

Evaluation Study of Fairtrade Mark Denmark

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Annex A – Terms of Reference

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Terms of reference Evaluation Study of Fairtrade Mærket Danmark

1. Background

Fairtrade Mærket Danmark, FTM-DK, (former Max Havelaar Fonden Danmark) is a commercial foundation established in 1994 by a number of Danish NGOs and operated as a non-profit organisation. It is affiliated to Fairtrade International. It operates from a small secretariat in Copenhagen and is governed by a Board. The main income is generated through license fees from commercial partners using the Fairtrade Certification Mark. MFA/Danida has supported the organisation since 1999 through singular grants and framework agreements (the latest running 2010-2013) with a total of DKK 35.8 million. The Danida grant support is primarily aimed at information campaigns, targeted marketing and business development in Denmark. Danida funding now constitutes less than 25% of the total funding of the organisation. The benefits for producers and the funds for development activities are not channelled through FTM-DK, but are based on the minimum price and/or a price premium from the Danish importers or retail distributors to export agents/cooperatives where commodities are sourced. Fairtrade determines a Fairtrade minimum price (for most products) and a Fairtrade Premium. A buyer of the produce is required to pay the minimum price (or the market price if the market price is higher) plus the Fairtrade Premium, which the producers can invest in social projects (cooperative and plantation) and/or in the production (cooperatives). This transaction is monitored by the certification company. This implies that when consumers buy a Fairtrade product the transaction between the producer and the buyer has already taken place in advance.

FTM-DK is reporting on activities funded by Danida, and since these activities take place in Denmark, there is limited reporting on the indirect development effects of the Danida grant to the Fairtrade system. The Department for Green Growth has therefore requested Danida Evaluation Department to undertake an evaluation study of the organisation Fairtrade Mærket DK.

2. Objective

The purpose of the evaluation study is to provide Danida with a basis for future funding decisions to FTM-DK by providing better documentation of the development effects for producers in developing countries of the Fairtrade certification and FTM-DKs contribution to this. The Evaluation study will hence take a broad approach and not be limited to evaluating Danida's funding of FTM-DK.

The specific objective of the evaluation study is to document the development effects of FTM-DK through a combination of review of internationally available evidence and data collection in Denmark/Europe, and to expound on the economy and financial flows of the FTM-DK operations.

3. Scope of work

The evaluation study will analyse the linkages between FTM-DK's work, the sale of Fairtrade products in Denmark and the development effect of Fairtrade certification with special emphasis on the selected products. The geographic scope of the evaluation study will to a large extent be defined by the selected Fairtrade products sold in Denmark, which is to be elaborated in the inception report. In terms of time period covered, the evaluation study will focus on how the system is presently operating, but will to a large extent be based on studies undertaken within the last 5-10 years.

4. Evaluation study questions

In accordance with Danida Evaluation Guidelines, the OECD/DAC criteria for evaluation should be considered: Relevance, efficiency, effectiveness, impact and sustainability. However, these five criteria will be given different weight and priority in the study as indicated in the evaluation questions below. These evaluation questions may be further developed in the inception phase of the evaluation study.

Relevance: The study should assess the relevance of Danida support to FTM-DK primarily by assessing how the Fairtrade cooperation system is aligned to Danida policy objectives:

- Are the objectives and the implementation of the Fairtrade system in coherence with the Danida Growth and Employment Strategy from 2011 and the Strategic Framework for Natural Resources, Energy and Climate from 2013?
- Are the producers of selected Fairtrade products sold in Denmark (and hence the beneficiaries of the Fairtrade certification system) coherent with the objectives of the Danish Development policy in terms of poverty orientation and gender equality?

Efficiency: The aspect of efficiency should be focused on a value for money perspective from the Fairtrade product consumer:

- How much is the price difference for the consumers in Denmark between comparable Fairtrade and non-Fairtrade products? What is the added financial benefit for retailers/importers of Fairtrade products in Denmark?
- How much of this is channelled to producers through the price premium and other Fairtrade certification benefits, and how much is paid to FTM-DK for using the Fairtrade brand?
- Is it good value for money for a consumer to support development through the Fairtrade system?
- Is Danida promoting FTM-DK with the risk of creating negative displacement effects for other development oriented certification brands?

Effectiveness: The study should assess the effectiveness of the FTM-DK secretariat in promoting the brand towards consumers and commercial partners in Denmark.

- Is the FTM-DK effective in marketing and building support for the Fairtrade brand in Denmark?
- To which extent does Danida's support to FTM-DK supplement or substitute for funding provided from other sources (input additionality)?

Impact and sustainability: Possible development impacts for producers in the Fairtrade certification system are diverse and may include for instance financial rewards, strengthened human resources, social services, organisational strengthening or environmental benefits. However, the issue of the development impact of Fairtrade certification is disputed. The key questions are:

- On the basis of the available literature and impact studies, what can be concluded regarding the development impact for Fairtrade producers from being involved in the Fairtrade system? Is the development impact sustainable?
- Have there been any adverse consequences for Fairtrade producers from being involved in the Fairtrade system?
- Have there been direct or indirect, positive or negative effects of other producers or communities (not directly involved in the Fairtrade system), through for instance copying, linkages (positive) or displacement (negative)?

5. Approach and methodology

In 2013, Fairtrade International has developed a Theory of Change for its work, and this will constitute an important tool for the evaluation study by testing selected pathways of change as they are claimed by the organisation. The Theory of Change describes how the work of national Fairtrade organisations and Fairtrade International in building fair trade markets, setting standards and supporting farmer associations would lead to increased investments for farmers and enhanced capacity of their organisations, which would enhance the benefits for producers and their families as well as empower them further.

The evaluation study will consist of a combination of review of existing studies and primary data collection. It is envisaged to focus the evaluation study primarily on 3-5 product categories selected on the basis of their importance in the Danish market. The selection of product categories is undertaken by the Evaluation Team in consultation with the FMO-DK secretariat, and it should be approved by the Danida Evaluation Department. The criteria for selecting product categories include their importance in the Danish market and an assessment of the feasibility of obtaining the relevant information for the products.

The approach and methodology will be elaborated by the Evaluation Team and presented for approval by the Danida Evaluation Department in the inception report. The following methodology is envisaged:

The assessment of *relevance* will be based on a review of the available documentation, including Danida strategies, coupled with interviews in MFA, Copenhagen. Furthermore, the results of the assessment of impact and sustainability will be used in the assessment of relevance regarding beneficiaries and local impact.

The assessment of *efficiency* will primarily take place in Denmark and involve review of the available documentation, discussions with the FTM-DK secretariat, relevant Danish retailers and importers (depending on the product categories selected). FTM-DK will be able to document claims about the estimated amount of Fairtrade Premium generated by producers based on sales of Fairtrade certified products in Denmark. It is not known how often the minimum price threshold comes into effect. Furthermore, the assessment will involve interviews with Fairtrade International and the certification body (FLO-CERT) in Bonn, Germany.

The assessment of the *effectiveness* of the FTM-DK secretariat will be based on a review of monitoring reports and documentation regarding the marketing and awareness work of FTM-DK, interviews with the FTM-DK secretariat and commercial partners, and possibly benchmarking with a comparable organisation.

The assessment of *impact and sustainability* will primarily be based on existing studies and literature, to the extent possible focused on the selected product categories. A considerable volume of impact studies has been commissioned by Fairtrade International, donors and research institutions. A systematic review of the available impact evaluations was undertaken by Natural Resources Institute in 2009, and the Danish funded International Initiative for Impact Evaluation (3iE) produced an evaluation brief summarising a number of studies in 2010. Furthermore, the DFID funded Fair Trade, Employment and Poverty Reduction research project of SOAS recently published their final report. Few of these impact studies are rigorous in the sense that they use double difference methods. The evaluation study is expected to present the key arguments from the literature regarding positive and negative impacts of Fairtrade certification and review the relevant studies to assess to which degree these arguments are substantiated by evidence. The Fairtrade products selected as focus products for the evaluation study may serve as examples to the extent existing literature provides evidence on these products. The scope of the literature review should be determined in the inception phase in consultation with Danida Evaluation Department.

The review of the relevant literature should be supplemented with an assessment of the coverage of impact studies and whether they can be considered representative. Furthermore, a description of the social characteristics of the producers (who is benefiting) and of the groups possibly suffering from displacement effects should be included to the extent this has been covered by the available studies. Fairtrade products are sourced both from low income countries and from middle income countries. The poverty profile of the impact is therefore relevant.

6. Outputs and timing

The envisaged deliverables are:

a. An inception report, including:

- An operationalization and possibly further elaboration of the evaluation questions,
- A detailed methodology, including the selection of focus product categories,
- An evaluation matrix,
- An updated work plan,

- Suggested outline of the evaluation study report.

The draft inception report should be submitted to the Danida Evaluation Department for comments, based on which a final version will be prepared for approval.

b. An evaluation study report in draft and final versions according to the agreed outline and not exceeding 40 pages, excluding annexes. The evaluation study report must include an executive summary of maximum 5 pages and should follow Danida Evaluation department lay-out guidelines for evaluation reports (available at <http://evaluation.um.dk>).

The proposed timing of the evaluation study is:

Start-up meeting in Copenhagen:	15 September 2014
Draft Inception report:	29 September 2014
Draft evaluation study report:	24 October 2014

7. Composition and Qualifications of the Evaluation Study Team

It is estimated that the evaluation study will be undertaken by two consultants who will complement each other in competencies and work distribution, one primarily focusing on commercial and marketing aspects and the other primarily focusing on the impact and sustainability at the level of producers of Fairtrade products. If none of the consultants read Danish, it is advisable to include an assistant on the team who can read the few documents that are only available in Danish (Danida appropriation notes, progress reports, etc.).

Consultant A: Commercial and Marketing Expert (estimated input 30 work days):

General experience: A degree in business studies and a profile with at least ten years' experience within in relation to consumer goods, retail business, marketing.

Specific experience: Experience from undertaking similar studies, good knowledge of consumer goods supply chains, import and retailers in Europe. Commercial experience from developing countries in the agribusiness sector an advantage. Experience from evaluation work an advantage. Proficiency in written English, knowledge of Danish an advantage, but not a requirement.

Consultant B: Expert on agricultural value chains and impact studies (estimated input 30 work days):

General experience: Ph.D. and research experience from agriculture, agribusiness or value chains in developing countries. Extensive experience from evaluations or impact studies. At least ten years' professional experience.

Specific experience: Extensive experience from work in developing countries. Experience from undertaking systematic reviews or similar studies. Experience from commercial agriculture, value chains, certification schemes etc., an advantage. Proficiency in written English.

8. Eligibility

The OECD/DAC evaluation principles of independence of the Evaluation Team will be applied. In situations where conflict of interest can occur, candidates may be excluded from participation, if their participation may question the independence and impartiality for the evaluation study. This will include for instance individuals who have worked extensively for a Fairtrade organisation.

Tenderers are obliged to carefully consider issues of eligibility for individual consultants and inform the client of any potential issues relating to a possible conflict of interest (cf. Danida Evaluation Guidelines).

9. Inputs

The total budget for the consultancy is a maximum of DKK 500.000. This includes all fees and reimbursables required for the implementation of the contract.

Danida Evaluation department will cover the expenditures of printing the final evaluation report and any additional dissemination activities as and if agreed upon.

Annex B – Work Plan

Date	Activity	Responsibility	Remarks
Phase 1 – Inception [7 working days]			
01/09/2014 to 11/09/2014	<ul style="list-style-type: none"> Evaluation team planning Initiate data and document searches Document preliminary data/information requirements 	BJ & IH	
12/09/2014	<ul style="list-style-type: none"> Briefing meeting with Danida & FTM-DK 	BJ & IH	CPH, Denmark
15/09/2014	<ul style="list-style-type: none"> Preliminary meeting with FTM-DK 	BJ	
16/09/2014 to 23/09/2014	<ul style="list-style-type: none"> Review of literature, internet searches Preliminary stakeholder meetings 	BJ & IH	
24/09/2014 to 26/09/2014	<ul style="list-style-type: none"> Preparation of Draft Inception Report 	BJ & IH	
29/09/2014	<ul style="list-style-type: none"> Submission of Draft Inception Report 	NIRAS	Milestone
30/09/2014 to 05/10/2014	<ul style="list-style-type: none"> Review & approval of Inception Report 	ED, Danida	
Phase 2 – Data Collection & Analysis [17 working days]			
06/10/2014 to 30/10/2014	<ul style="list-style-type: none"> Data collection & surveys using prepared questionnaires Stakeholders consulted – FTM-DK, other certification organisations, importers & retailers, consumers (Denmark) Continued internet searches & review of literature Meetings with stakeholders in Denmark 	BJ IH BJ	
Phase 3 – Reporting [5 working days]			
31/10/2014 to 06/11/2014	<ul style="list-style-type: none"> Completion of Main Report Annexes Completion of the Main Report 	BJ & IH	
11/11/2014	<ul style="list-style-type: none"> Submission of Draft Evaluation Main Report 	NIRAS	Milestone
Phase 4 – Finalisation [1 working day]			
03/12/2014 to 15/01/2015	<ul style="list-style-type: none"> Review of Draft Final Report Preparation of Final Report 	ED, Danida BJ & IH	
15/01/2015	<ul style="list-style-type: none"> Approval of Main Report 	ED, Danida	Milestone

Annex C – People Interviewed

Note: this list includes those also contacted via email as well as by phone and in person.

Organisations in Denmark

S. No	Organization	Name of person	Position
1	FTM-DK	Jonas Giersing	Director
		Elsebeth Dam Nordlund	Head of Products and Admin
		Judith Kyst	Chair
2	Organic Denmark	Helle Bossen	
3	Landbrug & Fødevarer	Marianne Gregersen	
4	Forbrugerrådet	Claus Jørgensen	
		Vagn Jelsø	
5	Konkurrence- og Forbrugerstyrelsen	Martin Molter West	
6	Foreningen for Biodynamisk Jordbrug	Claus Løhr Petersen	
7	Danmarks Statistik	Christian Lindeskov	
8	Association of Danish Coffee and Tea Importers	Niels Gade	

Organisations outside Denmark

S. No	Organization	Name of person	Position
1	Fairtrade International	Harriet Lamb	CEO
		Caroline Hickson	Director of Strategic Relations and Partnerships
		Martin Blaser	Global Product Manager Banana
		Rita Azar	Global Product Manager Banana
		Monika Berresheim-Kleinke	Global Product Management Sugar
		Lee Byers	Senior Advisor Coffee and Tea
		Rene Capote	Global Product Management Coffee
		Martin Hill	Director, Global Account Management
2	FLO-CERT	Jannis Bellinghausen	Regional Manager
3	SOAS	Dr Deborah Johnston	Reader in Development Economics
4	NRI	Valerie Nelson	Researcher
		Barry Pound	Consultant
		Dr Jeremy Haggard	Head of Department, Agriculture, Health and Environment
		Dr David Phillips	Researcher
5	Rainforest Alliance	Edward Millard	Director, Strategic Partnerships
		Marcus Schefer	Nordic Representative

Traders in DK certified by FLO-CERT and/or Fairtrade Licensees

S. No	Company	Name of person	Position
1	H & P Frugtimport	Ulrik Johansen	Buyer
2	Nordic Sugar	Claus Holmgren	Corporate Procurement / Category Manager, Ingredients and Raw Materials
3	Fynbo Foods	Majbritt Groes	HR-, Product- and Marketing Manager
4	BKI	Poul Zachø	CEO
5	Urtekram	Dorthe Hougaard	Quality Manager
6	I M Frelsen	Henrik Frelsen	Director, Coffee
7	Peter Larsen Kaffe	Michael Bisgaard	Business Manager
8	Ben & Jerry	Lasse Hebsgaard	Brand Manager

Other Traders

S. No	Company	Name of person	Position
1	Grøn Fokus	Laila Venø Bendsen	Deputy Manager
2	Merrild Kaffe	Jacques Platenkamp	Quality Assurance Manager
		Peter Falch	CEO
3	Kaffemøllen	Torben Seth Wibling	Manager
4	Kraft Foods SE	Anders Carne	Communications Manager
5	Chiquita Sweden	David Lexander	Trade Marketing Specialist
6	Solhjulet	Dorthe Friis	Buyer
7	BioTropic DE/NL	Joep van Koevorden,	Seller
		Zulu	Buyer

Retailers

S. No	Retailer	Name of person	Position
1	Dansk Supermarked,	Helene Regnell et al	Head, CSR, and buyers
2	Coop	Brian Sundstrup et al	CSR, and various
3	Rema 1000		Buyers

Annex D – Methodology and Approach

This Annex outlines the evaluations teams' methodology and approach to this study. There are considered to be two broad aspects to the Evaluation Study. The first is to evaluate the historical performance of the activities being funded, which was a conventional look at performance, based on the DAC criteria. Measuring and assessing that the extent interventions were relevant in the context of the contemporary strategies and priorities, how effective they were in delivering the required results, how efficient was the use of resources and to what extent were the desired outcomes and impact achieved and potentially sustained? The second is to take the evaluation information and analyses and use them to look forward and consider the lessons learned from past experience and how the best use could be made in formulating a new strategy for Danida support to the Fairtrade system designed around a new and innovative approach.

