-peer learning and review of SPO interventions at the joint planning meetings mentioned

earlier has contributed to SPOs replicating best practice and innovating in relation to introducing new services to their members.

2022



Côte d'Ivoire



Ghana

As evidenced by the responses of SPO members, SPOs are making useful services available to their membership. 83% of SPO members surveyed in Cote d'Ivoire and 88% of SPO members surveyed in Ghana received at least one service from their SPO.



Doumbia Moussa, Manager, Ecam Meagui, Côte d'Ivoire

"Thanks to Fairtrade Africa's trainings, our management system has improved so that we have established an organisational chart that defines the tasks and responsibilities of the agents. Above all, we have clear visibility on the different compartments or departments of our system. The management of the organisation is no longer a task reserved for a single person as a result of the trainings received. The delegation of power is a system that works very well in our governance. Gender equality in our organisation is highly valued and implemented. In all departments of the organisation, the promotion of gender is observed. Fairtrade Africa trainings have been of paramount importance in the process of combating child labour to such an extent that the organisation carries out remediation actions through organised events. And this is thanks to the contribution of Fairtrade Africa in training our communities. Through Fairtrade Africa training, especially on the Fairtrade Standards, we have been better equipped to work on our records and to understand the compliance criteria. We have a good understanding of the [Cocoa] Standard and the requirements. At the end of the implementation of the project, we retain positive elements of it. Because there has been a change of mentality at the level of our producers, and more consideration of the opinion of women in the household, the project has revealed that good management of our plantations will turn our producers into agricultural entrepreneurs. As a recommendation, this project should be renewed by giving a longer execution time. We would like to see the number of producers in the Living Income project increased. In addition, it is necessary to organise retraining workshops for operational agents.

John Asaseba, Treasurer, Kukuom Union, Ghana

"My cooperative is very visible throughout the district as a result of our operations. Meetings held at least once every week by all Village Savings and Loans Associations (VLSA) makes all members very active in attending meetings. There has been a drastic reduction in the burden on the Kukuom Union to offer micro and small loans to their members since the VLSA provides that service to all members who join. This has significantly reduced the pressure on purchasing clerks and union executives. The incidents of child labour cases in the Kukuom Union have been reduced notably due to the fact that members are now in a position to hire labour for their farm activities and are also well aligned due to the Fairtrade Youth Inclusive Community Based Monitoring and Remediation system. Women's empowerment is evident as one of the benefits the VSLA has brought to the Kukuom Union as seen in the sudden increase in the rate of women in leadership roles among the VSLA groups."

SPOS ARE EFFECTIVE AND RESILIENT AS BUSINESSES AND MORE RESPONSIVE TO THEIR MEMBERS' NEEDS

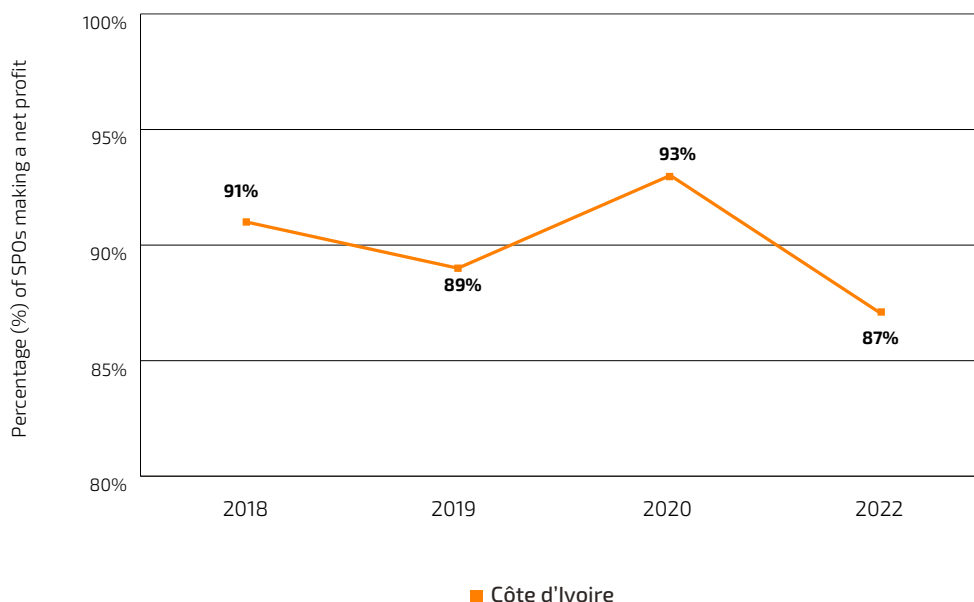
SPOS IN CÔTE D'IVOIRE ARE LARGELY PROFITABLE

In Côte d'Ivoire, between 91 percent of SPOs in 2018 and 87 percent of SPOs in 2022 reported that they made a net profit (total revenue minus total expenses in their last fiscal year), which is a consistently high percentage. It is a heartening finding that SPOs are able to stay in business and continue to serve their members despite challenges such as fluctuations in cocoa prices, global crises, and a worldwide pandemic. Data for this indicator in Ghana is not reliable. Some data is missing, the sample size is small and SPOs do not trade cocoa directly due to government regulation.

WACP has supported SPOs to diversify their own income sources and their members' income sources, in some cases

supported by the Fairtrade COVID Relief and Recovery funding facility. Some SPOs have started hospitality services; others have rented out building space to institutions. SPO members have been supported by the SPO with on- and-off farm diversification.

However, 2022 has been a challenging year with inflation increasing both the cost of living and the cost of operations for SPOs and their members. The price of cocoa and the margins must increase for SPOs and farmers if there is going to be sustainability in the cocoa sector.



A consistently high percentage of SPOs in Côte d'Ivoire made a net profit (total revenue minus total expenses) in the last fiscal year.

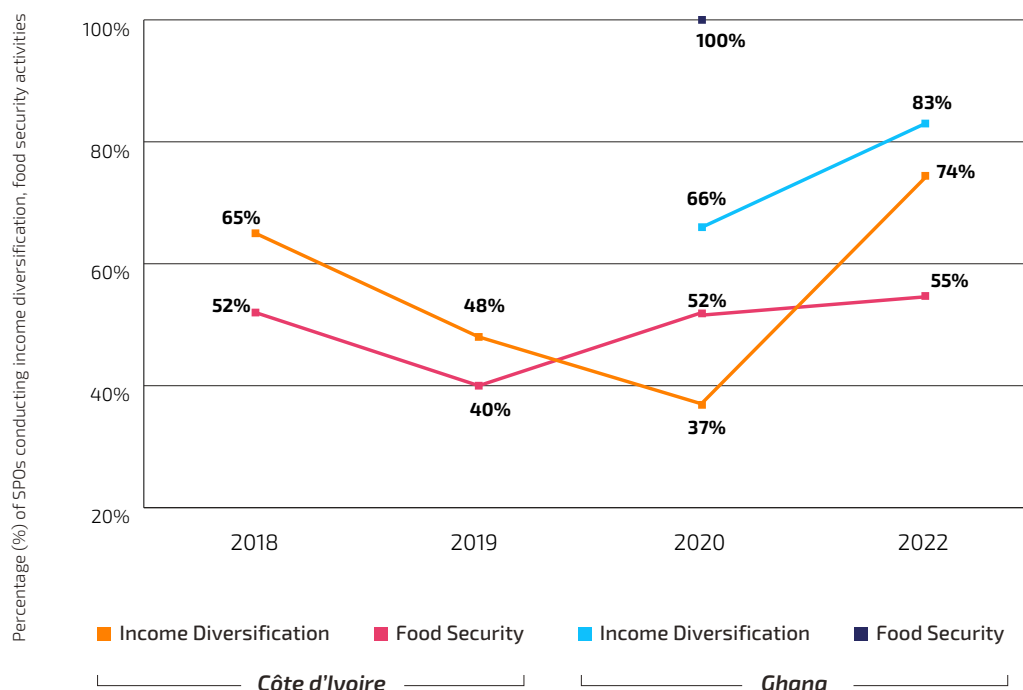
SPOS ARE SUPPORTING THEIR MEMBERSHIP WITH INCOME DIVERSIFICATION AND FOOD SECURITY INITIATIVES, ALTHOUGH FOCUS IN A GIVEN YEAR VARIES

Our monitoring data shows that the focus of SPOs on supporting their membership with income diversification and/or food security initiatives has varied. In Côte d'Ivoire, 65 percent of SPOs sampled focused on income diversification in 2018, reaching a nadir of 37 percent in 2020 and returning to a record high of 74 percent in 2022. In Ghana, the percentage of SPOs focusing on income diversification showed a more simple upward trend, ranging from 66 percent in 2020 to 83 percent in 2022.

Income diversification has also been supported by the Fairtrade COVID Relief and Recovery fund and by other donor funds, which Fairtrade Africa has assisted SPOs in accessing.

Village Savings and Loans Associations established by some SPOs have contributed to SPO members' access to affordable finance to invest in their farms.

The Fairtrade Africa team continues to encourage and support SPOs to implement food diversification and food security initiatives for their members through their own funds and by accessing donor funds.



SPOs are supporting their membership with income diversification and food security activities, although the focus on these fluctuates from year to year.

SPOS ARE TAKING MEASURES TO GET WOMEN AND YOUNG PEOPLE MORE INVOLVED IN GOVERNANCE AND MEMBERSHIP

WACP encourages SPOs to take measures to promote the involvement of women and young people (defined as people under the age of 35) in SPO governance and membership. Greater involvement of women and young people promotes equity and nurtures the next generation of members, but also brings fresh perspectives, approaches and inputs to SPO decision making. Measures taken range from having gender/youth inclusion policies, to establishing women's or youth committees, to having quotas for women or young people on governance bodies, and more.

Having started analysing this indicator in 2022, we find that SPOs are almost universally taking at least one measure to support women or young people. A more detailed analysis (not shown) indicates that measures to support women are more common than those for young people, although measures for the latter are still very common.

In both countries, Fairtrade Africa has supported a number of SPOs to develop gender policies and for those to be approved at General Assembly level. These policies have made it possible for some SPOs to take deliberate steps that have increased inclusion over time. Fairtrade Africa has observed an increase in the number of women and young people taking up leadership positions in SPOs and the community.

In most SPOs, off-farm income diversification initiatives targeted women and young people. Village Savings and Loans Associations in most cooperatives targeted mainly women and this has made affordable finance accessible to women and helped with household costs.

In some SPOs, youth-centred interventions, such as youth service providers, youth in cocoa production, etc., have been instituted to encourage young people to be active in the SPO.

Fairtrade Africa supports SPOs through two initiatives that are complementary to the WACP:

- The Fairtrade Africa Women's School of Leadership
- The Fairtrade Africa Young Cooperative Managers' Academy

The Fairtrade Africa Women's School of Leadership is a flagship intervention with SPOs. The school reinforces the empowerment and leadership of women within their communities in order to increase their decision-making power.

The school takes women, and some men, through ten modules of intensive training and coaching over a 12-month period, covering:

- Human Rights and Women's Rights,
- Fairtrade Standards and Gender Strategy,
- Developing Self-Confidence, Self-Esteem and Resilience,
- Group Cohesion and Principles of Cooperation,
- Women and Leadership,
- Women and the Economy,
- Women's Understanding of Money,
- Income Diversification and Project Management,
- Strategic Negotiation and Influence,
- Masculinity and Gender Equality.

During the training on these modules, students are provided with coaching sessions and set up individual projects within their communities, which help build their confidence and self-esteem. After graduation, the students are supported to implement income generation activities in the second year. This also helps to support graduates financially. The Women's School of Leadership has contributed to the number of women in leadership positions in SPOs gradually increasing. Graduates also become ambassadors who train, coach and mentor other women.

Since the first graduation in 2018, there have been 122 graduates from the school. They, in turn, are estimated to have reached a further 6,317 individuals. The next cohort will graduate in Q1 2023 bringing the total number of graduates to 229.

The Fairtrade Africa Young Cooperative Managers' Academy (YCMA) is a more recent initiative for SPOs. The objective is to identify young participants and empower them with

management and leadership skills. Coupled with mentorship, this will enable them to participate and lead their SPOs into becoming sustainable and inclusive organisations that address the needs of their members.

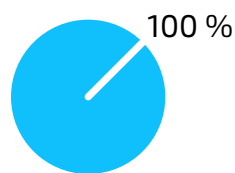
The YCMA trains participants through modules covering critical and relevant topics, along with practical assignments, coaching and mentorship. They are also equipped with pedagogical skills through the Training of Trainers (ToT) module. This enables them to conduct trainings on the same modules for their peers and other SPO members. The young students subsequently form peer experience sharing platforms/networks where they can exchange their common challenges and experiences for cross-learning.

The YCMA has six modules covering Financial Management, Management and Organisation, Governance and Leadership, Advocacy and Lobbying, Business Development and Training of Trainers (pedagogical skills). The first cohort of YCMA students graduate in the first quarter of 2023.