1.1 Elaboration and Operationalisation of Evaluation Questions

In accordance with Danida Evaluation Guidelines, the OECD/DAC criteria for evaluation should be considered: relevance, efficiency, effectiveness, impact and sustainability. However, these five criteria have been given different weight and priority in the study as indicated in the evaluation questions below (Box 1).

Box 1: DAC Criteria and Study Evaluation Questions

Relevance: The study should assess the relevance of Danida support to FTM-DK primarily by assessing how the Fairtrade cooperation system is aligned to Danida policy objectives [*priority weighting: medium*]:

- Are the objectives and the implementation of the Fairtrade system in coherence with the Danida Growth and Employment Strategy from 2011 and the Strategic Framework for Natural Resources, Energy and Climate from 2013?
- Are the producers of selected Fairtrade products sold in Denmark (and hence the beneficiaries of the Fairtrade certification system) coherent with the objectives of the Danish Development policy in terms of poverty orientation and gender equality?

Efficiency: The aspect of efficiency should be focused on a value for money perspective from the Fairtrade product consumer [*priority weighting: medium*]:

- How much is the price difference for the consumers in Denmark between comparable Fairtrade and non-Fairtrade products? What is the added financial benefit for retailers/importers of Fairtrade products in Denmark?
- How much of this is channelled to producers through the price premium and other Fairtrade certification benefits, and how much is paid to FTM-DK for using the Fairtrade brand?
- Is it good value for money for a consumer to support development through the Fairtrade system?
- Is Danida promoting FTM-DK with the risk of creating negative displacement effects for other development oriented certification brands?

Effectiveness: The study should assess the effectiveness of the FTM-DK secretariat in promoting the brand towards consumers and commercial partners in Denmark [*priority weighting: high*]:

- Is the FTM-DK effective in marketing and building support for the Fairtrade brand in Denmark?
- To which extent does Danida's support to FTM-DK supplement or substitute for funding provided from other sources (input additionality)?

Impact and sustainability: Possible development impacts for producers in the Fairtrade certification system are diverse and may include for instance financial rewards, strengthened human resources, social services, organisational strengthening or environmental benefits. However, the issue of the development impact of Fairtrade certification is disputed. The key questions are [*priority weighting: high*]:

- On the basis of the available literature and impact studies, what can be concluded regarding the development impact for Fairtrade producers from being involved in the Fairtrade system? Is the development impact sustainable?
- Have there been any adverse consequences for Fairtrade producers from being involved in the Fairtrade system?

- Have there been direct or indirect, positive or negative effects of other producers or communities (not directly involved in the Fairtrade system), through for instance copying, linkages (positive) or displacement (negative)?

Source: Danida (2014) Evaluation Study of Fairtrade Mærket Danmark – Terms of Reference

As seen from the table above the priority weighting is considered to be medium for the two criteria – relevance and efficiency, and high for the criteria – effectiveness, impact and sustainability, based on discussions with Danida Evaluation Department and the Green Growth Department. This is on the basis that the onus of the evaluation study is to ascertain how effective has FTM-DK been in achieving its goals in Denmark as regards to Fairtrade, and the important need to determine the impact and sustainability of these achievements in relation to the producers in the exporting countries, as to whether their wellbeing and livelihoods have been positively (or negatively) affected by these actions.

Given the short duration of the assignment the team felt that the 12 evaluation questions presented in the ToR were considered sufficient to make an objective assessment of the actions and outcomes of FTM-DK in relation to Fairtrade in Denmark and more broadly of the producers in the exporting countries. It is important to note that this is a low level evaluation according to Danida; on the basis of the grant funding provided to FTM-DK and hence is termed an "Evaluation Study".

1.2 Methodology for the Evaluation Questions

The following methodology was applied for each evaluation question as detailed in the evaluation study ToR:

Relevance

Question 1: Are the objectives and the implementation of the Fairtrade system in coherence with the Danida Growth and Employment Strategy from 2011 and the Strategic Framework for Natural Resources, Energy and Climate from 2013?

An assessment was made of the level of coherence and conformity of the Fairtrade system with Danida strategies: (a) Growth and Employment Strategy from 2011; and (b) Strategic Framework for Natural Resources, Energy and Climate from 2013. This was particularly important in regards to FTM-DK actions in satisfying Danida's core values of working towards increased free trade, market access for developing countries and better integration in the global economy, and the promotion of growth and employment particularly in Africa.

Question 2: Are the producers of selected Fairtrade products sold in Denmark (and hence the beneficiaries of the Fairtrade certification system) coherent with the objectives of the Danish Development policy in terms of poverty orientation and gender equality?

Level of coherence of producers of selected Fairtrade products sold in Denmark with poverty and gender objectives of the Danish Development policy: (a) Danida Strategy for Gender Equality 2013; (b) Priorities of the Danish Government for Danish Development Assistance 2012. Consideration was given to the priorities for Denmark's development assistance which reflect the ongoing implementation of the strategy for Denmark's Development cooperation cooperation "The Right to a Better Life" where poverty reduction is the overarching goal. As far as is possible an effort was made through a careful review of literature to assess how relevant were the actions of Fairtrade and the products sold on alleviating poverty and creating greater gender equality. Consideration was given to the geographical spread of Fairtrade supported products, especially as regards to the level of coherence with the Danida's development targeting on a geographical basis and the Fair Trade producer countries.

Efficiency

Question 3: How much is the price difference for the consumers in Denmark between comparable Fairtrade and non-Fairtrade products?

Buyers, including product category managers, from Dansk Supermarked, Coop and Rema1000 were interviewed about differences in prices between Fairtrade products and comparable non-Fairtrade products. Price statistics for the last two years for the three selected focus products were obtained from one retailer. However, as the packaging size or weight per product varies considerably it is very difficult to conclude from the price statistics as it is based on price per unit.

Price observations as well as search for comparable Fairtrade and non-Fairtrade products were done in various retail outlets, including Lidl, Superbrugsen, Fakta, Rema1000 and Netto.

Various organisations in Denmark were contacted in order to find out if they had information about price differences and market information on Fairtrade products in Denmark, including Landbrug & Fødevarer.

Databases of the Danish Universities' libraries were searched for literature and theses on Fairtrade, which could contain information on price differences, focusing on recent material. The internet was also searched, using Google search engine.

Question 4: what is the added financial benefit for retailers/importers of Fairtrade products in Denmark?

Key personnel, including buyers and/or product category managers, at Dansk Supermarked, Coop and Rema100 were asked about the potential financial benefits of trading in the selected focus Fairtrade products, and they were asked specifically about differences between wholesale prices, retail prices as well as price setting modalities. They were also asked to identify the supply chain for their Fairtrade sugar, banana and coffee.

FTM-DK and Fairtrade International and FLOCERT were asked if they could provide information on the supply chains and on the wholesale prices. However, there is full confidentiality so information has to be obtained directly from the traders.

For all three focus products, traders in Fairtrade products were asked about the financial implications of trading in Fairtrade products. Selected companies included licensees, FLOCERT certified entities as well as retailers and traders without license or certification. Only one trader agreed to forward files with detailed price information, but this was just one trader in one long supply chain. A few other traders provided indications of differences in wholesale prices between Fairtrade and non-Fairtrade products, but with only a couple of indications of price differences between specific Fairtrade and non-Fairtrade products it was not possible to present a general price level or a range.

Question 5: How much of this is channelled to producers through the price premium and other Fairtrade certification benefits, and how much is paid to FTM-DK for using the Fairtrade brand?

Information on Fairtrade certification costs was obtained from FLOCERT, Fairtrade International as well as FTM-DK. Information on license for various Fairtrade products was obtained from FTM-DK.

Fairtrade Premiums were obtained from Fairtrade International's homepage. Fairtrade International was asked about to which extent the Fairtrade Minimum Price was effectuated for the focus products, and gaps between producer prices of Fairtrade and non-Fairtrade products. Questions were also forwarded to one producer/exporter in the Dom. Republic selling Fairtrade bananas to the Danish market, but no reply was received.

All interviewed companies trading in Fairtrade products were asked about their supply chains and prices that Fairtrade producers were paid for the focus products. Also, traders not dealing with Fairtrade products were asked about export prices, including differences between Fairtrade organic products and non-Fairtrade organic products.

Databases of the Danish Universities' libraries were searched for literature and theses on Fairtrade, which could contain information on price differences, focusing on recent material. The internet was also searched for relevant literature.

Question 6: Is it good value for money for a consumer to support development through the Fairtrade system?

This question has been addressed based on the information provided as part of answering questions 3, 4 and 5. Additionally, Fairtrade International has been asked for information and for their view on whether it is good value for money for a consumer. Information was searched on the internet using key words like “Fairtrade” combined with terms like “Value for Money”, “producer benefits”, etc.

Question 7: Is Danida promoting FTM-DK with the risk of creating negative displacement effects for other development oriented certification brands?

All companies and organisations interviewed were asked about their perceptions of the effects of Danida’s support to FTM-DK. Interviewed companies included traders in the selected focus Fairtrade products as well as companies trading in products certified by UTZ and/or Rainforest Alliance. Companies interviewed using primarily other development oriented certification schemes included Merrild, Kraft Foods (Sweden) and Chiquita (Sweden). Some interviewed traders had products in their assortment carrying all three labels. The Nordic representative of Rainforest Alliance was interviewed, as well as organisations dealing with organic labels, including Organic Denmark and Foreningen for Biodynamisk Jordbrug in order to learn about their experiences with potential effects of support to the promotion of the Danish “Ø”-label.

Effectiveness

Question 8: Is the FTM-DK effective in marketing and building support for the Fairtrade brand in Denmark?

The approach was first to get a detailed overview of which marketing activities FTM-DK has carried out since 2007, when the first Result Contract was in place. This involved review of monitoring reports and documentation regarding the marketing and awareness work of FTM-DK as well as interviews with Jonas Giersing, Director of the FTM-DK secretariat. Next step was to interview commercial partners, in particular licensees and retailers, about their perceptions of the work of FTM-DK. Then the development since 2007 in selected success indicators were established, including

1. level of awareness and perceptions of Fairtrade among consumers, retailers and traders
2. availability of Fairtrade products (e.g. number and types of products, number and types of outlets, number and types of licensees)
3. sales of Fairtrade products (e.g. Fairtrade volumes and value in the Danish market, per capita consumption)

The information was gathered from statistics available with FTM-DK as well as information provided by interviewed organisations and traders.

Based on internal documents from FTM-DK the approach by which FTM-DK carries out its marketing activities was established, *i.e.* to which extent activities are based on the formulation of business strategies, to which extent goals and strategies are based on market and sector analyses, and if goals and results are evaluated.

Documentation on FTM-DK’s work, including progress reports to the governing board and Danida, and internal business plans and strategy papers, was reviewed. Judith Kyst as well as Jonas Giersing were interviewed (Judith Kyst by e-mail and Jonas Giersing by telephone and e-mail).

Results from surveys among retailers and licensees about the effectiveness and perceptions of FTM-DK work were also used. These surveys were carried out in 2012 by FTM-DK using SurveyMonkey.

Question 9: To which extent does Danida’s support to FTM-DK supplement or substitute for funding provided from other sources (input additionality)?

Based on review of the FTM-DK annual accounts since 2007, sources of financing was identified. Level of self-financing as well as other external sources was identified. Interviews were carried out with Jonas Giersing, Director of FTM-DK, as well as Judith Kyst (by e-mail), chair of the board, about plans for the future regarding funding of costs. FTM-DK strategy papers as well as FTM-DK secretariat quarterly reports to Danida and the FTM-DK board was read through. Annual accounts were discussed in detail with the FTM-DK accountant.

Impact and Sustainability

Question 10: On the basis of the available literature and impact studies, what can be concluded regarding the development impact for Fairtrade producers from being involved in the Fairtrade system? Is the development impact sustainable?

This was done through an assessment of sustainability of the Fairtrade system on the producers of the prioritised products through evidenced based review. In addition a poverty profile of the impact of Fairtrade interventions for prioritised products was prepared, but due to the lack of detailed baseline data this was not possible. Every effort was made to determine the confidence level and impartiality of the review documents. Quality of the documentation reviewed – peer reviewed as compared to grey literature – was also ascertained.

Question 11: Have there been any adverse consequences for Fairtrade producers from being involved in the Fairtrade system?

An assessment of the negative impacts on producers of prioritised products as a result of involvement in Fairtrade system was undertaken identifying the key areas affected for example on livelihoods, gender equality and the environment.

Question 12: Have there been direct or indirect, positive or negative effects of other producers or communities (not directly involved in the Fairtrade system), through for instance copying, linkages (positive) or displacement (negative)?

An assessment of direct/indirect benefits (positive or negative) of the prioritised products across where possible a number of producer countries was undertaken through a detailed review of the relevant literature. This Question 12 links closely with the previous Question 11.

In 2013, Fairtrade International has developed a Theory of Change for its work, and constituted an important tool under its MEL. The Theory of Change as presented in Annex G and diagrammatically in Annex H of this Final Report, and describes how the work of national Fairtrade organisations and Fairtrade International in building fair trade markets, setting standards and supporting farmer associations would lead to increased investments for farmers and enhanced capacity of their organisations, which would enhance the benefits for producers and their families as well as empower them further.

The Evaluation Study consisted of a combination of review of existing studies and primary data collection. It was envisaged to focus the evaluation study primarily on 3 product categories selected on the basis of their importance in the Danish market. The selection of product categories has been undertaken by the Evaluation Team in consultation with the FTM-DK secretariat, and approved by the Danida Evaluation Department. The criteria for selecting product categories includes their importance in the Danish market and an assessment of the feasibility of obtaining the relevant information for the products.

1.3 Data Collection Instruments and Analysis

Several different tools and modalities were used during the Evaluation covering three aspects: review of available literature, (b) key informant interviews, and (c) primary and secondary data collection; the modalities of these are outlined below.

Literature Review

A large number of documents were reviewed and discussed including policy, strategy, research reviews and project reports. The emphasis of this literature review was on a more targeted approach where every effort was made to only cite material applicable to the narrow focus of this evaluation study as compared to a broader systematic review.

The scope of this evidenced based literature review is outlined as follows. The main keywords for the document search will focus on: *fair trade, priority products (important to Danish market e.g. coffee, sugar, banana), certification, farmer groups, cooperatives, poverty, gender equality, consumer demand, climate change, low and middle income countries, Danida priority countries.*

Literature selection guidelines are: (a) peer reviewed documents with quality empirical data and/or the presentation of a rigorous qualitative analysis of the issues where possible, (b) priority products – focusing on the key products identified in association with FTM-DK, (c) Danida development priorities as regards to geographical location and low income countries and middle income countries, (d) Danish

documentation on Fairtrade issues, and (e) international documentation on Fairtrade particularly in regards to priority products and countries. As a caveat to point (a) it is important to note that very little of Danida's aid is tested using rigorous impact evaluation, so it was deemed too restrictive to only allow only empirical evidence based references in this study.

The review of the relevant literature was supplemented with an assessment of the coverage of impact studies and whether they can be considered representative. Furthermore, a *description of the social characteristics of the producers* (who is benefiting) and of the groups possibly suffering from displacement effects should be included to the extent this has been covered by the available studies. Fairtrade products are sourced both from low income countries and from middle income countries.

An annotated bibliography of key literature has been presented in the Final Report (Annex K). This annotated bibliography provides a summary of the most relevant literature consulted in this review and a description of the literature type (categorised according to: (a) primary and empirical (experimental or observational-method), (b) secondary (systemic review or other review), or (c) theoretical and conceptual).