2022



Côte d'Ivoire



Ghana

Almost universally (97% of SPOs in Côte d'Ivoire and 100% in Ghana), SPOs in both countries are taking measures to get women and young people more involved in SPO governance and membership.

Assi Ake Bekoin Rosine, producer, CAYAT, Côte d'Ivoire



"I am Mrs. Assi, born Ake Bekoin Rosine, and I have been a cocoa producer since 2010. It was in 2015 that my 2.5 hectare cocoa farm started to produce and since that year I have been a member of CAYAT Cooperative.

Three years ago, I had lost my taste for life. My husband had abandoned me and my children and I had no support from my family. Thanks to CAYAT Cooperative and Fairtrade Africa through the Women's School of Leadership, today I have regained a taste for life more than ever. I have more self-confidence, I assert myself much more, I am valued by my husband and my family. My husband even celebrated our civil marriage.

Also, in recent years, in addition to the money the cooperative pays me when I sell my cocoa, from the sale of my cocoa on Fairtrade's terms, I receive an additional amount known as the Fairtrade Differential. I also receive the Fairtrade Premium and Living Income premium from Tony's [Chocolonely]. The Fairtrade Differential and the other sums that I receive have allowed me to pay for labour (which is very expensive now) and accomplish in adequate time the required tasks on my cocoa farm. Because of that, the yield has increased by more than 100 percent from 500kg/ha in 2020 to 1,300kg/ha in 2022. With the Fairtrade Differential, I have also invested in starting up a small "maquis" (restaurant), which allows me to earn, on average, about 30,000 CFA francs (€45) per month. This additional income brings us more insurance and peace of mind. This year, we were able to finance the water and forest competition for our first daughter and soon she will be a civil servant. It is a source of pride for my husband and me. We are so grateful!"

SPOS ACHIEVE A STRONG PRODUCTION BASE AND ATTRACTIVE BUSINESS PROFILE, UNLOCKING SUSTAINED ACCESS TO FAIRTRADE COCOA MARKETS

For SPOs – largely those in key supply chains – surveyed in the annual WACP monitoring, sales on Fairtrade terms in Côte d'Ivoire reached their nadir of 40 percent in 2020 but have since recovered to 55 percent in 2022. Lower percentage sales on Fairtrade terms in Ghana in 2022 are skewed by a single larger SPO with minimal Fairtrade sales.

However, when looking at all Fairtrade SPOs in Côte d'Ivoire in 2021 (using Fairtrade global monitoring data), 33 percent of volume produced in Côte d'Ivoire and 18 percent in Ghana was sold on Fairtrade terms.

In 2021, Fairtrade sales recovered after the decline coinciding with the 20 percent increase in both the Fairtrade Minimum Price and Premium in October 2019.

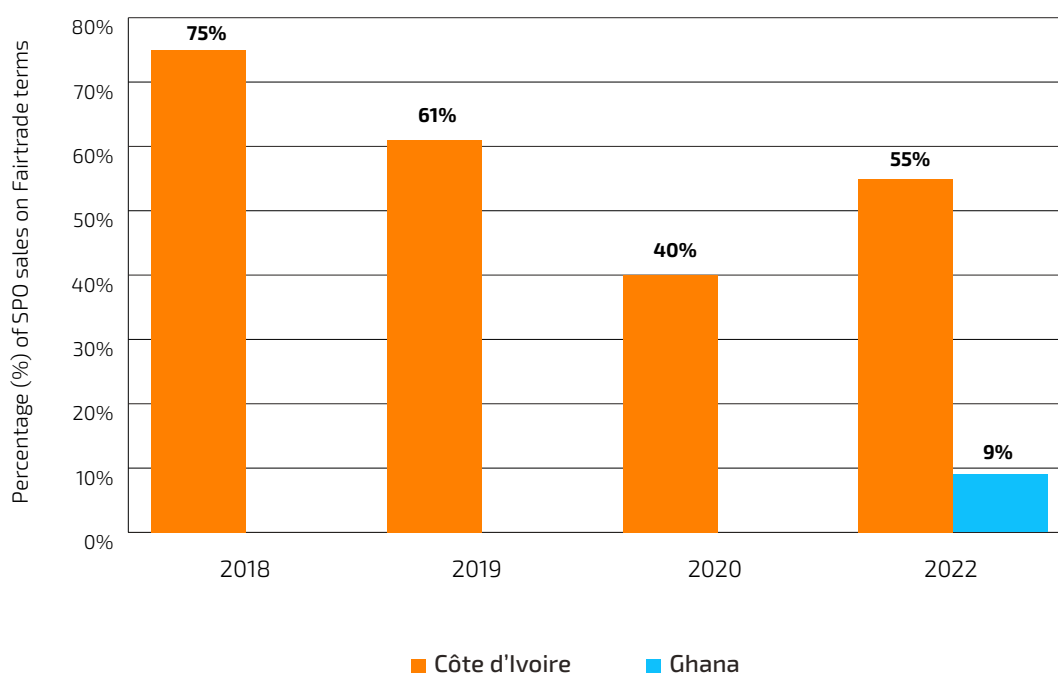
Whether at nine percent or 18 percent the average rate of sale on Fairtrade terms in Ghana is disappointing. It should also be noted that SPOs in Ghana are able to sell more than 40 percent of their Fairtrade certified beans to other labels, including companies' own labels, which brings in some revenue to them and their members. Any volume not sold on Fairtrade terms or to other labels is sold on conventional terms. Furthermore, 25 percent of the annual Ghanaian crop is harvested in the Light season and, in most cases, used for local processing.

At the end of 2022, Fairtrade heard concerning feedback from some, but not all, market partners about the impact on their businesses of increased manufacturing costs due to inflation and a historically high Ivorian Fairtrade Minimum Price (FMP) Differential of US\$311.41 per tonne. The historically high Ivorian FMP Differential was driven by the strength of the US dollar which, at the time of writing, had reached its peak when the Fairtrade Minimum Price Differential was announced in October preceding the 2022 Main cocoa season harvest.

The Ivorian Fairtrade Minimum Price Differential was announced and implemented immediately after the Ivorian government declared the national set prices for that season. The lack of advance notice of increased FMP Differential has been flagged by some market partners as problematic.

This Ivorian Fairtrade Minimum Price Differential is passed on in full by the SPOs to their farmer members. SPOs report that their own costs, as well as the costs of production for their farmer members, have exploded due to inflation.

Fairtrade and the SPOs continue to work with all market partners to maintain and increase demand for Fairtrade cocoa in markets close to the country of production as well as export markets.



A trend of declining sales on Fairtrade terms was seen from 2018 – 2022, with a welcome rebound in 2022 for Côte d'Ivoire. In Ghana, a very low percentage of cocoa sales are on Fairtrade terms.



Esther Degri, Vice Chair of the Board, CAUD, Côte d'Ivoire

"The trainings and supports from Fairtrade Africa for SPOs were very profitable for our cooperative, mainly regarding the partnership with MARS through the ECOOKIM Union. It helped us to comply with MARS' requirements in the context of their Responsible Cocoa Programme. Today, thanks to the support received from Fairtrade Africa with whom we worked very closely, we have our own Fairtrade certification and are able to be more responsible and responsive to our cooperative members. Our greatest satisfaction is what the support from Fairtrade Africa provided in terms of opportunities. We have been able to host some visits from partners, including the Living Ecosystem Advancement Project (LEAP) and also Fairtrade Austria with their commercial partners. These opportunities mean producers have more confidence in the cooperative as a source of external contacts with clients and opportunities.

Finally, thanks to the work with Fairtrade Africa, work conducted over many years, we were able to get health insurance, as well as accident and death insurance, for producers to relieve their pain and make them smile."

Boli Bi Toh Ire, Director, CAAM, Côte d'Ivoire

"The trainings allowed us to better know the Fairtrade Standards and the different chapters, the OHADA law, the holding of the ordinary General Assembly. All this allows us to have fewer non-conformities during audits. The training was good, but we would like our cooperative to be linked to a chocolate maker. This will allow us to have a guaranteed Fairtrade tonnage in the long term. Also, we will be able to have Fairtrade Living Income Differential prices and income generation activities for women and young people. We would like to monitor the impact of the trainings in the field and make it mandatory for the Board chairs to attend the trainings on Standards and governance."

SPO MEMBERS PERCEIVE THEIR SPO TO BE DEMOCRATIC, TRANSPARENT AND PARTICIPATIVE

THE SPOS PARTICIPATING IN WACP ARE DEMOCRATIC, TRANSPARENT AND PARTICIPATIVE, ALTHOUGH COVID-19 AND INCREASING MEMBERSHIP NUMBERS MAY HAVE HAD A LINGERING IMPACT

A key objective of the WACP is to increase SPOs' ability to provide value to their membership. Including SPO membership in decisions about Premium use is one of the core tenets of Fairtrade. We are happy that, from 2018 – 2019, an increasing number of SPO members stated that they were involved in Premium use decision making. In Côte d'Ivoire, unfortunately, we did see a significant dip during the COVID-19 pandemic (dropping to 61 percent), but there was some recovery in 2022. The impact of COVID-19 on Ghanaian SPOs seems to have been delayed with a decline in participation only showing up in the 2022 dataset.

A high percentage of SPO members, albeit a slightly declining one over the 2020 to 2022 time period, feel that different opinions can be raised and are respected by their SPO. We hypothesise that the slight decline in 2022 is due to rapidly increasing membership numbers in some SPOs, which makes it more difficult for SPO management to ensure that all voices are heard and responded to.

WACP training purposely targets different groups of stakeholders in SPOs to increase democratic participation.

For example:

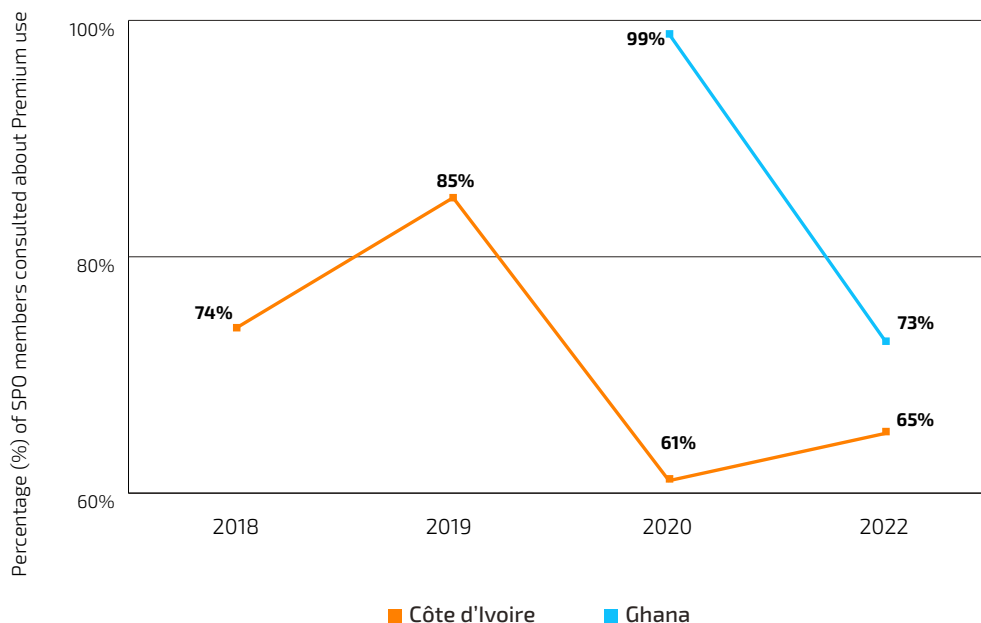
- Governance and membership engagement training highlights the need to ensure that SPO members are engaged and consulted on key decisions in the SPO through the General Assembly. Fairtrade Africa staff attend many SPO General Assemblies.
- SPO membership needs assessment training enables SPO leadership and management to consult the SPO members and gather the information needed to form Fairtrade

Development Plans, which are then submitted to the General Assembly for approval.