Key Informant Interviews

Relevant traders in Fairtrade products in the Danish market for the three focus products were identified with support from FTM-DK. FTM-DK knows licensees and FLOCERT certified actors in the Danish market. Together with FTM-DK the most important retailers were also identified, and FTM-DK has provided contact names and details for several of those actors. Relevant organisations were also identified with the support of FTM-DK, including contact persons and details.

Additionally traders in products with other development oriented certification labels, mainly Rainforest Alliance and UTZ, within coffee and banana were identified through information from FTM-DK, checking of homepages of main players for these products as well as an interview with the Nordic Representative of Rainforest Alliance.

Companies and organisations were called in order to confirm or identify the right person to address questions. Then an e-mail was forwarded containing information about the Evaluation Study and the specific questions. The e-mail was then followed by a telephone interview.

Based on requests for information and as well as the TOR for the Evaluation Study, Fairtrade International has suggested which staff members to speak with, including contact person at FLOCERT. These staff members were interviewed by telephone using a semi-structured approach based on the preliminary findings and comments made by Fairtrade International and FTM-DK on these preliminary findings. The interviews were in several cases combined with e-mail exchanges on additional information, references and discussions.

In person interview was carried out with Elsebeth Dam Nordlund, Head of Product and Administration, FTM-DK on details of the operations of FTM-DK with regards to licensees and trade statistics for the focus products.

Primary and Secondary Data Collection

Statistics on Fairtrade products traded in the Danish market between 2008 and 2013 was collected from FTM-DK, covering estimated prices of Fairtrade products, volumes and value of Fairtrade products in the Danish market, license income and generated Fairtrade Premium. Details of the license system, including license rates, were also collected from FTM-DK.

Annual accounts, as well as strategy papers, internal notes on board meetings as well as quarterly reports to Danida were collected from FTM-DK, covering 2008 till present. Various statistical information as well as references was obtained from Fairtrade International

Databases of the Danish Universities' libraries were searched for literature and theses on Fairtrade, which could contain information on price differences, focusing on recent material. The internet was also searched for relevant literature.

1.4 Evaluation Matrix

Based on the evaluation questions as outlined in the review ToR and further augmented by the evaluation team after discussions with key stakeholders have been used to prepare the Evaluation Matrix which is

presented in Annex E. For each major evaluation question, a set of indicators have been prepared and means of verification identified. This matrix provides a comprehensive framework to evaluate the Fairtrade support provided by Danida to FTM-DK.

1.5 Interview Guidelines

Interview guides were prepared in order to target the various groups of information sources. Despite the fact that in several cases it was an important part of the interview to obtain hard data on prices, volumes etc., the interview approach has been to direct questions to each individual actor depending on what would be important to focus on in each particular case. As traders are often very busy and not very interested in providing data on internal price structures, trade volumes, business partners etc., it has been an important focus to establish confidence and remain adaptable to the interviewee's situation and priorities during the interview, obtaining as much relevant information as possible as opportunities occurs during the conversation. Consequently, interview guides are merely lists of information and/or documentation to be obtained, and questions forwarded were formulated based on these basic set of questions. The interview guides are presented in Annex F.

1.6 Product Selection Criteria and Selected Categories

According to the ToR, the evaluation will focus on 3-5 product categories. The criteria for selecting product categories include their importance in the Danish market and an assessment of the feasibility of obtaining the relevant information for the products. The evaluation will be based on a combination of review of existing studies as well as primary data collection.

Primary product category selection criteria are as follows:

- Importance of the product in the Danish Market
- Feasibility of obtaining the relevant quality information from existing studies
- Feasibility of obtaining the relevant information from primary data collection

Secondary product category selection criteria are as follows:

- Involvement of both smallholder farmers and hired labour
- Included in the new Fairtrade Sourcing Programs

The most important products in the Danish market are banana, sugar, cocoa and coffee. In Table 1 below, three indicators of market importance are presented, namely volume (un-processed), turn-over at retail level, as well as share of FTM-DK income from licenses.

Table 1: Selected Indicators (estimates) of Market Importance for the Four Most Important Fairtrade Products in the Danish Market, 2013

Indicator	Coffee			Banana	Sugar	Cocoa
	Instant	Bean/ ground	TOTAL Coffee			
Volume (MT)			1,880	3,485	894	251
Retail turnover (mill. DKK)	51.5	153.4	205.0	71.4	170.5	67.1
Income licenses (% of total license income)	7	31	38	19	17	11

Source: FTM-DK

Tea is very small, with only 49 tons traded in 2013. Feasibility of obtaining the relevant quality information from existing studies is relatively high for coffee, tea, cocoa, sugar and banana, including comparative studies in major countries with viable Fairtrade systems in place. This assumption is based on a preliminary but sufficiently detailed review of literature, where coverage of these five products was found to be more than adequate for the purposed of this evaluation study.

Feasibility of obtaining information from primary data collection depends in particular on presence of Fairtrade traders in Denmark. The table in Annex I lists those companies operating in Denmark, which are Fairtrade certified by FLO-CERT. Within all four major Fairtrade product categories there are traders operating in Denmark certified by FLO-CERT: for banana there are three FLO-CERT certified traders, for coffee 13, and for cocoa and sugar there are 9 and 11 respectively. For the rest of the products there are just 1-2 traders each, apart for vanilla, in which 10 traders in Denmark are certified by FLO-CERT.

It would be most feasible obtaining data from those companies, which are both Fairtrade certified by FLO-CERT as well as licensees with FTM-DK. Those companies would cover a larger part of the supply chain. In Annex I certified traders, which are also licensees with FTM-DK, are marked with yellow.

For coffee the large majority of the certified traders in Denmark are also licensees with FTM-DK.

For banana, the number of actors is much less. However, some of the largest retailers play an important role in the market for Fairtrade banana, and therefore it could be feasible obtaining primary information on banana.

Regarding sugar, the large majority of the certified traders are also licensees, namely 8 out of 11. Most traders in Fairtrade sugar only trade in small volumes. There are two large players, namely Nordic Sugar and Fynbo Foods, both of which deal with Fairtrade as well as non-Fairtrade sugar, making comparisons more feasible.

Regarding cocoa, there are five traders which are also licensees. However, only one of them trades in large volumes, namely Toms Confectionary Group. The person responsible for Fairtrade with Toms Confectionary Group is newly employed and not known as yet by FTM-DK.

Based on the primary selection criteria the following products are selected:

- Banana
- Coffee
- Cocoa
- Sugar

Looking at the secondary selection criteria there are standards for both small producers organizations as well as for hired labour for the banana and the tea product categories.

The new Fairtrade Sourcing Programs apply to cocoa, sugar and cotton.

Looking at the time available for the evaluation, it is highly recommended that in order to ensure a more detailed and in-depth evaluation the number of product categories selected does not exceed three. Because of the fact that coffee and banana are the most important product categories in the Danish market and that for both these product categories it is believed feasible to collect information from both primary sources as well as existing studies, coffee and banana should be selected.

The third and last product could be either cocoa or sugar. Sugar is more important in the Danish market than cocoa, in terms of volumes, retail value and percentage of FTM-DK income from licenses. There are more companies in Denmark trading in Fairtrade sugar than in Fairtrade cocoa, and there is a larger part of those traders in sugar, which are also licensees, as well as trading in large volumes, than for Fairtrade cocoa.

In conclusion it is recommended that the following three product categories be selected for the evaluation study: **banana, coffee and sugar**.

1.7 Comparable Organisations

According to the ToR, the aspect of effectiveness could possibly partly be looked at through benchmarking with a comparable organisation.

The following criteria for an organisation to be comparable with FTM-DK are established:

- Recognised by consumers in the Danish market as a “green” label
- Operating a certification/control system
- Clear and publicly available standards

- Same green focus area (e.g. environmental, social and financial sustainability)
- Private label, operated by one or several non-profit organisations as opposed to corporate labels
- Operating in similar product categories

According to a recent analysis of green labels in the Danish market, carried out in cooperation between the Danish Environment Protection Agency as well as the Danish Competition and Consumer Agency¹, there are at least 50 “green” labels in the Danish market. The present understanding of a green label is that it according to the consumers’ perception signals that buying a product with the label affects sustainability (environmental, social, financial) or health in a more positive (or less negative) way than buying other similar products.

According to the report, 21 green labels are commonly known and recognized by consumers. These labels are shown in Annex K. 14 of the 21 labels are private, and 7 are public labels. The public labels include the Danish Ø-label as well as the EU organic label. Standards for public labels are defined by law.

The 14 private labels include 5 corporate brands like “Änglamark” (own by the retail group Co-op) and “Levevis” (own by the retail group Dansk Supermarket). As the private brands are not subject to similar levels of transparency and openness, nor represent non-profit owners, they are not comparable with the Fairtrade label.

The 9 non-corporate private labels are Bra Miljøval, Rainforest Alliance, Fairtrade, MSC, FSC, PEFC, Oekotex, EcoCert and GOTS. In general, these organizations seem to have clear and publicly available standards, as well as operate a control system. However, not all of them are operating in product categories similar to Fairtrade. FSC and PEFC are operating specifically in sustainable forestry, MSC in sustainable fishing, whereas Bra Miljøval applies to a whole range of sectors, including energy, insurance and transport. Oekotex is focusing on health, as opposed to sustainability, whereas GOTS is applicable to textiles only – a relatively small Fairtrade product in the Danish market.

The Rainforest Alliance label should be comparable with the Fairtrade label. However, the organization does not have an office or representative in Denmark, making it difficult and not relevant to compare with the effectiveness of the branding activities of FTM-DK.

It should be mentioned that the UTZ label focus on sustainability and on the similar product groups as Fairtrade. However, generally consumers’ awareness of the UTZ label is limited, and the organization does not have an office in Denmark.

In conclusion, it does not seem possible to identify a comparable organisation for benchmarking when looking at the effectiveness of the work of FTM-DK. However, consideration will be given to the possibility of looking at these other organisations in terms of whether there are adverse effects to them of Danida support to Fairtrade Mærket.

1.8 Work Plan

In line with the Evaluation Study ToR the team has engaged in close dialogue with the staff of FTM-DK and liaised with other important stakeholders, especially the relevant importers/retailers of Fairtrade products in Denmark. Furthermore, Skype meetings were also held with Fairtrade International and FLO-CERT in Bonn, Germany, and also key Fairtrade related entities in UK (e.g., Fairtrade Foundation, NRI, SOAS, etc.)

The Work Plan for the assignment were prepared in close collaboration with the Danida/MFA and FTM-DK, and this is presented in Annex B. A list of persons/organisations interviewed/contacted is presented in Annex C. From this plan the consultancy period were divided into four phases:

- **Phase 1 – Inception Period** – from 12 to 29 September (7 working days), with initial meetings with Danida/MFA and FTM-DK, preliminary review of related documentation, development of approach and methodology, preparation and submission of Inception Report. During this phase

¹ Miljøministeriet, Miljøstyrelsen, og Konkurrence- og Forbrugerstyrelsen: Analyse af 21 “grønne” mærker. 2013. *English: Ministry of Environment, Environmental Protection Agency, and Competition and Consumer Agency: Analysis of 21 “Green” Labels. 2013*

the selection of the priority products were determined in liaison with Danida and FTM-DK to ensure work can begin on the identification of key stakeholders in Denmark and initiation of the detailed literature search targeting these products.

- **Phase 2 – Data and Information Collection Period** – from 6 to 31 October (17 working days), focusing on detailed review of literature, stakeholder meetings and primary and secondary data/information collection and analysis (see Annex B – Work Plan for more details).
- **Phase 3 – Mission Consolidation and Reporting Period** – from 3 to 11 November (5 working days), preparation and submission of the Draft Final Report.
- **Phase 4 – Finalisation of the Final Report** – this is undertaken based on and incorporating comments from Danida/MFA . A second final draft, based on the comments from Danida and Fairtrade International/FTM-DK was forwarded on 2nd January 2014. Following potential additional comments from stakeholders to be presented to the Evaluation Team no later than 12th of January 2015, a final report will be submitted on 16 January 2015.

The duration of the assignment has been extended to allow for sufficient time to able the team to undertake a comprehensive collection and analysis of primary and secondary data, an in-depth literature review, and to related to comments from the stakeholders.

Annex E – Evaluation Matrix

Relevance		
<p>The criterion of Relevance relates to the extent to which the objectives of an intervention are consistent with beneficiaries' requirements, needs, overall priorities and partners' and donors' policies, strategies etc.</p> <p>Criteria Statement</p> <p>The study should assess the relevance of Danida support to FTM-DK primarily by assessing how the Fairtrade cooperation system is aligned to Danida policy objectives.</p>		
Evaluation Question	Proposed Indicators	Means of Verification (source/method)
1. Are the objectives and the implementation of the Fairtrade system in coherence with the Danida Growth and Employment Strategy from 2011 and the Strategic Framework for Natural Resources, Energy and Climate from 2013?	Level of coherence of the Fairtrade system with Danida strategies: (a) Growth and Employment Strategy from 2011; and (b) Strategic Framework for Natural Resources, Energy and Climate from 2013.	Document review of key strategies Stakeholder meetings – MFA & FTM-DK
2. Are the producers of selected Fairtrade products sold in Denmark (and hence the beneficiaries of the Fairtrade certification system) coherent with the objectives of the Danish Development policy in terms of poverty orientation and gender equality?	Level of coherence of producers of selected Fairtrade products sold in Denmark with poverty and gender objectives of the Danish Development policy: (a) Danida Strategy for Gender Equality 2013; (b) Danida Strategy Freedom from Poverty: Freedom to Change 2010. Geographical spread - Level of coherence with the Danida's development targeting on a geographical basis and the Fair Trade producer countries (are these countries in the low income category).	Document review of key strategies Stakeholder meetings – MFA & FTM-DK

Efficiency		
<p>The criterion of Efficiency can be seen as a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.</p> <p>Criteria Statement</p> <p>The aspect of efficiency should be focused on a value for money perspective from the Fairtrade product consumer.</p>		
Evaluation Question	Proposed Indicators	Means of Verification (source/method)
3. How much is the price difference for the consumers in Denmark between comparable Fairtrade and non-Fairtrade products?	Difference between prices of selected comparable Fairtrade and non-Fairtrade products at retail level It should be noted that it is very difficult to estimate the Fairtrade premium at retail level, and this information is not readily available. Retail prices go up and down and are made more complex by a range of	Observations in retail outlets where selected comparable products are available Interviews with those retailers most important or active in sales or promotion of Fairtrade products, including Netto, Kvickly, Rema 1000

	<p>special offers and money-off deals. This means that price differences in shops can change from day to day. Looking at the prices of both products carrying the Fairtrade mark and similar conventional products, some Fairtrade products may even be cheaper than non-Fairtrade ones at certain times and many Fairtrade products are priced similarly to other products on the shelf.</p>	<p>Interview with FTM-DK</p> <p>Review of available data/reports on the Danish market for Fairtrade products</p>
<p>4. What is the added financial benefit for retailers/importers of Fairtrade products in Denmark?</p>	<p>Fairtrade price premium, at retail as well as import levels, minus license fee and/or certification fee as applicable, and minus extra price paid to exporter comprising difference between world market and Fairtrade minimum price, if applicable and if possible to obtain, as well as premium. By unit and/or in total based on volumes sold.</p> <p>Indirect financial benefits because of branding</p>	<p>Information on volumes sold by selected licensees from FTM-DK</p> <p>Information on prices and volumes sold by selected importers from FLO-CERT and/or FTM-DK as applicable, and/or traders, to the extent possible</p> <p>Information on license fee for selected actors from FTM-DK</p> <p>Information on certification fee for selected traders from FLO-CERT</p> <p>Information on the application of minimum prices as well as premiums from traders and/or FLO-CERT, to the extent possible</p>
<p>5. How much of this is channelled to producers through the price premium and other Fairtrade certification benefits, and how much is paid to FTM-DK for using the Fairtrade brand?</p>	<p>If possible, prices paid to producers in comparison with world market prices for the selected products, by unit and/or in total</p> <p>FTM-DK license fee for the selected products</p> <p>To the extent possible, establishment of the supply chain for each selected product category, comparing the chain for Fairtrade and non-Fairtrade certified products: who are the actors? Which role do they play? Prices, revenues and costs at each level of the chain.</p>	<p>Information on prices paid to producers from importers and/or FLO-CERT</p> <p>Information on license fee from FTM-DK</p> <p>The possibility of establishing the value chain for the selected Fairtrade products, as well as comparable non-Fairtrade products, depends on to which extent actors in the value chain can be identified, and to the extent they are willing to provide information on prices, revenues and costs in their trade relations in the selected products.</p>
<p>6. Is it good value for money for a consumer to support development through the Fairtrade system?</p>	<p>The financial benefits for the producers/workers in comparison with working with non-Fairtrade products</p> <p>Same as above and including costs of</p>	<p>Information on costs based on annual accounts for FTM-DK, FLO-CERT and Fairtrade International.</p> <p>Information on development effects for the selected products</p>

	the Fairtrade support organisations Development effects of the selected Fairtrade products	based on interviews with actors in the supply chain, FTM-DK, Fairtrade International, FLO-CERT as well as review of impact studies
7. Is Danida promoting FTM-DK with the risk of creating negative displacement effects for other development oriented certification brands?	Experiences by other development oriented certification schemes of displacement effects Experiences of displacement effects by traders in Fairtrade as well as products certified against other development oriented standards	Interviews with FTM-DK Interview with other development oriented certification schemes Interview with traders of Fairtrade products Interviews with traders of products certified against other development oriented standards Review of literature

Effectiveness

The criterion of Effectiveness relates to the extent to which the intervention's objectives were achieved, or are expected to be achieved taking into account their relative importance.

Criteria Statement

The study should assess the effectiveness of the FTM-DK secretariat in promoting the brand towards consumers and commercial partners in Denmark.

Evaluation Question	Proposed Indicators	Means of Verification (source/method)
8. Is the FTM-DK effective in marketing and building support for the Fairtrade brand in Denmark?	Development in level of awareness of Fairtrade in DK among consumers as well as retailers and traders. Development of attitudes towards and perceptions of Fairtrade among consumers, retailers and traders Development in availability of Fairtrade products in DK, <i>i.e.</i> number and types of products, FT sales turnover, number of outlets carrying FT products and/or brands, number of licences, number and types of new actors FTM-DK strategies and activities carried out and resources spent on marketing of the Fairtrade brand in DK as well as on awareness creation Level of compliance with time schedules, budgets, goals and implementation plans, focusing on the last 5 years	Review of documentation on FTM-DK's work, including progress reports to the governing board and DANIDA, and internal business plans and strategy papers Interviews with FTM-DK Communications and Marketing Team on their activities and strategies Interviews with selected (potential) commercial partners, including retailers and traders, on their awareness and perceptions of Fairtrade, their cooperation with FTM-DK and future plans for dealing with Fairtrade products Review of market studies

9. To which extent does Danida's support to FTM-DK supplement or substitute for funding provided from other sources (input additionality)?	Sources of financing, including degree of self-financing, over the last 5-7 years	FTM-DK annual accounts
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Impact and Sustainability

Impacts and sustainability can be seen as being interrelated in the sense that impacts relates to the wider and longer-term effects, and sustainability to whether effects and achievements will be sustained over time

Criteria Statement

Possible development impacts for producers in the Fairtrade certification system are diverse and may include for instance financial rewards, strengthened human resources, social services, organisational strengthening or environmental benefits. However, the issue of the development impact of Fairtrade certification is disputed

Evaluation Question	Proposed Indicators	Means of Verification (source/method)
10. On the basis of the available literature and impact studies, what can be concluded regarding the development impact for Fairtrade producers from being involved in the Fairtrade system? Is the development impact sustainable?	<p>Assessment of sustainability of the Fairtrade system on the producers of the prioritised products through evidenced based review.</p> <p>Poverty profile of the impact of Fairtrade interventions for prioritised products</p> <p>Determination of confidence level & impartiality of the review documents.</p> <p>Quality of the documentation reviewed (peer reviewed as compared to grey literature.</p>	<p>Document review</p> <p>Key stakeholder interviews</p> <p>Online survey</p> <p>Quality scoring systems developed for literature review.</p> <p>Poverty profiling of impact</p> <p>Evidenced based</p> <p>Positive & negative impacts of Fairtrade certification</p>
11. Have there been any adverse consequences for Fairtrade producers from being involved in the Fairtrade system?	Assessment of the negative impacts on producers of prioritised products as a result of involvement in Fairtrade system	<p>Document review</p> <p>Key stakeholder interviews</p> <p>Online survey</p>
12. Have there been direct or indirect, positive or negative effects of other producers or communities (not directly involved in the Fairtrade system), through for instance copying, linkages (positive) or displacement (negative)?	Assessment of direct/indirect benefits (positive or negative) of the prioritised products/countries.	<p>Document review</p> <p>Key stakeholder interviews</p> <p>Online survey</p>

Annex F – Evaluation Interview Guides

FTM-DK

- Market information on the selected products, including volumes, value, prices, license fee and other Fairtrade related costs for trade in the selected products
- License agreements applicable for the selected products and number and types of licensees
- Identification of market actors relevant for the selected products, including retailers, licensees and certified traders, as well as establishment of trade linkages.
- Information on relation to and potential cooperation with other organisations
- Cooperation with FLO-CERT, including division of responsibilities and financial connection
- Cooperation with Fairtrade International, including division of work and responsibilities as well as financial connection
- Detailed information on internal work procedures as well as cooperation with various types of commercial and non-commercial actors
- Priorities and strategies for the future
- Challenges and opportunities
- Statistics on generation of Fairtrade Premium

Other Danish organisations

- Do you know the Fairtrade label?
- Do you know FTM-DK?
- What do you think of Fair Trade and Fairtrade?
- Future prospects, challenges and opportunities?
- How does the presence of Fairtrade products in the Danish market affect your organisation?
- How do the marketing and communication activities carried out by FTM-DK affect your organisation?
- Do you know of information on the market for Fairtrade products in Denmark?
- How do you think Danida's support to FTM-DK affects other development oriented certification brands present in the Danish market?

Traders certified by FLO-CERT

- Identification of the value chain for each product actor. In particular, who are the producers and/or exporters?
- Volumes traded with each supplier (exporter and/or producer), if possible
- Terms of trade agreed with suppliers, in particular on price levels and premiums
- Prices paid for the last few years, divided into minimum price and premium
- When did the minimum price come into effect?
- What is the difference between Fairtrade and non-Fairtrade prices at exporter's/producers' level as well as on wholesale level?
- Cost of certification
- What are the financial benefits from Fairtrade certification?
- Value of Fairtrade branding – does it increase sales? How much?
- What are your experiences with the Fairtrade system?
- What are the pros and cons of the Fairtrade system?
- How do you perceive your cooperation with FLO-CERT? And FTM-DK?
- Will your company continue to deal with Fairtrade products? Why?
- Do you think the system benefits producers in an efficient way?

- Does your company apply other social and/or environmental certification schemes? If yes, which? And Why?
- Comparing the different schemes
- Does Danida's support create displacement effects in the market towards other development oriented certification schemes?

FTM-DK Licensees

- Identification of the value chain
- Cost of License
- Price premium in the market for Fairtrade
- Price premium paid to traders for Fairtrade
- Financial benefit from Fairtrade licensing
- Value of Fairtrade branding – does it increase sales? How much?
- Importance of having the Fairtrade label on your products in the DK market
- What are your experiences with the Fairtrade system?
- What are the pros and cons of the Fairtrade system?
- How do you perceive your cooperation with FTM-DK?
- Will your company continue to deal with Fairtrade products? Why?
- Do you think the system benefits producers in an efficient way?
- Does your company apply other social and/or environmental certification schemes? If yes, which? And Why?
- Comparing the different schemes
- How are other development oriented certification schemes affected by Danida's support to FTM-DK?

Traders not dealing in Fairtrade products

- For the selected products: Why is your company not dealing in Fairtrade products?
- What is your perception of Fairtrade?
- Are you dealing with other development oriented certification schemes?
- Are you considering dealing with Fairtrade products?
- How are other development oriented certification schemes affected by Danida's support to FTM-DK?
- What is the market price premium for Fairtrade products?
- What are the market trends?
- What is the market situation?

Retailers

- For each selected product:
 - o Identification of Fairtrade value chain
 - o Price difference between Fairtrade and non-Fairtrade products at retail level Fairtrade label influence on sales, including importance of new labelling possibilities for composite products
 - o Price difference at wholesale level
 - o Value of branding - does it increase sales? How much?
- What are your experiences with the Fairtrade system?
- What are the pros and cons of the Fairtrade system?
- What are the future opportunities and challenges of Fairtrade?
- How do you perceive your cooperation with FTM-DK?
- How do the marketing and communication activities carried out by FTM-DK affect your sales of Fairtrade products? How does it affect consumers' perception of your outlet and their willingness to buy Fairtrade products and other comparably labelled products?

- Will your company continue to deal with Fairtrade products? Why?
- Do you think the system benefits producers in an efficient way?
- Does your company apply other social and/or environmental certification schemes? If yes, which? And Why?
- Comparing the different schemes
- How does Fairtrade promotion affect sales of other comparable labels?

Fairtrade International

- Detailed information about the producers, numbers, production, development indicators, application of the Fairtrade Minimum Price, development in the level of Fairtrade Premium
- For banana from Dom. Republic, coffee and sugar respectively, covering 2008-2013:
 - o Information/statistics of the difference between world market prices and FT minimum prices
 - o Minimum prices
 - o Fairtrade Premiums
 - o Number of SPO's, plantations and number of farmers benefiting from exports to DK, preferably at country level
 - o Costs of Fairtrade certification involved at all stages of the supply chains to DK
- The world market sugar price has gone up for the last 2-3 years and then now is rather low. What are the consequences for farmers that there is no minimum price for sugar? Will there be a minimum price in the future?
- The Fairtrade Premium for sugar has stayed the same for many years. Why no changes?
- In Denmark, 75% of the FT-products are also organic. What are your thoughts about combining organic and FT certifications, in order to avoid double certification?
- Any information on the Danish market on sugar, coffee and banana as well as in total, relative to Fairtrade labeled products
- Any information on which are the producer countries which export to Denmark for banana, coffee and sugar – highlight Fairtrade and non-FT labeled commodity. Need recent information on amounts exported to Denmark from these countries.
- Poverty profile of Fairtrade producers of the impact of Fairtrade certification for the three prioritised products (banana, coffee & sugar), if possible for the countries which export to Denmark. If not any data that is available.
- Any information on the "practical" use of FT Internationals Theory of Change, especially as regards to all or any of the three priority products?
- Which assistance has been provided to the producers involved in the supply chains of the selected products in the Danish market?
- What is the cost of this assistance?
- Is it Good Value for Money for a consumer to support development through purchases of Fairtrade products?
- What is your response to preliminary findings in the Danish market:
 - o The label, which is most known and trusted in the Danish market, is the organic label. How could Fairtrade benefit from this situation?
 - o Danida's support does favour one brand over other development oriented certification brands, but in the end, it might benefit all because it increases awareness of fair trade and consumers may not know the difference between the various labels
 - o The Fairtrade Premium on sugar is perceived to be low
 - o License fees are expected by some traders to be decreased
 - o Some traders believes that Fairtrade will remain a niche
 - o Some traders believe the Fairtrade system is costly
- Development effect on the identified producers
- Which kind of assistance will the identified producers need in the future?
- Challenges and opportunities for Fairtrade, in general and for the selected product groups
- Strategies and priorities for the future development of the sector and the system

- Present cooperation with Danida?
- Future cooperation with Danida?
- Many companies in DK choose FT for branding. But also exploring other CSR. How do you plan to keep a leadership in having a strong international brand?
- Traders have expressed concern that they and the consumers do not know how much farmers benefit financially from the extra costs involved (licence, certification):
 - o How to address this?
 - o How to demonstrate monetary efficiency?
 - o Other studies on monetary efficiency?
- Preliminary findings of the other evaluation – of the strategic fair-trade funding programme?
- What are the main strengths of the Fairtrade system? How to communicate them?
- Main weaknesses?
- Change of priorities and strategies in the future?

FLO-CERT

For each of the selected product groups:

- FLOCERT's experiences from doing audits and certifying in Scandinavia: How does FLOCERT do it, in a more general sense?
- Challenges for farmers (i.e. producers in the South) as far as certification and audits go, especially when it comes to coffee, banana and sugar (i.e. are there any particular points or challenges for these products?) and challenges for traders in Scandinavia (specific to the region, and these products).
- Confirmation/completion of the value chain. In particular, who are the producers?
- Detailed information about the producers, including number of organisations, number of farmer families, etc.....
- Development effect on the identified producers, including how did they decide to spend the Fairtrade Premium
- Confirmation of the certification costs involved for the traders in Denmark
- Confirmation/information/statistics on when the minimum price has come into effect
- Data on the price premium obtained by producers as a consequence of the application of the minimum price?
- Volumes, Fairtrade prices, non-Fairtrade prices at each level of the value chain
- Statistics on non-compliance
- Consequences of non-traceability in sugar, juice, cocoa and tea?
- Audit reports from accreditation body?
- Is it possible to see certification reports for the operators involved in the value chains linking producers of the selected products to the Danish market?
- Possible to see certification reports for the traders in DK of the selected products?
- Number of clients grouped according to type and products
- Risks, challenges and opportunities for FLOCERT
- Competition in the future from other certification bodies

Annex G – Context Danida's Support Fairtrade

In this context analysis a brief review has been made of the key aspects particularly in regards, to clarifying what is actually meant by the terms Fair Trade and Fairtrade, an overview of the key Danida policies and strategies with respect to Fairtrade, the current situation in respect of Fairtrade worldwide and in Denmark, and Fairtrade International's Theory of Change.

1.1 Definitions of Fair Trade and Fairtrade

To avoid confusion it is important to clarify the definitions for "fairtrade/fair trade" and associated terms used in this evaluation study, as defined in the glossary prepared by the World Fair Trade Organization, Fairtrade International and FLO-CERT; these terms are presented in Box 1. A full glossary of terms related to Fairtrade is included in the Main Report for the Evaluation Study (Anne N).

Box 1: Fair Trade Definitions

Fair Trade (FT)

The term Fair Trade defines a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in developing countries.

Fairtrade (no abbreviation)

Fairtrade refers to all or any part of the activities of FLO eV, FLO-CERT, Fairtrade producer networks, national Fairtrade organizations and Fairtrade marketing organizations. Fairtrade is used to denote the product certification system operated by Fairtrade International (FLO).

Fair Trade movement

The Fair Trade movement is the combined efforts of Fair Trade organizations, campaigners and businesses to promote and activate the Fair Trade principles of empowering producers, making trade more fair and sustainable livelihoods.

Fairtrade organizations

Fairtrade organizations refer to FLO eV, FLO-CERT, Fairtrade producer networks, national Fairtrade organizations, associate members and Fairtrade marketing organizations that comprise and support the Fairtrade system.

Fair Trade Organization (FTO)

A Fair Trade Organization, also called an alternative trade organization (ATO), has Fair Trade as part of its mission and at the core of its objectives and activities. Fair Trade organizations follow the Fair Trade principles. They are actively engaged in supporting producers, trading, raising awareness of Fair Trade issues and advocating the integration of Fair Trade principles into all international trade practices.

Source: Fair Trade Glossary. A joint publication of the World Fair Trade Organization, Fairtrade International and FLO-CERT. 28 June 2011

1.2 Danida Policies and Strategies

One of the key questions in the evaluation study ToR in relation to the criteria of relevance is to address the issue as to whether the objectives and the implementation of the Fairtrade system is coherence with the Danida Growth and Employment Strategy (GE Strategy) from 2011 and the Strategic Framework for Natural Resources, Energy and Climate (NEC Strategy) from 2013. This will be addressed in greater detail in the final evaluation report, but at this stage it is worth noting what are these strategies and place this evaluation into the context of Denmark's development agenda, especially as it is related to Fairtrade.

Denmark's development cooperation strategy, **The Right to a Better Life**, adopted by the Danish Parliament in May 2012, includes green growth as one of four priorities for Denmark's development policy engagement. The objective of the Strategic Framework for Natural Resources, Energy, and Climate (NEC Strategy), together with the 2011 Strategic Framework for Growth and Employment (GE Strategy), is to jointly set the priorities and define the instruments for Denmark's development cooperation for green growth.