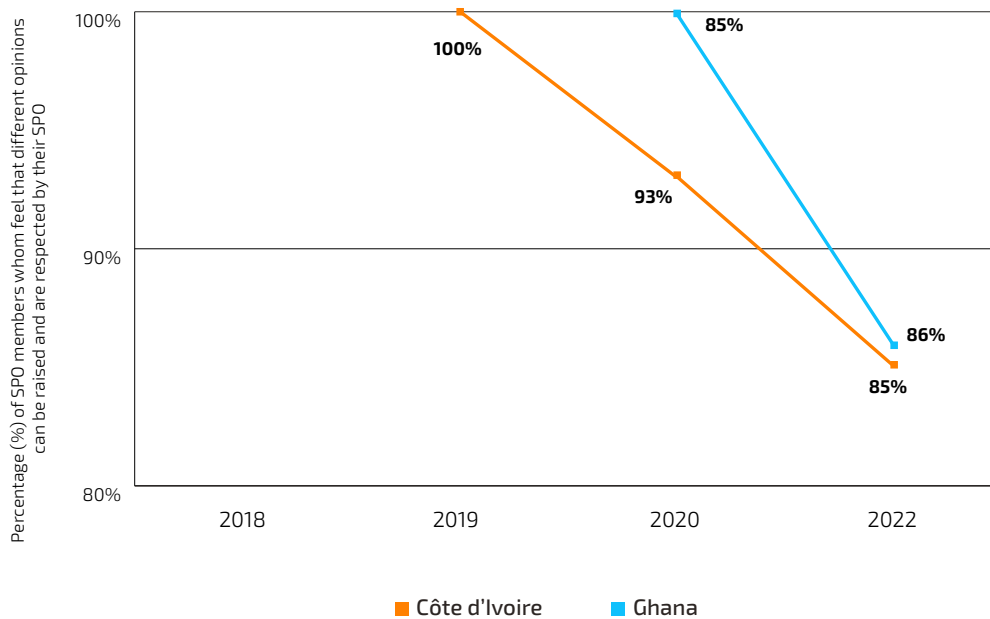
- Governance trainings are cascaded to SPO members at community level. SPO members are sensitised on their roles and responsibilities within the SPO and according to the Fairtrade Standards. To increase the number of SPO members reached, the WACP has identified, in conjunction with SPOs and communities, lead trainers within the SPOs to cascade training. Lead trainer activity costs are shared between the SPO and the WACP budget.
- SPO members are sensitised at community level about the payment of the Fairtrade Minimum Price Differential and, where relevant, the Fairtrade Living Income Price Differential.

In December 2022, the new Fairtrade Cocoa Standard included strengthened transparency and record keeping requirements for SPOs on the mandatory Fairtrade Minimum Price Differential and any Fairtrade Premium payment distribution process by SPOs to their members. In addition to mandatory receipt templates, the measures include requiring SPOs to publish the total value of Fairtrade Minimum Price Differential and Fairtrade Premium distributed to members with distribution dates, the total Fairtrade Premium the SPO received, and the proportion distributed in payments to members.

Fairtrade Africa continues to explore new ways of increasing the number of SPO members reached directly at community level through WACP training.



SPO members are largely being consulted about Premium use, although the COVID-19 pandemic took a toll.



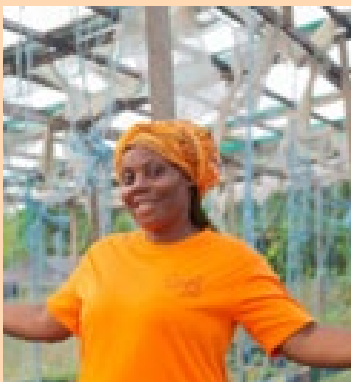
SPO members largely feel that different opinions can be raised and are respected by their SPO, but a slight downward trend will be monitored.

Akaffou Anita Epse Atse, farmer, CAYAT, Côte d'Ivoire



"My name is Akaffou Anita Epse Atse. I have been a cocoa producer for seven years and I have two hectares of cocoa trees in the city of Becedi Brignan in Côte d'Ivoire. I'm a member of CAYAT cooperative.

My cooperative is Fairtrade certified and, when I sell my cocoa, in addition to the money I receive from the cocoa sales, the cooperative pays me an additional sum according to the volume of cocoa that I sell on Fairtrade terms. The cooperative told me that this amount is called the Fairtrade Differential. In any case, this money has helped me a lot. With it, I not only managed to take good care of my cocoa farm, which has increased my yield from 400kg/ha to 800kg/ha, but I was also able to invest in several income generation activities. Together with the women's group to which I belong, we created a cassava plantation with support from the Fairtrade Premium. The profits were reinvested in the establishment of a greenhouse for soilless tomato production. With the Differential I received, I bought two printers and I have been able to recruit two young men who work for me by managing the printing business for me. These two young men were unemployed but today they also have employment. They plan on saving part of their income in order to continue their education.



This rippling effect is all possible thanks to the Fairtrade Minimum Price Differential. These investments allow me to have an additional monthly income of 45,000 - 50,000 CFA francs. Today, my husband and I can easily take care of our children's schooling without resorting to any external support. We are able to handle our health bills, and our household's needs. Our diet has also changed. We eat fish and chicken more often, which was not the case in the past.

It is true that cocoa prices at the moment do not allow average producers to benefit from a good livelihood, but for sure, the Fairtrade Differential has been very helpful for us. We are more relaxed knowing we can meet our expenses. Many thanks to Fairtrade, to CAYAT and to Tony's [Chocolonely]."



Gboko Koffi Mikael, Director and Fairtrade Contact Person, SOCADJA, Côte d'Ivoire

"The training allowed us to develop an Internal Management System manual and have inspection sheets. The Fairtrade trainings have enabled us to organise transparent elections of the members of the Board of Directors and the Supervisory Board, and to organise a General Assembly at the end of each financial year to take stock of the activities. Within our organisation, we were able to create women's groups (Village Savings and Loans Associations) and finance some small projects for women with advice from Fairtrade Africa staff. The Fairtrade Africa trainings have enabled us to set up a committee to fight against child labour within our cooperative and this committee works very well. The Fairtrade trainings have allowed us to improve our system and to work more to avoid major non-conformities."

Maxwell Sessi, Manager, West Akyem Union, Ghana

"The West Akyem Cocoa Farmers and Marketing Union Limited has greatly benefitted from the West African Cocoa Programme in the areas of organisational development, financial management, inclusion and income diversification projects. WACP has contributed to West Akyem's compliance with democratic governance and transparent financial systems. The Standards training over the years has helped us to adhere to both cooperative and Fairtrade regulations and Standards. Each governance structure is now much more aware of its role and this has enhanced the effective functioning of the organisation. The training and coaching on financial management and VSLAs contributed to West Akyem Union's establishment of a mutual support scheme, which has enhanced farmers' ability to save and access loans at very low interest rates."

SPO MEMBERS HAVE BUSINESS-RELATED KNOWLEDGE AND SKILLS

SPO MEMBERS NEED MORE SUPPORT ON RECORD KEEPING

A new indicator for 2022 sought to know how many SPO members are keeping records of their farm-related income and expenditure. Keeping records of farm-related income and expenditure by SPO members allows them to professionalise their farms and look for efficiencies. This enhances opportunities for growth in production and sales, leading to higher household income.