The GE Strategy covers six focus areas (Box 2): improving developing countries' access to global and regional markets, improving local frameworks for economic growth, advancing access to new technology and innovation, increasing production and processing (value chains), strengthening tax systems and working with the most vulnerable. The strategy presents detailed tools and approaches for implementing these six focus areas, all of which are highly relevant to implementing the NEC Strategy. Moreover, the GE Strategy outlines the main principles and priorities for instruments that directly engage the Danish business community in fostering growth and employment.

Box 2: Objectives of the Strategic Framework for Growth and Employment (GE Strategy)

1. Work towards increased free trade, market access for developing countries and better integration in the global economy;
2. Support partner countries in establishing the framework for market-based economic growth with a focus on employment;
3. Advance developing countries' access to new technology and innovation;
4. Work with all aspects from production to processing so that jobs are created and a more versatile production is established in partner countries;
5. Strengthen tax systems so that over time developing countries become capable of financing their own development;
6. Contribute to safety nets that empower the poorest to improve their living conditions.

Source: Danida (2011) Strategic Framework for Growth and Employment (GE Strategy)

The NEC Strategy provides the framework and demonstrates opportunities for pursuing greener pathways across all instruments and intervention areas in Danish development cooperation. This will be the key approach for mainstreaming environment as a crosscutting issue in Danish development cooperation.

The NEC Strategy is the framework to be applied by stakeholders involved in the implementation of Danish policy and support to natural resources, energy, and climate change interventions in Danish priority countries (Poverty Frame) and in some middle-income countries (Global Frame). For this evaluation study it will be important to identify which countries are deemed 'relevant' from a Danida view point. As a starting point the Danish priority countries are the most relevant, but other countries may not necessarily be irrelevant and the relevance of FTM-DK activities should not be deemed harder than that of Danish NGOs. With this in mind and to clarify the situation, the team will during the next stage of the evaluation review contact the Danida office dealing with Danish NGOs/CSOs to find out what are the requirements in terms of countries for the core support which Danida provides to them.

The strategy targets staff and counterpart stakeholders responsible for identifying, formulating, and implementing (including monitoring and reporting) Danish international cooperation on green growth interventions. The NEC Strategy is supplemented by the Danida Green Growth Guidance Note (2014), including a catalogue on green growth cases and interventions previously supported by Denmark (in preparation). Denmark's support of the green growth agenda will include staff training (via e-bytes and technical seminars).

The NEC Strategy establishes the parameters to guide Danish partners such as governments and local public authorities, multilateral and other international organizations, the private sector, CSOs, and research institutions who may participate or have specific interests in the roll-out of Danish support to NEC-related interventions.

Another key question posed by the ToR in relation to relevance is whether the producers of selected Fairtrade products sold in Denmark (and hence the beneficiaries of the Fairtrade certification system) coherent with the objectives of the Danish Development policy in terms of poverty orientation and gender equality?

The key Danish development policies/strategies that relate to this query are as follows:

- Gender Equality in Danish Development Cooperation Strategy (2004) updated in a programming exercise by Danida in document entitled: Strategy for promoting gender equality in Danish development cooperation (27 June 2013; Department for Development Policy and Global

Cooperation. The Strategy for Danish Development Cooperation establishes gender equality in a HRBA framework. The Strategy states that: (i) “We will identify the conditions and power relations which give rise to inequality and discrimination and work for positive change”; and (ii) “Women’s rights will feature prominently in the approach. We will assess our partners on their ability to gradually and continuously bring about noticeable progress for the rights and equal opportunities of women and children – particularly girls – to realize their full potential, and thus their ability to contribute to the development of society.”

- Priorities of the Danish Government for Danish Development Assistance: Overview of the Development 2012-2016 (2012). In this document the Danish Government presents its priorities for Danish development assistance for the years 2012-2016. The priorities for Denmark’s development assistance reflect the ongoing implementation of the strategy for Denmark’s Development cooperation – the Right to a Better Life (2012). With poverty reduction as the overarching goal, the strategy highlights five political priority areas for Denmark’s future engagement on development: (1) freedom, democracy and human rights, (2) growth and employment, (3) gender equality, (4) stability and fragility, and (5) environment and climate. With a stronger engagement in fewer countries and organisations creates impact, better results and room for new initiatives. The phasing out of assistance to a number of partner countries continues, reducing the number of partner countries from 26 to 19 over the coming years. Denmark’s multilateral development assistance will also be further focused with emphasis on efficiency and results. The Danish Government will give greater priority to Denmark’s engagement in fragile states in the coming years. Also as part of the implementation of the recommendations of the Africa commission, support to the promotion of growth and employment in Africa will be gradually increased.

1.3 Overview of Fair Trade in General²

Fair trade is an organized social movement whose stated goal is to help producers in developing countries achieve better trading conditions and to promote sustainability. Members of the movement advocate the payment of higher prices to exporters, as well as higher social and environmental standards. The movement focuses in particular on commodities, or products which are typically exported from developing countries to developed countries, but also consumed in domestic markets (e.g. Brazil and India) most notably handicrafts, coffee, cocoa, sugar, tea, bananas, honey, cotton, wine, fresh fruit, and flowers. The movement seeks to promote greater equity in international trading partnerships through dialogue, transparency and respect. It promotes sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers in developing countries.

Fairtrade labelling organizations most commonly use a definition of fair trade developed by FINE, an informal association of four international fair trade networks (Fairtrade Labelling Organizations International, World Fair Trade Organization (WFTO), Network of European Worldshops and European Fair Trade Association (EFTA)): fair trade is a trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade. Fair trade organizations, backed by consumers, are engaged actively in supporting producers, awareness raising, and in campaigning for changes in the rules and practice of conventional international trade.

There are several recognized fair trade certifiers, including FLO-CERT, IMO and IBD. Additionally, Fair Trade USA, formerly a licensing agency for the Fairtrade International label, broke from the system and is implementing its own fair trade labelling scheme, which has resulted in controversy due to its inclusion of independent smallholders and estates for all crops. In the aftermath of this, Fairtrade International has established a new organisation in the US, named Fairtrade America.

There are a large number of fair trade and ethical marketing organizations often employing different marketing strategies. Most Fair Trade products are sold by those Fair Trade organizations that believe it is necessary to market through supermarkets to get sufficient volume of trade to have any real impact on the Third World. There remain many Fair Trade organizations that adhere to a greater or smaller degree to the original objectives of Fair Trade, and that market products through alternative channels where

² Source: http://en.wikipedia.org/wiki/Fair_trade

possible, and market through specialist Fair Trade shops, but they have a small proportion of the total market.

1.4 Fairtrade International's Theory of Change

A Theory of Change describes the change that an initiative (organization, network, project, etc.) wishes to see in the world and its understanding of how it will contribute to that change. Fairtrade International has developed a Theory of Change for Fairtrade as part of work to improve the Fairtrade Monitoring, Evaluation and Learning (MEL) system. The Theory of Change captures the range of things Fairtrade does as a system (i.e. its interventions) and relates these logically to desired immediate, mid-term and long-term changes. It thereby provides a framework for identifying appropriate indicators for measuring the results of Fairtrade and progress towards Fairtrade's goals.

Use of the Theory of Change: The Theory of Change is not a plan or strategy. Nor is it a logframe or other form of reporting framework which commits Fairtrade to specific activities and results. It is a generic theory which MEL staff will use as a guiding framework for the design of monitoring and research activities. However, by analysing data coming out of these MEL activities, it will be possible to test assumptions underlying the Fairtrade approach (e.g. strengthened small producer organizations contribute to the sustainable livelihoods and empowerment of individual farmers) and to identify which interventions and areas of change are most critical for the achievement of Fairtrade goals.

Fairtrade Approach: To achieve its goals, Fairtrade aims to bring about simultaneous change in four spheres (Figure 1): (1) Small producer and worker organizations, (2) Supply chain business practices (including labour practices), (3) Consumer behaviour, and (4) Civil society action.

Figure 1: Spheres of Change in Fairtrade



Source: Fairtrade International (2013). Fairtrade Theory of Change

Two different types of intervention are used for bringing about change in these four spheres:

Standards which establish the 'rules' for fair trading practices and engagement in Fairtrade. The standards include rules for supply chain businesses which wish to trade in Fairtrade products (including Hired Labour companies and Promoting Bodies in contract production systems⁷), and rules for small producer and worker organizations.

They codify **key principles** of Fairtrade, including: sustainable and equitable trading relations; good governance in organizations (democracy, participation and transparency); respect for human rights (particularly labour, child and gender rights) and protection of the environment. The standards also incorporate **key tools** used in Fairtrade:

Economic protection policies which aim to offset price volatility and risk for Producer Organizations. These include minimum price guarantees to ensure Producer Organizations receive prices which cover the average cost of sustainable production, access to pre-finance (credit), and provision of sourcing plans.

Empowerment policies which support independent organizations of small producers and workers to develop and implement their strategies for sustainable development based on their own aspirations and priorities.

The **Fairtrade Premium** which is paid to small producer and worker organizations based on sales and enables small producers and workers to invest in economic, social and environmental development, in line with their democratically-agreed priorities.

The **FAIRTRADE Mark** used on products which have been traded according to the Fairtrade standards. The Mark enables consumers to actively choose products that embody Fairtrade principles. It also makes demand for Fairtrade products more visible to businesses and to policy makers.

Strategies and policies which enable engagement in Fairtrade by small producers, workers, employers, supply chain businesses, consumers and civil society organizations, and leverage this engagement to bring about wider changes in support of greater justice and sustainability in trade. These include strategies to:

Build Fairtrade markets though raising consumer awareness and engaging with businesses.

Provide support to small producers and workers to build strong, independent organizations, achieve compliance with Fairtrade standards, and access markets.

Develop networks and alliances, including supporting networks of small producers and workers, mobilizing civil society to take action around trade justice, and forming strategic partnerships with organizations which have common goals.

Intensify advocacy and campaigning for change in the policies and practices of international trade, including lobbying and campaigning by Fairtrade organizations themselves as well as collaborative action with other civil society organizations.

These strategies are framed around policies of **good governance** within the Fairtrade system, with fair representation of all stakeholders in decision-making, and a commitment to **growth with integrity** to ensure that market growth opportunities are available to all types of Producer Organizations and traders and do not benefit some groups at the expense of others. As part of this commitment, small producers have a special place in Fairtrade, with some product categories not open to larger farms (e.g. coffee, cocoa, cotton, sugar). Fairtrade is also committed to ongoing Monitoring, Evaluation and Learning for the dual purposes of **accountability and continual improvement**.

An example of the indicators for the theory of change for the smallholder producer organisations is presented in Annex I. Note that the Fair Trade International has separate sets of indicators for smallholder producers as compared to hired labour situations.

1.5 The International Fairtrade System

The international Fairtrade system represents the world's largest and most recognized fair trade system. It is made up of Fairtrade International, FLO-CERT, three producer networks and 25 Fairtrade organisations.

Fairtrade International

Fairtrade International is the organization that coordinates Fairtrade labelling at an international level. Fairtrade International set international Fairtrade standards, organise support for producers around the world, develop global Fairtrade strategy, and promote fair trade internationally. The organisation was established in Bonn, Germany, in 1997, then called Fairtrade Labelling Organizations International (FLO). The intention was to unite national Fairtrade organisations under one umbrella and harmonise worldwide standards and certification.

In 2002, Fairtrade International launched the Fairtrade certification mark. The goal of the launch was to improve the visibility of the Mark on supermarket shelves and facilitate cross border trade. Two years

later, the certification process was separated from the standard-setting activities, and so FLOCERT was created as an independently governed subsidiary of FLO operating a certification system for Fairtrade.

A key part of Fairtrade International’s role is to develop and review the Fairtrade Standards. These Standards apply to all Fairtrade producers. They also apply to the companies who market Fairtrade products, such as importers, exporters and licensees.

Fairtrade standards are designed to support the sustainable development of small producer organizations and agricultural workers in the poorest countries in the world. Fairtrade International defines the countries in which it certifies producers as those countries with low and medium development status. The definition is based on the OECD-DAC (Development Assistance Committee) list of recipient countries of Official Development Assistance. The list includes countries with low and middle per capita income as defined by the World Bank³.

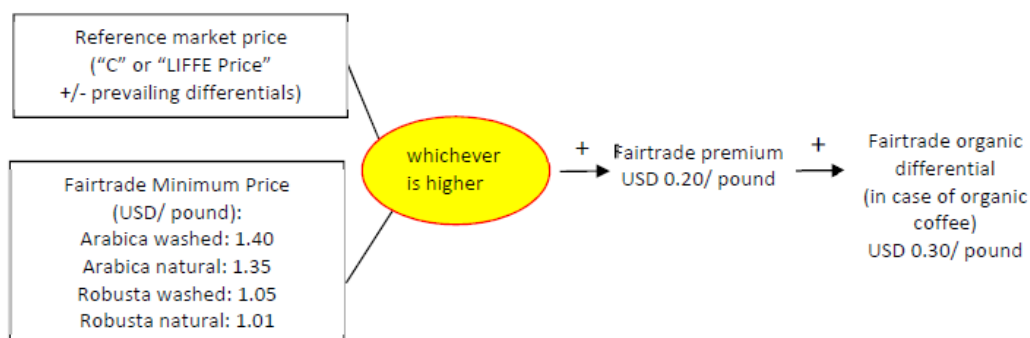
The key objectives of the standards are to:

- ensure that producers receive prices that cover their average costs of sustainable production;
- provide an additional Fairtrade Premium which can be invested in projects that enhance social, economic and environmental development;
- enable pre-financing for producers who require it;
- facilitate long-term trading partnerships and enable greater producer control over the trading process;
- set clear core and development criteria to ensure that the conditions of production and trade of all Fairtrade certified products are socially, economically fair and environmentally responsible.

Fairtrade standards distinguish between core requirements, which producers must meet to be certified, and development requirements that encourage producers to continuously improve and to invest in the development of their organizations and their workers.

Another important role of the Fairtrade International is to establish minimum prices. The Fairtrade pricing system is illustrated in figure 2 below, showing the example of coffee.

Figure 2: Fairtrade price setting, the example of coffee



Source: Fairtrade International Reference Guide on Prevailing Differentials, available at http://www.fairtrade.net/fileadmin/user_upload/content/2009/products/2014-09-22_FLO-Ref_Guide-Differentials_Coffee_Sep-8-19.pdf

When the Reference market price is below or equal to the Fairtrade Minimum price the price paid to the producer organization cannot be below the Fairtrade Minimum Price plus the Fairtrade Premium, plus (in case of organic coffee) the Fairtrade organic differential. A negative differential cannot be applied to the Fairtrade Minimum Price. Therefore, when the Reference market price (“C” or “LIFFE Price” +/- prevailing differentials) is below or equal to the Fairtrade Minimum price, the Fairtrade price would be (USD / pound) at least:

$$\text{Arabica washed} = 1.60 = 1.40 + 0.20$$

³ The list is available at http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/generic-standards/2014-07-16_Geographical_Scope_policy_EN.pdf

Arabica washed organic = 1.90 = 1.40 + 0.20 + 0.30

When market prices for coffee are higher than the Fairtrade Minimum Price, traders and producers are to agree coffee prices using the Fairtrade reference for market prices, which are published on a regular basis. Minimum Prices and Premiums for all Fairtrade certified products are published separately to the product Standards in the Fairtrade International Minimum Prices and Premiums Online Database⁴.

Looking at Fairtrade prices set for Coffee Arabica, as an example, the Fairtrade Premiums are in the range of 12 – 15 % above the minimum prices.

For secondary products and/or its derivatives, a default Fairtrade Premium of 15% of the negotiated price must be paid in addition to the negotiated price.

Products produced and traded in accordance with the Fairtrade standards may be sold carrying the Fairtrade Mark. The Fairtrade Mark is a registered trademark owned and licensed by Fairtrade International. For single ingredient products, *e.g.* banana or coffee, 100% of the product meets the Fairtrade standards when carrying the Fairtrade Mark.

For composite products, *e.g.* cookies and chocolate bars, all ingredients that can be sourced as Fairtrade must be Fairtrade in order for the product to carry the Fairtrade mark. The percentage of each Fairtrade ingredient must be displayed on the back of the pack and at least 20% of the content must be Fairtrade certified.

Fairtrade International has introduced new Fairtrade Sourcing Programs for sugar, cocoa and cotton. Fairtrade Sourcing Programs connect Fairtrade farmers with companies wanting to buy these specific commodities on Fairtrade terms. Rather than focusing on all the ingredients for one final product, Fairtrade Sourcing Programs means companies can make commitments to sourcing one or more specific commodities for use across ranges, or even their whole business. For example, a supermarket could buy some or all of its cocoa through the Fairtrade Cocoa Program, to use across their chocolate bar ranges, or a confectionery company could decide to use Fairtrade sugar for all its sweet treats.

The new Sourcing Programs have the same standards of Fairtrade, but the Mark is different, and there are some rules about how businesses can communicate their commitment to the Fairtrade Sourcing Programs. For example, for sugar and cocoa, companies will only be able to use the Fairtrade Program Mark on-pack if 100% of the focus ingredient for that product is bought on Fairtrade terms. Companies can also talk about their commitment to the Fairtrade Sourcing Programs in off-pack communications such as websites.

The Fairtrade Mark and the Fairtrade Program Mark are shown in the figure below.

Figure 3: the Fairtrade Mark and the Fairtrade Program Mark for Cocoa



Source: Fairtrade International, <http://www.fairtrade.net/the-fairtrade-marks.html>

Fairtrade International also helps producers to gain Fairtrade certification and develop market opportunities.

FLOCERT

FLOCERT is the certifier for Fairtrade. FLOCERT works fully independently from Fairtrade International. By checking compliance with Fairtrade Standards, the company ensures that the relevant

⁴ Available at <http://www.fairtrade.net/price-and-premium-info.html>

Fairtrade standards are met, for example that producers receive the Fairtrade Minimum Price and Premium, and that the Premium is used according to the Fairtrade standards. FLOCERT's Fairtrade certification system meets the requirements of ISO 65 (EN 45011), as confirmed by the German National Accreditation Body DAkkS. ISO 65 is the leading international standard for product certification.

Producer Audits

All producer organizations – whether small producer group, plantation or contract production setup – must go through an initial on-site audit, before they can sell Fairtrade certified products.

The annual cost of certification depends on the total number of farmers or workers. Following the physical audit, an audit report is sent to FLOCERT for evaluation and approval or to follow-up on any non-conformities identified during the audit. The decision to certify is taken by FLOCERT. In order for FLOCERT to carry out its inspections, production units must keep records of product flow and financial transactions.

Trader Audits

FLOCERT also audits traders against the Fairtrade Trade Standard. At the audit itself the auditor checks on-site if all Fairtrade transactions were conducted in line with the corresponding Fairtrade Standards. Traders involved in Fairtrade Premium and Minimum Price payments are audited at least twice in a three-year certification cycle and FLOCERT also conducts unannounced audits. The fee scheme contains application fees and annual fees, which increases with the number of products and entities, and to whether a trader pays Minimum Prices and Premiums.

It is the Fairtrade objective to ensure that Fairtrade labelled products can be traced back to Fairtrade producers. The Trade Standard set documentary as well as physical traceability requirements. Physical traceability requires traders to physically separate Fairtrade products from non-Fairtrade ones and to ensure that products are identifiable as Fairtrade along all stages of the supply chain.

However, because producers do not have control over processing of sugar cane, cocoa, fruit juice and tea, and manufacturers do not keep the product physically separate, physical traceability is not required for these products. Consequently, because physical traceability or Single Site Mass Balance jeopardizes the cane sugar or cocoa producers' ability to sell to first buyers, group mass balance is maintained. Instead, certified producers and traders of sugar cane, cocoa, tea and fruit juice must demonstrate traceability through detailed documents which show where a product was sourced and to where it was sold. FLOCERT then checks that equivalent amounts of Fairtrade product were bought and sold, thus tracking the quantity of Fairtrade product through the supply chain.

The Fairtrade Marketing Organisations

National Fairtrade organizations license the Fairtrade mark on products and promote Fairtrade in their territory. There are 19 national Fairtrade organizations covering 24 countries.

Brands and companies, who want to use the Fairtrade certification mark on their products, need a license to sell. The license is obtained from the national Fairtrade organisation. If there is no Fairtrade organisation, the license can be obtained from Fairtrade International.

Companies, who wish to distribute and/or sell consumer-ready packaged Fairtrade products (retailer, distributor, web shop), do not need a license.

Licensees sign a license contract with the relevant Fairtrade organisation. The contract specifies the rights and conditions for the use of the Fairtrade mark, and the products, on which the licensee has the right to use the mark. According to the license contract, the licensee pays a license fee based on quarterly reports on sales of each licensed product.

1.6 Fairtrade in Denmark

Fairtrade Mark Denmark, FTM-DK, is the national Fairtrade organisation in Denmark. FTM-DK, (former Max Havelaar Fonden Danmark) is a commercial foundation established in 1994 by a number of Danish NGOs and operated as a non-profit organisation. It operates from a small secretariat in

Copenhagen and is governed by a Board. The purpose of FTM-DK is to promote Fairtrade, through awareness creation as well as promotion of the Fairtrade mark.

The Vision of FTM-DK (and Fairtrade International) is to Fairtrade's vision is a world in which all producers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future. The Mission of FTM-DK (and Fairtrade International) is to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.

In 2013, FTM-DK's total income was DKK 7 million. 70% of the income was generated through license fees from commercial partners using the Fairtrade mark, 21% was grant from Danida, and the rest was income from advertisements in its magazine, as well as a grant from the Danish Culture Agency⁵. Almost half of the FTM-DKs income is spent on salaries, the rest for Fairtrade International membership as well as publication of the national Fairtrade magazine "FairNOK", marketing and awareness creation, and administration and office rent.

The FTM-DK secretariat comprises 5 fulltime employees, one part-time employee and four students. External assistance is hired in for a few areas like accounting, data technology and PR. The office is managed by the Director, and is divided into three teams: Products and Administration, Business Development, and Communication and Marketing, - the latter being the largest team.

Important activities of the Products and Administration Team are administration of the licensing services, including invoicing licensees based on their sales, as well as approval of new products and licensees. Important activities of the Communication and Marketing Team are to increase awareness and develop the market. This is done in numerous ways, including the publication of the magazine FairNOK, information on the FTM-DK homepage, Fairtrade ambassadors, campaigning, and support to business development.

Danish consumers are increasingly aware of the Fairtrade label. 88% of the consumers know the Fairtrade label, and 85% of the consumers believe it to be trustworthy.

For 2013, the value of total retail sales of Fairtrade products is estimated at EUR 81,080,778, representing a growth rate of 13% comparing with 2012. The large growth rate between 2012 and 2013 was caused by the fact that Coop took back Fairtrade banana into their product range. Since 2008, the value of retail sales of Fairtrade products increased by 58%. 2013 Danish retail sales of Fairtrade products represent 1.5% of total world retail sales of Fairtrade products. The strong development in turnover of Fairtrade products at retail level in Denmark is indicated in table 1 below, showing the development for the most important product groups since 2008⁶.

Table 1: Estimated Retail Turnover of Fairtrade Products in Denmark, 2008-2013 (mill. DDK)

	2008	2009	2010	2011	2012	2013
Banana	59.3	79.6	114.9	97.3 ⁷	43.7	71.4
Ground Coffee	93.3	99.4	109.2	137.1	141.9	153.4
Instant Coffee	19.6	29.2	30.8	40.4	41.6	51.5
Sugar	19.4	28.7	48.5	102.9	148.4	170.5
Cocoa	104	88.5	55.0	64.2	52.8	67.1
Remaining	85.8	79.8	102.1	116.3	107.1	90.7
Total	381.9	405.3	460.5	558.2	535.5	604.6

Source: FTM-DK

⁵ Source: FTM-DK Annual Report 2013

⁶ It would be relevant to show the development since 2007, as this is when the first Result Contract between FTM-DK and Danida came into effect. However, from 2008 and on-wards FTM-DK has applied a different method of estimating retail turnover, for which reason figures for 2008 on-wards are not comparable with figures from 2007.

⁷ Part of the change between 2010 and 2011 is caused by the implementation of a new method of calculation

Banana is an important Fairtrade product in Denmark. However, when looking at turnover, the relative value is decreasing. This is partly due to decreasing prices. In terms of volume, banana is by far the most important product. Comparing 2009 and 2013, there has only been a minor increase in sales volumes of banana. However, volumes are expected to increase in 2014 as discounters like Rema1000, Lidl, and Aldi now offer Fairtrade bananas.

Coffee continues to be an important product in the Danish market. However, during the past two years, ground coffee is has been surpassed by sugar in terms of retail value. Fairtrade sugar is increasing used as an ingredient, e.g. in marmalade and ice-cream, and with the new Fairtrade Sourcing Program, this development is likely to continue.

According to consumer surveys carried out by Landbrug & Fødevarer (English: Agriculture & Food), a large number of Danish consumers are willing to pay small price premiums for Fairtrade products. One of four is willing to pay up to 5% more, whilst 22% is willing to pay up to 10% premium.

Consumers are looking for a higher degree of documentation that producers' livelihood improves with Fairtrade, before they are willing to increase purchasing of Fairtrade products.

The per capita consumption for 2012 is estimated at EUR 13. Although considered a relatively mature Fairtrade market, the growth potential in Denmark is deemed to be very big, because per capita consumption and market share are low comparing to the high level of awareness and trust. In 2013, FTM-DK adopted a new business strategy, with the overall intent of maximizing the annual per capita consumption. FTM-DK estimates that it may grow fivefold to reach app. 65 euro by 2020. As such, FTM-DK works with a per annum growth target of 10 % for the strategy cycle 2013-2015 (growth in estimated sales value, per capita consumption, and Fairtrade Premium generated).

The intent requires translating the high awareness into much higher consumption, which will be achieved by the following two areas of intervention:

- Business Development through pro-active outreach focusing on core products and volume, full conversions, and private label as the key drivers. Fairtrade will take more control over product development and Fairtrade's unique selling point (USP) will be demonstrated
- Communication & Marketing to motivate more Fairtrade consumption both through own channels and by encouraging and supporting the communication and marketing efforts of partners. Key drivers are deeper partner engagement and increased usage of new media opportunities.

1.7 International Trade in Selected Fairtrade Products⁸

The three Fairtrade products sold in largest volumes at retail level internationally are banana, cane sugar and coffee. In order to present a picture of the present importance of Fairtrade products at the global market, Table 2 below shows estimated retail sales of those three Fairtrade certified products.

Table 2: Estimated volumes of retail sales of Fairtrade certified banana, cane sugar and coffee in consumer countries 2008 - 2013 (MT). Figures refer only to products sold under the international Fairtrade Mark

Product category	2008	2009	2010	2011	2012	2013	Growth rate 2012-13 (%)
Banana	299,205	311,465	286,598	320,923	331,980	372,708	12
Cane Sugar	56,990	89,628	126,810	138,308	158,986	193,829	22
Coffee (roasted)	65,808	73,781	87,576	98,073	77,429*	83,709*	8

*Green Bean

Source: Fairtrade International Annual Report 2013-14, available at http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013-14_AnnualReport_FairtradeIntl_web.pdf

⁸ Primary Source: Fairtrade International at www.fairtrade.net, including Fairtrade Annual Report 2013-14

Consumers spent EUR 5.5 billion on Fairtrade products in 2013, 15 percent more than in 2012. Sales of most major products grew in 2013, generating an estimated EUR 86 million in Fairtrade Premium for Fairtrade farmers and workers worldwide. Nearly 6 in 10 consumers have seen the Fairtrade mark. Of those, 9 in 10 trust it.

The total number of Fairtrade producer countries is 74. Worldwide, there are 1,210 Fairtrade producer organisations, representing more than 1.4 million farmers and workers, of which 80% are small scale producers. 23% of the Fairtrade producers are women. 624 of the producer organisations are based in Latin America and the Caribbean, 404 in Africa and Middle East, and 182 in Asia and Oceania.

1.8 Overview of Grant Support to Fairtrade Mark Denmark

MFA/Danida has supported FTM-DK since 1999 through singular grants and framework agreements with a total of DKK 35.8 million. The overview of Danida grant support to FTM-DK is presented in Table 3 below.

Table 3: Overview of Danida Grant Support to FTM-DK

Year	Grant (DKK mio.)	Source / type of grant
1999-2001	6.122	Short term grants from different facilities, especially the import support facility
2001-2006	11.2	
2007	3.0	Result contract 2007-09
2008	3.0	
2009	2.5	
2010	2.5	Result Contract 2010-12
2011	2.0	
2012	1.5	
2013	1.5	Extension of the Result Contract 2010-12 (Bridging Phase)
2014-15	2.5	Support facility for promotion of CSR and fair trade
Total	35.822	

Source: Various project documents and grant notes from Danida

Up until 2007, support from Danida was primarily provided as short term grants, aimed at supporting FTM-DK (then Max Havelaar Danmark) activities towards increasing sales of Fairtrade products in Denmark. Based on a wish from FTM-DK to have more long-term agreements, which could serve as a basis for long-term strategic planning for developing Fairtrade sales in Denmark, 3 year result contracts were established for 2007-09, and again for 2010-12. The latter was then extended for 2013, regarded as a bridging phase until the application criteria for the CSR & Fair Trade Facility had been established.

The 3 year contracts specify objectives and activities financed by Danida, and are based on the formulation of strategic objectives, mission and vision, as well as detailed, measurable targets and indicators for each of FTM-DKs teams. The two overall strategic objectives of the contracts were to increase turnover of Fairtrade products in Denmark as well as increasing the degree of FTM-DK self-financing.

Granting of the second result contract covering 2010-12 was based on good and measurable results during the 2007-09 contract period. There was a considerable increase in the number of licensees, number of Fairtrade products, value of Fairtrade sales and wholesale turnover, while at the same time FTM-DK was able to increase its degree of self-financing. The Danida grant is primarily used for activities, which generate awareness of Fairtrade and its importance as a tool for poverty reduction, as well as motivation of consumers and commercial actors. These activities are seen as a help to promoting Danida's agenda in Denmark, and as being complementary to Danida's business instruments. Also, they

underpin increasing international and political recognition of and focus on fair trade, and the increasing importance of CSR in the private sector.

In the 2010-12 contract, the strategic objectives remain increasing wholesale turnover as well as the degree of self-financing, while at the same time Danida grants follows a downward trend. Focus on Africa is increasing. For the two strategic objectives, measurable targets are formulated for four activity areas: Product, Market, Communication and Cross-cutting.

During the 2010-12 contract period the FTM-DK degree of independent earnings increased further, while Danida's share of the total budget decreased. Grants were almost solely used for activities motivating consumers and commercial actors and creating awareness of Fairtrade.

FTM-DK was granted DKK 1.5 million for 2013 as a bridging phase between the 2010-12 result contract and a new Facility to Promote Corporate Social Responsibility and Fair Trade. The 2013 grant was focusing on how to convert the high level of awareness of the Fairtrade mark into higher per capita consumption. With an annual per capita consumption of approximately DKK 100 in 2011 and low market shares across all categories, it was the belief that there is a huge potential to increase the benefits for producers in developing countries by further growing the consumption in Denmark. However, recession and decreasing sales of some Fairtrade labelled products put a pressure on FTM-DK's independent earnings, hampering the organization in its efforts to realize the potential on the Danish market.