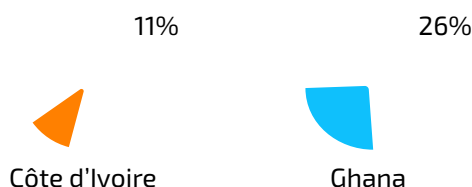
The Fairtrade Living Income Strategy, which is being implemented with SPOs and commercial partners in a number of pilot projects and supported by Fairtrade Africa staff, includes farm record keeping. Feedback from farmers in these pilot projects on farm record keeping has been positive. Farming households have particularly appreciated the gender

sensitive approach that sees farm record keeping conducted by male and female household members. Farm record keeping has assisted households to track their expenditure and income and take business decisions based on data.

Based on the success of the pilot projects and the results of consultations, the new Fairtrade Cocoa Standard has developed requirements on farm record keeping to encourage more SPOs to implement these with their members. Fairtrade Africa will provide training material through the WACP.

A short video on the implementation of the Fairtrade Living Income Strategy can be watched [here](#).

2022



A low percentage (11% in Cote d'Ivoire, 26% in Ghana) of SPO members are keeping records of their farm-related income and expenditure at present.

Finda Kouadio Theodor, producer, CAPRESSA, Côte d'Ivoire



"My name is Finda Kouadio Theodor, cocoa producer in Abengourou, and a member of CAPRESSA cooperative. I have a total of 4.7 hectares of cocoa.

This is the first time that I have taken part in a project, which is directly concerned with the well-being of producers through obtaining a fairer price and having access to a decent income.

As part of Fairtrade's Living income project, I received a lot of training and coaching. I was trained to use a farm record book and I benefitted from the support of my coach by filling it in on a daily basis.



I participated in training on women's inclusion in the economic management of the household. The coach also made an assessment of my farm and identified the actions I must take to improve my farm's performance.

Using the farm record-keeping book taught me how to record my cash inflows and outflows, assess my household expenses, have effective control over my income, plan better and guided me to make good decisions. It also brought my wife and myself much closer because we both took part in filling it in.

The farm development plan, established following the assessment of my cocoa farm, made it possible to go from a yield of 550kg/ha to 815kg/ha. This contributed to improving our income.



The training on "Women in the Economy" allowed me to realise that my wife and I complement each other, and I must rely on her for the economic management of our household. I also learned that, apart from the natural differences between men and women, we are equal. Since then, the distribution of the tasks to be accomplished is easier and their execution is more efficient. My wife and I talk to each other more often and this has led to more harmony and fulfilment in our household. I help her a lot more to execute her tasks and she does the same toward me. I'm less stressed and more confident; my wife feels valued and more secure. It has brought more happiness to us as a couple and to our household.

The Living income project has given us hope for a better future. I pray to God that this project will continue until every cocoa farmer can live decently from their hard work. More than a necessity, a living income is a human right."

SPO MEMBERS EMBRACE PRINCIPLES OF SUSTAINABILITY IN COCOA PRODUCTION AND COMMUNITY LIFE

OUR FAIRTRADE INDICES

To track the opinions, actions and awareness of the members of WACP SPOs as part of our monitoring, we have developed a collection of indices on a variety of topics. Each index combines multiple components to give a single overview of the situation for SPO members on that topic. All indices are worth a maximum of 3 points, with 0 being the lowest score and 3 being the best.

The components for each of the indices are as follows:

- Fairtrade Child Rights Index: (1) whether boys, girls, or both should go to school, (2) attitudes on child work, (3) attitudes on child labour.
- Fairtrade Gender Roles Index: (1) male/female roles in childrearing, (2) male/female roles in community and SPO

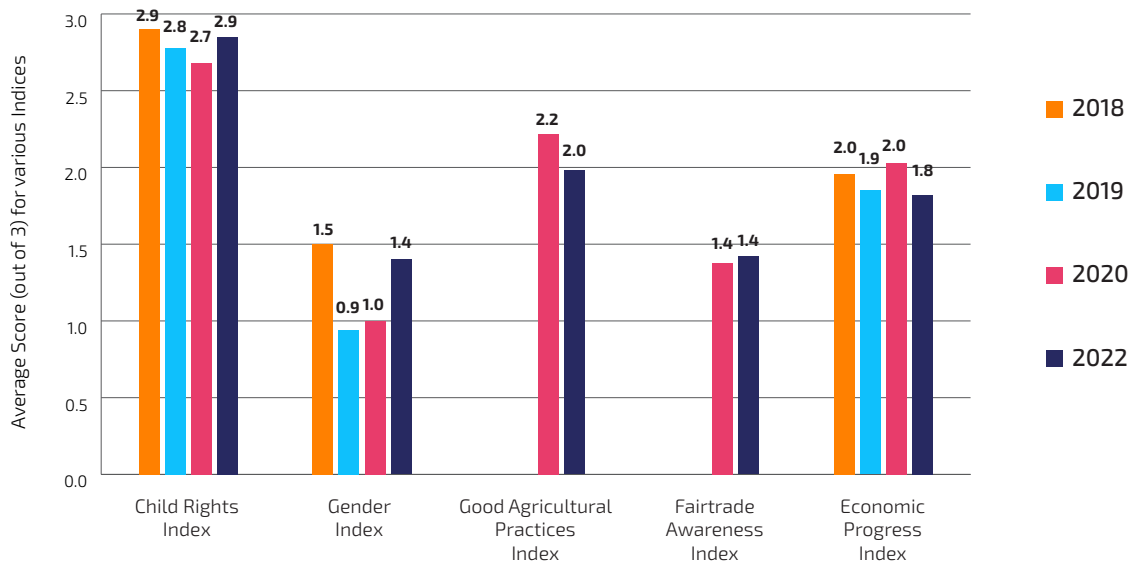
leadership, (3) male/female roles in earning money.

- Fairtrade Good Agricultural Practices Index: whether or not the SPO member reports that they apply different aspects of Good Agricultural Practices for cocoa, e.g. pruning, weed management, pest and disease management, fertiliser use, etc.