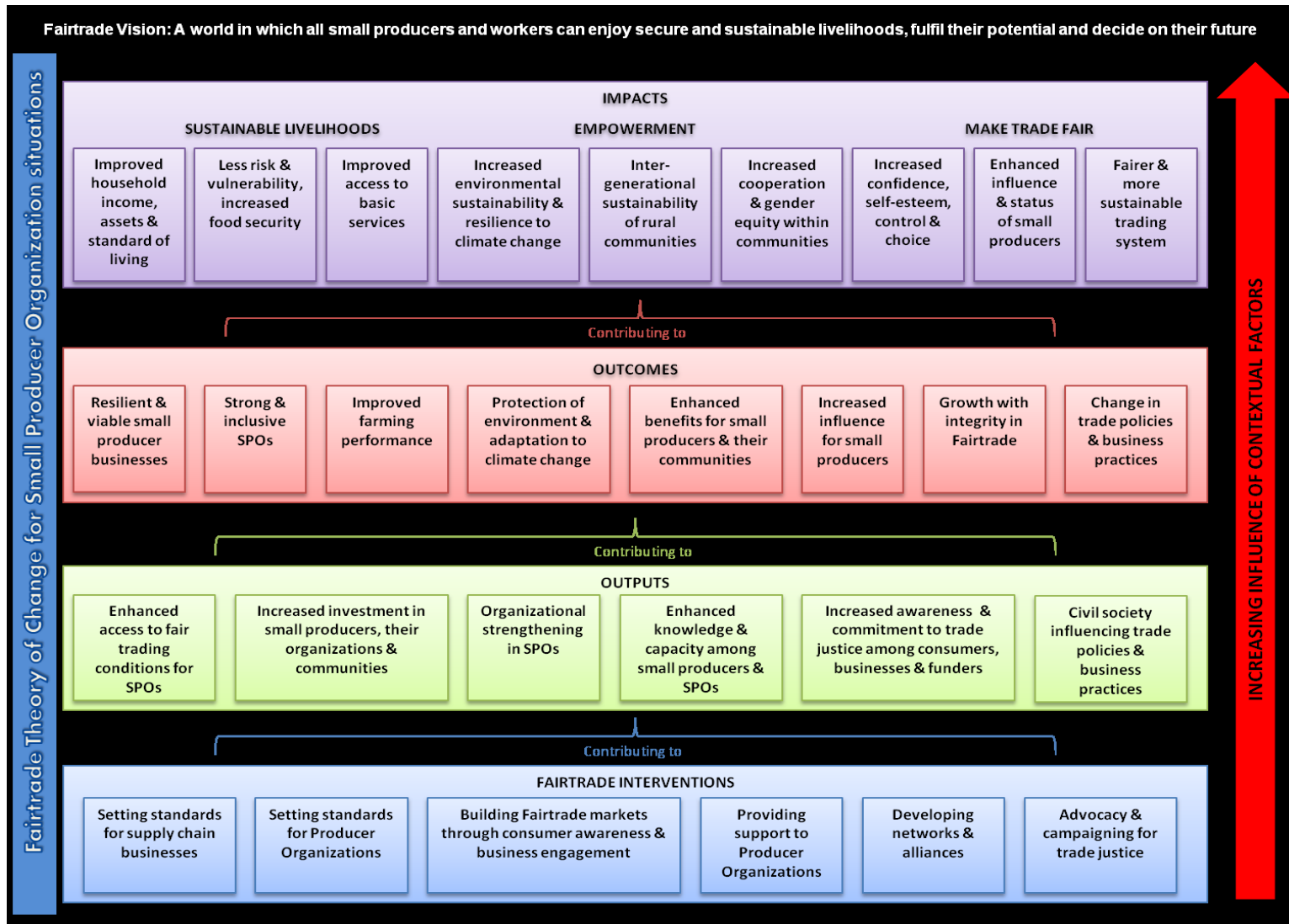
The strategic objective for 2013 was to increase the per capita consumption of Fairtrade labelled products in Denmark by at least 6 % compared to the final result for 2012. As a spillover effect, FTM-DK aimed at increasing its independent earnings by at least 2 % compared to the final result for 2012. Activities included growth in assortment, strengthened retail campaigns, and continuation of communication efforts. As it turned out, per capital consumption rose to DKK 108 in 2013.

The new Facility to Promote Corporate Social Responsibility and Fair Trade is based on Denmark's new development cooperation strategy - "The right to a better life " - adopted in May 2012 and which is supported by the Government's Action Plan for Corporate Social Responsibility 2012-2015 - " Responsible Growth" . The Facility to Promote Corporate Social Responsibility and Fair Trade was launched in May 2013, with an initial budget of DKK 50 million, which was later increased to DKK 60 million due to the large interest.

FTM-DK originally applied for support from this new Facility of DKK 10 million for a three year period. However, in light of the fact that previous support added up to DKK 33.322 million, FTM-DK was requested to apply for maximum DKK 2.5 million for an 18 months period, which was granted. The purpose of the project is to continue working towards realizing the vast potential for increasing sales of Fairtrade products in Denmark, aiming at DKK 500 per capita by the year 2020. Three strategic area of intervention are identified: business development, motivation of consumers to buy Fairtrade products, and public purchases.

The results of FTM-DKs work is monitored on a continuous basis, looking at indicators such as per capita consumption, retail sales, consumer awareness, income from licensees and Fairtrade Premiums generated by farmers and workers.

Annex H – Fairtrade Theory of Change for Small Producer Organization Situations



Annex I – FLO-CERT Certification/Permission Granted to Traders Operating in Denmark

Trader	Banana	Cane sugar	Cocoa	Coffee	Dried Fruit	Fruit Juices	Gold ASP	Herbs & Spices	Honey	Nuts	Oilseeds	Pulp	Rice	Sports-balls	Tea	Veg's	Wine grapes	TOTAL
H&P Frugimport	X																	1
Hans Kjaer Trading	X					X						X						3
Hansens Floedeis	X	X	X		Mango			X										5
ARLA Foods		X	X	X				X										4
Berrifine		X																1
Carletti		X	X					X										3
Cocio Chokolademaek		X	X	X				X										4
Fynbo Foods		X																1
Nordic Sugar		X						X										2
Scandic Food		X				X						X						3
Skec Ismejeri		X	X	X				X										4
Toms Confectionary Group		X	X	X				X										4
Urtekram Int		X	X		X			X	X	X			X		X	Beans		9
Int Food Science Center			X															2
Oekoladen			X					X			X							1
Ren Kaffe				X														1
Skovens Kaffe				X														1
Stellini Kaffe				X														1
BKI Kaffe				X														1
Coffeebrewer Nordic				X														1
Copenhagen Roasters				X														1
Frellsen Kaffe				X														1
NAF Trading				X														1
Scanomat				X														1
FAIR Import					Pine-apple			X										2
Anna Moltke-Huitfeldt							X											1
Frits Pedersen							X											1
Procudan								X										1
Jakobsen									X									1
Ji Sport														X				1
Filial af Kaffehuset i Karlstad															X			1
Skanvin																	X	1
Fredsted The															X			1
TOTAL	3	11	9	13	2	2	2	10	2	1	1	2	1	1	3	1	1	1

Table above: FLO-CERT certification or permission to trade granted to traders operating in Denmark. Those marked with **Yellow** are also licensees with FTM-DK

Source certified companies: <http://www.flocert.net/fairtrade-services/fairtrade-certification/fairtrade-customer-search/> Search result for "Denmark" on 5 September 2014.

Source licensees: http://tuotehaku.reilukauppa.fi/fairtrade_product_database/products.php?lang=dk&country=dk applied for DK on 5 September 2014 Updated on 22 September 2014 with information from FTM-DK

Annex J – Green Labels Commonly Recognized by Danish Consumers

Mærke	Logo	Mærke	Logo	Mærke	Logo
BIO-Siegel (tysk økologi)		Fairtrade Mærket		PEFC	
Bra Miljöval		FSC		Rainforest Alliance	
EcoCert		GOTS		Det nordiske miljømærke Svanen	
Energi- mærkning		Grøn Balance		W5eco	
EnergyStar		Levevis		Ånglamark	
EUs miljømærke Blomsten		Minirisk		Oeko-tex	
EU's økologi- mærke		MSC		Ø-mærket	

Annex K – Selected Annotated Bibliography

This annotated bibliography provides a summary of the most relevant literature consulted in this evaluation study and a description of the literature type.

Key

<i>Research Type</i>	<i>Research Design</i>
Primary and Empirical	EXP- Experimental
	OBS- Observational + method
Secondary	SR- Systematic Review
	OR- Other Review
Theoretical and Conceptual	n/a

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
Arnould, E. J., Plastina, A., & Ball, D. (2009). Does Fair Trade deliver on its core value proposition? Effects on income, educational attainment, and health in three countries. <i>Journal of Public Policy and Marketing</i> , 28(2), 186–201.	Primary and Empirical OBS- Observational + method	Comparative analysis of FT & non-FT; effects on income, education & health, in three countries of Latin America, Nicaragua, Peru and Guatemala. Keywords: Fairtrade, Latin America, Impact, Livelihoods, Wellbeing
Bacon, C. (2005). Confronting the Coffee Crisis: Can Fair Trade, Organic, and Specialty Coffees Reduce Small-Scale Farmer Vulnerability in Northern Nicaragua? <i>World Development</i> Vol. 33, No. 3, pp. 497–511.	Primary and Empirical OBS - Observational + method	This paper links changing global coffee markets to opportunities and vulnerabilities for sustaining small-scale farmer livelihoods in northern Nicaragua. Changing governance structures, corporate concentration, oversupply, interchangeable commodity grade beans, and low farm gate prices characterize the crisis in conventional coffee markets. In contrast, certified Fair Trade and organic are two alternative forms of specialty coffee trade and production that may offer opportunities for small-scale producers. A research team surveyed 228 farmers to measure the impact of sales on organic and Fair Trade markets. The results suggest that participation in organic and Fair Trade networks reduce farmers' livelihood vulnerability. Keywords: Coffee, Central America, Nicaragua, Vulnerability, Fair Trade, Livelihood

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
Bäckman, T. (2009). Fairtrade Coffee and Development a Field Study in Ethiopia. Nationalekonomiska Institutionen Vid Lunds Universitet. Department of Economics at the University of Lund, Sweden. 2009:2. Minor Field Study Series No. 188. ISSN 0283-1589	Grey literature Secondary (OR)	Coffee is one of the world's most traded goods, but as the commodity price has plunged in recent years it is increasingly hard for coffee farmers to survive on their crops. Fairtrade is a trading initiative based on equity that claims to contribute to development by increasing farmers' profits and empowerment in communities. Few academic studies have examined Fairtrade development claims. This thesis discusses how much truth lies in these statements. A field study in Ethiopia has been used for the purpose. Ethiopia has grown coffee for a thousand years, is heavily dependent on export of coffee beans, and has recently started to export Fairtrade certified coffee. A qualitative research approach has been used in interviews with coffee farmers, importers, and managers. Conclusion is that Fairtrade does bring economic benefits to farmers. The price of coffee is higher than that of conventional coffee, farmers receive a premium that is to be invested in the community, and they have good working conditions. But lack of education and participation of farmers obstructs economic development. Keywords: Fairtrade, Coffee, Ethiopia, Cooperatives, Development Theory
Berndt, C. E. H. (2007). Is Fair Trade in Coffee Production Fair and Useful? Evidence from Costa Rica and Guatemala and Implications for Policy. Mercatus Center's Global Prosperity Initiative. Mercatus Center. George Mason University. June 2007. 39pp. www.mercatus.org/globalprosperity	Grey literature Secondary (OR)	Proponents of Fair Trade claim it improves the lives of farmers in developing countries by providing them a higher sale price for their crops, allowing for a higher standard of living, and offering the opportunity to escape the vulnerability of poverty. Drawing on field work conducted in Costa Rica and Guatemala, the author examines the observed effects of Fair Trade and finds it is unclear whether Fair Trade actually delivers on its promise. Rather, it may actually harm the long-term interests of small farmers in high-cost production areas. Some small farmers adopt Fair Trade primarily because it provides a cheap way to hedge against swings in market prices that would otherwise be unavailable to the poor. In other words, when the institutional environment does not provide the conditions for the development of complex contractual arrangements for all producers, Fair Trade can be a useful institutional surrogate. In the long run, however, Fair Trade represents, at best, a Band-Aid solution to the problems a deficient institutional structure creates in coffee-producing countries. Reforming the institutional framework to foster entrepreneurship and trade can better address the main problems Fair Trade attempts to resolve, such as low pay for the poorest segment of the population and the erratic business cycle. Keywords: Fair Trade, Coffee, Costa Rica, Guatemala, Policy implications,
Beyer, J. (2008). The Impacts of Fair-Trade Coffee in Producer Countries. Honours essay submitted for degree of BA in Economics. Department of Economics Carleton University Ottawa, Ontario, Canada. April 2008. 97pp.	Grey literature Secondary (SR)	Fairtrade coffee impacts producers in numerous different ways. Since the dismantling of the International Coffee Agreement, changes in the coffee market have been significant. The collapse of an international quota system has led to price volatility and considerable oversupply that continues to seriously threaten rural growers. Other outcomes include the transfer of value-added processes from developing to developed countries and the growing strength and influence of large corporate roasters. Market concentration, structural barriers, the disconnected nature of commodity markets, and imperfect information all contribute to the vulnerability of small-scale coffee producers. Fairtrade helps mitigate the negative outcomes that coffee growers continue to experience. Fairtrade aims to provide producers with increased stability, fair remuneration, capacity enhancement, and empowered participation. Using long-term contracts and a Fairtrade minimum price reduces price uncertainty while credit availability and pre-financing helps farmers invest in their futures and avoid opportunistic agents that prey on the vulnerable. Rules set by the FLO aim to improve gender equity and substantively enrich the local ecological environment. Soil conservation, species protection, habitat restoration, watershed preservation, and reduced chemical application have all accompanied Fairtrade certification. The price incentive to produce organic coffee, coupled with technical support from the FLO's Producer Business Unit, has led to large-scale transition from heavy agrochemical use to natural cultivation techniques. The spill-over effects of Fairtrade are numerous. Health and educational infrastructure has been supported by the Fairtrade Premium, which betters the conditions of those who are not directly involved in the Fairtrade market. Common goods like roads and transportation services have been supported by funds established by Fairtrade co-ops. The incomes of non-members have risen, job opportunities have materialized, choice and variety of local goods and services has increased and credit has become accessible. Members have gained experience with participation within their co-ops and in an international setting, and social capital has been built in rural communities. As judged by the UN's

Reference	Type of literature/ research type	Summary
		<p>Millennium Development Goals, Fairtrade contributes directly to five of the MDGs and indirectly impacts the remaining three goals. This assessment suggests that Fairtrade fully contributes to the eight most important development objectives in the world. In terms of its approach, Fairtrade follows the advice of the NGO community that focuses on capacity building, and economic development experts who focus on infrastructural improvement. The activities of Fairtrade cooperatives both build the capacity of local people and contribute to tangibles like roads, clinics and schools. The necessity of co-op formation is perhaps the most important component of Fairtrade membership. Cooperatives are plentiful in the developing world, but their organization under the FLO is systematic, influential, large-scale, and well supported. Other co-ops, like Columbia's National Federation of Coffee Growers (Fedecafe), have achieved substantial national scale and influence, but lack the international coordination, standardization, and authority that the FLO carries. Coordinated efforts, harmonized goals and vision, and combined resources all facilitate the effectiveness of Fairtrade and its activities.</p> <p>Keywords: Fair Trade, Coffee, Producer countries, Cooperatives, Impact, Livelihoods, Columbia.</p>
<p>Blackmore, E. and Keeley, J. (2012) Pro-poor certification: Assessing the benefits of sustainability certification for small-scale farmers in Asia. International Institute for Environment and Development. March 2012. http://pubs.iied.org/14604IIED.html [accessed 18 October 2014] ISBN: 978-1-84369-843-2 ISSN: 1605-1017</p>	<p>Grey literature Secondary (OR)</p>	<p>Enabling small-scale farmers to engage in global markets for their produce is a pressing issue for many countries. Sustainability certification schemes such as organic, Fairtrade, Rainforest Alliance, Utz Certified and CAFÉ Practices can help small-scale farmers access new export markets; but do certification schemes and labelling strategies for products from particular geographical areas deliver benefits to poor and marginalised farmers? Using a review of the evidence and new case studies, this report assesses the relevance of certification schemes for coffee, tea and cotton farmers in China, India, Indonesia and Vietnam.</p> <p>Keywords: Fairtrade, Coffee, Tea, Cotton, Asia, Small-scale farmers, Impact, Sustainability.</p>
<p>Bower, J. (2012). Branching Out: Fairtrade Certification of Sugar Cane In Vanua Levu, Fiji: An Economic Assessment. The EU-Funded Facilitating Agricultural Commodity Trade Project. Land Resources Division, Secretariat of the Pacific Community. August 2012. 64pp.</p>	<p>Grey literature Secondary (OR)</p>	<p>This study attempts to quantify the costs and benefits noted above of Fairtrade certification, both overall and to sugar cane growers and their communities in Vanua Levu. The result provides firm support to Fairtrade certification as a way to alleviate poverty in this context: the benefits of certification of sugar cane in Vanua Levu to cane farming communities exceed the costs, including the costs to donors, by a significant margin. Amid-range estimate of the net benefit¹ of Fairtrade certification is FJD 9,094,473 with a return of an impressive 6.48 dollars for every dollar invested by donors and farmers; the return on cost to farming communities alone amounts to net benefits of FJD 9,220,459, or a return of 7.01 dollars for every dollar spent. Two features were key to the success of certification. First, the institutional and technical support provided by the European Union's Project Management Unit (PMU), experience of former FSC staff who were involved in LCPA, and financial support from the EU-funded FACT team of Secretariat of the Pacific Community (SPC) for an environmental plan may have lowered the costs to farmers and increased the speed of certification compared to a crop with less institutional support. However, the importance of this support raises questions of sustainability: will Fairtrade certification continue if international donor support is withdrawn? Second, the scale of production by LCPA member farmers was large enough to generate substantial Fairtrade Premium funds relative to those accruing to small producer organisations (SPOs) that have been Fairtrade certified in other parts of the Pacific. Potential benefits from other certification schemes such as organic or single origin schemes may also be substantial, and thus these options are also worth exploring. The results in this study endorse earlier efforts of the EU's Fiji-based Coordination Unit and latterly, continuing work by Secretariat of the Pacific Community, to Fairtrade certify two additional groups of growers in Fiji's largest island, Viti Levu. They also underline the strong economic incentive to stay certified as long as possible, with the caveat that farmers must see the benefits to increase the chances they will remain supportive. Fairtrade certification of all of Fiji sugar will not single-handedly make sugar profitable; however, it has proven helpful for poverty alleviation and thus both Fairtrade certification in Vanua Levu and its expansion to Viti Levu are robustly supported from an economic perspective.</p>