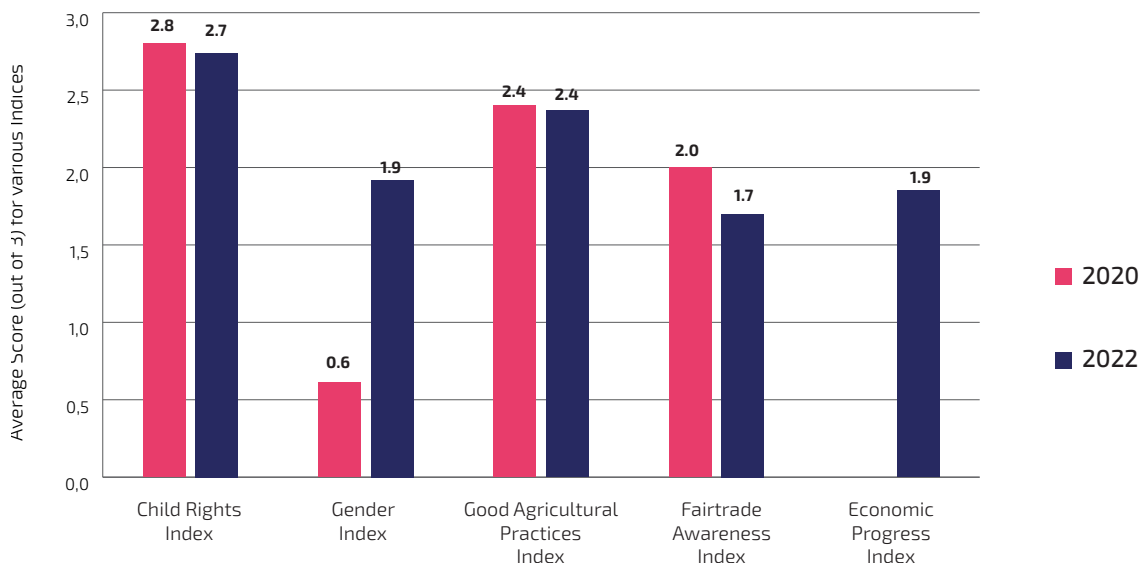
- Fairtrade Awareness Index: whether or not the SPO member is aware of the different aspects of Fairtrade and how they are relevant for SPOs and their members.

- Fairtrade Economic Progress Index: (1) household capital purchases in the last year, (2) struggle to pay debt (if any), (3) perception of current household economic situation versus past.

Côte d'Ivoire



Ghana



Scores for various member indices are generally consistently high or showing positive (or neutral) trends with the Child Rights Index the most positive and the Gender Rights Index showing the greatest need for improvement.

GOOD NEWS ON CHILD RIGHTS, AGRICULTURAL PRACTICES AND ECONOMIC PROGRESS; WORK TO DO ON GENDER AND FAIRTRADE AWARENESS

Insights based on the trends of the indices are as follows:

- **Child Rights Index:** The scores for this index have been consistently high over the years and in both countries. This indicates that SPO members have internalised values around child rights. They believe that children (both boys and girls) should go to school, that they should not engage in dangerous labour, and that any work should not interfere with their schooling.

Fairtrade Africa's experience through the WACP is that SPO leadership, management and members are very conscious of the impact of child labour. In some SPOs, a community-wide approach is being adopted to sensitise community members and to build structures incorporating the community. Some SPOs have instituted Child Labour Monitoring and Remediation Systems to identify, monitor and remediate cases.

The new Fairtrade Cocoa Standard requires the implementation of monitoring and remediation for child labour and forced labour in Côte d'Ivoire and Ghana. During the consultation process for the Fairtrade Cocoa Standard, many stakeholders made it clear that there is a need for further support for SPOs on human rights issues. Consequently, Fairtrade has also announced the creation of Fairtrade's Programme for Child Labour and Forced Labour Prevention and Remediation. The programme will provide contributions to Ivorian and Ghanaian cocoa producer organisations implementing the quality prevention and remediation interventions now required in the Cocoa Standard. The programme has been launched with €450,000 in Fairtrade funding and has the potential to grow through contributions from commercial operators and other stakeholders.

- **Fairtrade Gender Roles Index:** The scores for this index are relatively low, although with a positive trend in Ghana and in Côte d'Ivoire since a nadir in 2019. This indicates that SPO members believe in traditional gender roles. Both men and women (albeit women to a lesser extent) believe that men make better leaders, that men are more responsible for earning money, and that women should be primarily in charge of child rearing.

Fairtrade is actively seeking funding to expand the previously mentioned Women's School of Leadership.

- **Fairtrade Good Agricultural Practices Index:** The scores for this index have been consistent over the years and for both countries, indicating that SPO members are generally applying Good Agricultural Practices on their farms. This could be as a result of deliberate actions implemented by the SPOs, such as input distribution programmes. Some SPOs are also working on rehabilitation projects with partners and, in some cases, supported by government

policies. This is particularly evident in Ghana where some SPOs are taking advantage of COCOBOD's (Ghana Cocoa Board) rehabilitation programme. Five Ghanaian SPOs are participating in Dynamic Agroforestry, which promotes agroforestry practices through the rehabilitation of unproductive farms instead of establishing new farms.

- **Fairtrade Awareness Index:** The scores for this index are medium to low with a stable or slightly negative trend. This indicates that more work needs to be done by Fairtrade Africa and/or SPOs to explain the nature and benefits of Fairtrade to SPO members.

This is a key objective of the WACP and, therefore, the medium to low scores and trends are extremely concerning. As outlined in the section on SPO members' perception that their SPO is democratic, transparent and participative, a number of WACP trainings seek to reach SPO members directly or through the SPO and raise awareness of SPO members' roles and responsibilities. Recent changes to the Fairtrade Cocoa Standard are aimed at ensuring awareness of the Fairtrade Minimum Price Differential and any distribution to SPO members of Fairtrade Premium funds.

Fairtrade Africa is considering further initiatives to improve SPO member awareness.

- **Fairtrade Economic Progress Index:** The scores for this index are stable at a relatively high level. While households still have a restricted ability to purchase assets, they rarely struggle to repay debts and feel that their household's economic situation is better than in the past.

Fairtrade will continue to support producers through our multi-pronged approach, integrated into our WACP:

- Fairtrade Minimum Prices and Premiums,
- Training on diversification at SPO and SPO member level combined with assistance to access funds to kick-start diversification activities through, for example, mechanisms like the Fairtrade COVID Relief and Recovery Fund,
- Establishment of Village Savings and Loans Associations,
- Where available, partnership with commercial entities in implementing the holistic Fairtrade Living Income Strategy.

Despite the stable and relatively high scores in this index, Fairtrade understands the pressure that SPOs and their members are under as a result of the high rate of inflation. Fairtrade will continue to focus on working in partnership with SPOs and their members to improve the economic situations of farming households.



Stephen Ashia, Manager, ABOCFA Cooperative, Ghana

"The West African Cocoa Programme has been of immense benefit to our members. We have seen a remarkable increase in farmers' productivity and compliance with the Fairtrade Standards through training and coaching on Good Agricultural Practices and the Fairtrade Standards. Three years ago, there was a season when the license buying company (LBC) returned 90 bags of cocoa to us classifying it as undesirable. This unfortunate incidence cost the organisation US\$11,538. We liaised with the WACP project which trained us on bean quality management practices and supported us to put in systems at farmer and purchasing clerk level to address the situation. This proved to be very effective and the LBC has not returned our beans since then. The organisation's financial controls and reporting system have been improved as the Financial Management module of the WACP project coached us on establishing effective, efficient and transparent financial systems. The Village Savings and Loans Association has also improved savings and access to loans by our members."

Yao N'Djore Maturin, producer, Zaranou, Côte d'Ivoire

"First of all, I say thank you to Fairtrade. Thanks to Fairtrade training, I make the compost myself. This allows me to have organic fertiliser and to save money. Also, there is harmony in my relationship with my wife. My perception of women has changed. My wife is involved in decision making. I respect good environmental and agricultural practices."

THE WEST AFRICA COCOA PROGRAMME EXPANDS TO SIERRA LEONE

Fairtrade sales and the number of certified SPOs have been growing in the last three years. In 2022, Fairtrade employed its first WACP representative in Sierra Leone. Previously, support had been provided remotely from Ghana.

The number of Fairtrade certified SPOs has grown from six in 2019 to 19 in 2022. The number of certified farmers has grown from 14,801 farmers in 2019 to 35,184 farmers by the end of 2021. The Fairtrade sales of these producers has grown from 1,301 tonnes for the 2019-2020 season to 9,707.75 tonnes for the 2021-2022 cocoa season.

The Sierra Leonean cocoa industry differs from Ghana and Côte d'Ivoire in that the marketing and exporting is largely done by licensed exporters. Unlike Ghana, these exporters can purchase directly from SPOs and SPOs are also allowed to buy cocoa directly from their members. Sierra Leone received remote assistance mainly on certification advisory support.

From 2022, Fairtrade implemented the WACP through on-the-ground support partnering SPOs and their members to maximise the benefits of Fairtrade certification. In 2022, SPOs in Sierra Leone received training on the Fairtrade Standards, one-on-one coaching and pre- and post-audit support.

Some of the SPOs and traders have taken the necessary steps to secure organic certification with the beans sometimes sold as Organic Fairtrade. Beans sold both as organic and Fairtrade have a mandatory additional Fairtrade Organic Differential of US\$300 per tonne. This is payable regardless of market price in addition to the Fairtrade Minimum Price and Fairtrade Premium.

A number of areas for action have been identified. Fairtrade Africa will take steps to support the SPOs to address the following:

- **Geolocation mapping:** Currently, only one out the 19 certified SPOs has fully mapped the farms of its members. This will need to be addressed, both due to the new Fairtrade Cocoa Standard and the upcoming EU deforestation regulation.

- **Membership engagement:** Membership engagement in the SPOs is very weak, especially at community level. Members' knowledge of the SPOs beyond what they do regarding trading is also weak. Further governance capacity building with a focus on membership engagement is needed for these SPOs to fulfil their function as democratic, transparent and participative organisations.

- **Child labour monitoring and remediation:** SPOs provide general awareness and training on child labour. However, none of the SPOs currently has a child labour monitoring and remediation system.

- **Low productivity:** There are many over-aged and poorly maintained farms. Farm maintenance is very poor and a very low yielding variety of cocoa is grown. SPOs need to take definite action on productivity with a focus on rehabilitation.

- **Deforestation:** There is the risk of deforestation as a result of farmers wanting to increase their farmland. This would be non-compliant with the Fairtrade Cocoa Standard and the upcoming EU deforestation regulation.

- **More involvement of women and young people needed:** While some SPOs are doing well when it comes to the involvement of women and young people, this can be greatly improved. Most of the SPOs do not have any specific programme targeting these stakeholders. This needs to be addressed.



Handing over of Fairtrade Africa Strategy to District Agriculture Officer during the Fairtrade Standards Workshop in Kenema, Sierra Leone.

Picture by: Lamin Bundor

CONCLUSION

Our third monitoring report has shown solid feedback from SPOs and their members with regard to progress made on our Theory of Change.

The satisfaction levels with the quality of WACP training expressed by SPO management indicates that our training methodologies are appropriate. However, there is more work to do to ensure that appropriate levels of training to meet SPO needs reach a higher number of small producer organisations.

SPO management are reporting good scores for their knowledge and skills on key topics covered by the WACP while SPO members are also displaying reasonable awareness across a number of topics. However, we recognise the need

to improve the scores for the Gender Index and the Fairtrade Awareness Index in Côte d'Ivoire. While 65 percent of Ivorian SPO members were consulted on Fairtrade Premium use, we will be working to regain the higher percentages reported in the past.

The progress on SPO support to their members on income diversification dovetails well with Fairtrade's focus on living incomes, the Fairtrade Minimum Price concept and the increasing number of Fairtrade living income partnerships between SPOs and commercial partners. However, it is important that we continue to focus on increasing the amount of cocoa that SPOs sell on Fairtrade terms and the number of SPOs that have direct relationships with brands and retailers.

THE OUTLOOK FOR THE WEST AFRICA COCOA PROGRAMME

The upcoming European Union regulation and the new Fairtrade Cocoa Standard are aligning well and this has brought three topics to the fore of the West Africa Cocoa Programme:

- Ensuring SPOs and their members are prepared for EU deforestation regulation and Fairtrade Cocoa Standard requirements on deforestation, traceability and transparency.
- Further sensitisation on Human Rights and Environmental Due Diligence requirements in the Fairtrade Cocoa Standard.
- Sensitisation on the Fairtrade Cocoa Standard requirements for farm operators (sharecroppers, tenant and caretaker farmers).

These three topics will add a significant volume of SPO management and SPO member training to the West Africa Cocoa Programme. Fairtrade Africa has already started training with SPOs and their members on Human Rights and Environmental Due Diligence. Fairtrade released the first HREDD implementation guide for SPOs in 2022, and we are scaling up our 2022 deforestation monitoring pilot with SPOs. At the time of writing this report, training material on farm operators is being finalised in consultation with Fairtrade Africa and SPOs.

It is imperative that we find ways to increase the volume of cocoa sold on Fairtrade terms and the number of SPOs in long-term relationships with brands and retailers. SPOs and their members need to earn more for the cocoa they sell. The Fairtrade Minimum Price has offered critical price protection over recent seasons for Ivorian cocoa farmers and the Fairtrade Premium has been transferring much needed resources to SPOs and their members.



FAIRTRADE
INTERNATIONAL

Bonner Talweg 177
53129 Bonn
Germany

Telephone +49 (0) 228 94 92 30
Fax +49 (0) 228 24 21 713

info@fairtrade.net
www.fairtrade.net