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
		Keywords: Fairtrade, Sugar, Fiji, Economic assessment, Impact.
CEval. (2012). Assessing the Impact of Fairtrade on Poverty Reduction through Rural Development. Final Report Fairtrade Impact Study Commissioned by TransFair Germany and Max Havelaar Foundation Switzerland. Center for Evaluation (CEval) Saarland University.	Primary and Empirical OBS - Observational + method	The report describes the findings of an impact study, conducted by CEval for TransFair Germany and Max Havelaar Foundation Switzerland between June 2011 and June 2012, with fieldwork taking place between October 2011 and January 2012. The study explored the impact Fairtrade had on poverty reduction through rural development focusing on five thematic impact areas (1. impacts on the social structure of communities, 2. impacts on the socio-economic situation of workers, farmers and their households, 3. impacts on the organization of rural zones, 4. impacts on local and national development and 5. impacts on the management of natural resources). The study investigated exemplary six cases from six product categories: the flower case in Kenya, the cocoa case in Ghana, the coffee and banana case in Peru, and the tea and cotton case in India. For each product category, a case study was undertaken and the results were summarized in producer reports for each product category. The study dealt with three different forms of producer organizations (PO): small producer organizations (SPO) in the cocoa, coffee, and banana cases, hired labour producer organizations (HL) in the flower and tea cases as well as contract production (CP) in the cotton case. Each case study consisted of a comparison between a Producer Organization (PO) that had been Fairtrade-certified for several years and the villages where the farmers or workers live (Target Group= TG) as well as a PO that was not or only recently Fairtrade-certified and the relevant villages (Comparison Group=CG). This application of a quasi-experimental design allowed for attributing the impact Fairtrade has on rural development via Fairtrade-certified POs. In the case studies, a mixed methods approach was adopted, i.e. qualitative and quantitative methods were applied – in each case study, a survey was undertaken, guideline-based interviews and group discussions were conducted, and observations were realized. The objective of the study was to examine the impact Fairtrade had on rural development in general, without focusing on the single product categories or members of POs; that is the study investigated impact beyond the producer organizations and those people directly involved in Fairtrade production. The results of the six case studies were analysed in relation to each other, best practices were detected, and the study further identified areas in which Fairtrade may even improve its impact. Keywords: Impact study, Coffee, Banana, Livelihoods, Producer organisations, Fairtrade.
Chambolle, C. and Poret, S. (2008). Fair Trade: an insurance for all producers? FTIS. http://www.ftis2008.org/programme/liste_des_communications/com_63	Grey literature Secondary (OR)	This paper seeks to check the following idea suggested in a report of European Fair Trade Association (EFTA): “most producers only sell a small part of their total production to the fair trade market. The rest is sold under the usual conditions to the mainstream market. However, by paying a fair price for even a small part of production, there is often a snowball effect on prices paid for the rest of production.” It was propose an original model of the coffee supply chain with three levels, by taking into account the least favourable situation for the producers: the coffee producers upstream who sell the raw material, in perfect competition; the few large roasters which provide finished products; and a downstream monopoly, that is, a distributor, which sells them to final consumers. Within this framework, a fair trade coffee channel offers to some small producers a guaranteed minimum price when the coffee market price, the spot price, is weak (case of overproduction) and a direct access to the distributor (reduction of the number of intermediaries). The presence of this fair trade channel directly influences the spot price, which is established on the market between the producers not members of the fair trade channel and the roasters. Thus, the spot price is higher when there is a fair trade channel if the overproduction is not too high. We also show that the objective of the fair trade certifier and thus the level of the guaranteed minimum price also influence the spot price; a guaranteed minimum price too high reduces the spot price proposed to the producers out of the fair trade circuit when there is overproduction. Keywords: Fair Trade, Coffee, Supply chain, Insurance.
CIDIN. (2014) The Impact of Coffee Certification on Smallholder Farmers in Kenya, Uganda and Ethiopia. Centre for International Development Issues Nijmegen (CIDIN), Radboud	Grey literature Secondary (SR)	This comprehensive report is the result of a series of studies, done in collaboration with Solidaridad, between 2008 and 2013. At the heart of it are two rounds of surveys in Kenya and Uganda in 2009 and 2012/13. This data is complemented with several in-depth field studies in Kenya and Ethiopia focussing on particular aspects of the performance of cooperative members: (a) changes in risk attitudes arising from certification, (b) changes in gender relationships at the cooperative and household level, (c) gender bargaining power and trust relationships, and (d) impact of trust on farmers' willingness to invest. Summaries of these studies are

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
University Nijmegen, The Netherlands. Report prepared for Solidaridad. February 2014. 236pp.		included in this report. Survey research on coffee certification in Ethiopia is also included (chapter 4). It should be underlined that this is not an evaluation of Solidaridad's programme in East Africa, but on the impact of certification. It is important to note that the goal of this research was to show the different impacts of Fairtrade and Utz certification and it was not meant to be an evaluation of the impact of the Fairtrade neither to make an assessment of Solidaridad's work in East-Africa. In general, involvement in Utz-certification enhances knowledge of good agricultural practices and initially increases production and yield levels. FT certification basically leads to expansion of coffee areas and farmers become overly dependent on coffee. Within the same region, noncertified farmers also adjust their input use and thus the volume-effect of certification is largely socialized over time. Prices paid to Utz producers remain positive compared to FT certification in Kenya, and are usually better than prices for non-certified producers, even if the coffee is not sold under certification. In Uganda, fewer effects on coffee systems are registered, due to stronger free market price equalization tendencies. Keywords: Coffee, Certification, Fair Trade, Utz, Kenya, Uganda, Ethiopia, Smallholder farmers.
CODER. (2014). An Evaluation of Fairtrade Impact on Smallholders and Workers in the Banana Sector in northern Colombia. Final Report presented by the Corporation for Rural Business Development (CODER) to Max Havelaar – The Netherlands. Conducted with support from the Dutch –Colombian Public Private Partnership for Sustainable Banana Production. February 2014. 122pp.	Primary and Empirical OBS - Observational + method	Detailed quality study of banana sector in Colombia. Max Havelaar Netherlands, in close collaboration with Fairtrade International, the Fairtrade Foundation, and the Dutch Embassy in Colombia, commissioned a study on the impact of Fairtrade certification for banana-growing smallholders and their cooperatives in the Magdalena Department and for hired workers in banana plantations in the Urabá region, in northern Colombia. The study assessed the impact of Fairtrade (production and trade norms, prices and Premium, certification, support to producers and market access) on economic, environmental and social development conditions of participating smallholders and hired workers; smallholder and hired-worker organizations; the ability to organize and strengthen the organization; development at the family and community level, and the impact on the smallholder's position in the banana production chain at the national level. The study confirmed that Fairtrade has had a very positive impact in the last three years at the level of smallholder households and farms, smallholder cooperatives, and neighbouring communities. Premium investment has been an essential factor for achieving this impact. On average, 35% of the Fairtrade Premium is invested in on-farm productivity and lowering banana production costs; 15% is spent to cover administration costs; 12% is used to pay for Fairtrade-norm maintenance; and 10% is expended for social welfare in the community. Keywords: Banana, Impact, Smallholders and workers, Columbia, Fairtrade. Producer organisations.
Coles C. (2011). Kilimanjaro and Oromia Coffee Value Chain Case Studies: Producer Benefits from Fair Trade and Free Market Channels. NCCR North-South Dialogue, 34. Bern, Switzerland: NCCR North-South.	Grey literature Secondary (SR)	Much has been written about the impacts of Fair Trade upon its intended main beneficiaries, the participating producers. Much of this evidence is derived from cases in Latin America; in sub-Saharan Africa the system is relatively young and undocumented. Study takes two case studies from Eastern Africa to help us examine the micro- meso- and macro-level determinants of producer benefits and make comparisons with 'free market' channels for similar products. Importantly, a) this is a qualitative study, and b) it does not claim to be representative of the entire Fair Trade movement, nor even of the respective study areas. Our objective is to identify factors that affect how intended Fair Trade benefits can be attenuated by political and social institutions at different levels in their translation into the everyday realities for coffee farmers. In both case studies, many producers linked to Fair Trade markets enjoyed (to a varying degree) many of the benefits reported in the wider literature, namely higher prices through guarantees and increased local competition, enhanced access to affordable finance for production, a reliable market for outputs, access to technical support and business development services, exposure to international markets and new business practices, and capitalisation of community development initiatives through the Fair Trade premium. Although the particular challenges facing the limited sample of cooperatives in our study are not necessarily transferrable, many of the factors we identified as affecting the extent to which producers benefit from their participation in Fair Trade are more widely applicable. Keywords: Fair Trade, Free Market, East Africa, Coffee, Impact
COPLA. (2009). Organic Banana	Grey literature	Comercio y Pobreza en Latino América (COPLA, or Trade and Poverty in Latin America) is a two-and-a-half year project that

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
Cultivation and Fair Trade in Peru. Case study. Comercio y Pobreza en Latino América (COPLA, or Trade and Poverty in Latin America) December 2009 http://www.cop-la.net	Secondary (OR)	explores the linkages between trade, poverty and social exclusion in Latin America. Overview of short paper. This is an analysis of the impact of organic and fair trade certification on banana producers and organisations in a relatively disadvantaged area of Peru. The study explores how relatively small-scale farmers – organised into associations – can benefit from niche markets. Higher input costs are more than offset by significantly higher prices obtained by accessing high-value export markets. The role of associations in supporting individual farmers is highlighted. Agricultural labour conditions on banana plantations are not explored in this analysis. Keywords: Banana, Organic certification, Fairtrade certification, Latin America, Peru, Small-scale farmers, Farmer associations.
CTA. (2013). Executive brief: Banana sector. Agritrade. CTA. http://agritrade.cta.nl	Grey literature Secondary (OR)	A briefing paper which provides useful background trade information on the banana sector. Information is provided on the following: (a) background and key issues; (b) latest developments, including global market developments, EU banana sector developments, product differentiation in the banana markets: Fair-trade and organic, developments in Eastern and Southern Africa, developments in Central and West Africa, developments in the Caribbean and the Pacific; (c) implications for the ACP Scope for increased competition on the EU market from new FTAs, securing equivalency agreements for organic products, controlling banana diseases (the foundation for value-added processing and regional trade), and clearly identifying market opportunities for value-added processing. Keywords: Banana sector, Trade, Sector developments, ACP/EU scope, Exports
CTA. (2013). Executive brief: Coffee sector. Agritrade. CTA. http://agritrade.cta.nl	Grey literature Secondary (OR)	A briefing paper which provides useful background trade information on the coffee sector. Information is provided on the following: (a) background and key issues; (b) latest developments, including developments in the international coffee market, developments in the ACP; (c) implications for the ACP – Scope for joint action in developing new markets in emerging economies, moving up the value chain in traditional markets, getting to grips with evolving market trends, and promoting investment in value-added processing for local markets. Keywords: Coffee sector, Trade, Sector developments, ACP/EU scope, Exports
CTA. (2013). Executive brief: Sugar sector. Agritrade. CTA. http://agritrade.cta.nl	Grey literature Secondary (OR)	A briefing paper which provides useful background trade information on the sugar sector. Information is provided on the following: (a) background and key issues; (b) latest developments, including developments in the international sugar market, developments in the ACP; (c) implications for the ACP – getting to grips with transitional challenges, impact of deferring EU production quota abolition, strengthening the functioning of internal sugar supply chains, strengthening the functioning of international sugar supply chains. Keywords: Sugar sector, Trade, Sector developments, ACP/EU scope, Exports
Danish Institute for International Studies (DIIS). (2009). Research into the impact of voluntary standards on producers: The Performance of Voluntary Standard Schemes from the Perspective of Small Producers in East Africa. Commissioned by Traidcraft (UK). http://www.traidcraft.co.uk/Resources/Traidcraft/Documents/PDF/tx/policy_report_Voluntary_Standards.pdf	Grey literature Secondary (OR)	Traidcraft has produced a report into the impact of voluntary standards on producers and compared the merits of Fairtrade, Rainforest Alliance and UTZ Certification. Three conclusions were made: (a) being part of a voluntary ethical scheme has a positive impact on producers - regardless of the scheme; (b) the Fairtrade scheme provides greater overall welfare benefits compared with others - in fact the difference is small - in part, of course, because the world price was higher than the FLO minimum; and (c) the interviews highlighted the value of training in better agricultural techniques as a way of boosting productivity and income. Keywords: Voluntary standards, Fairtrade, Impact, Rainforest Alliance, UTZ.
Dragusanu, R. and Nunn, N. (2014). The Impacts of Fair Trade	Primary and Empirical OBS - Observational +	The authors estimate the effects of Fair Trade (FT) certification on coffee producers in Costa Rica. They begin by examining a panel of all coffee producers between 1999 and 2010. We find that FT certification is associated with higher export prices equal to

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
Certification: Evidence from Coffee Producers in Costa Rica. Harvard University. 28 February 2014. 30pp.	method	approximately 5 cents per pound. We find no evidence that certification is associated with more sales (either domestic or for export) or with higher domestic prices. Linking the mill-level information on FT certification to individual-level survey data, we find that FT certification does increase incomes, but only for skilled coffee growers and farm owners. There is no evidence that many workers, including unskilled seasonal coffee pickers, benefit from certification. Keywords: Fair Trade, Poverty, Education, Coffee, Costa Rica.
Dragusanu, R., Giovannucci, D. & Nunn, N. (2014). The Economics of Fair Trade. Journal of Economic Perspectives. Vol 28 (3) Summer 2014, 217-236.	Primary and Empirical OBS - Observational + method	The existing empirical evidence, based primarily on conditional correlations, suggests that Fair Trade does achieve many of its intended goals, although on a comparatively modest scale relative to the size of national economies. Fair Trade farmers do on average receive higher prices, have greater access to credit, perceive their economic environment as being more stable, and are more likely to engage in environmentally friendly farming practices. However, some aspects of Fair Trade and its consequences are not yet well understood. There is evidence that farmers in Fair Trade cooperatives may not be fully aware of the details of Fair Trade and can sometimes mistrust those who run the cooperative. Another issue is the trade-off between limiting certification to small-scale disadvantaged producers and allowing larger plantation-style producers to also become certified. By scaling-up Fair Trade and increasing entry into certification, the increased entry may dissipate some of the monetary benefits of certification. Keywords: Fair Trade, Poverty, Economics, Standards, Impact, Sustainability.
Escalante, J. (2013). The Politics of Fairtrade Sugar in Belize: Fairer for Whom? Ethical Sugar. April 2013. 18pp.	Grey literature Secondary (OR)	From 2006, the guaranteed prices that the European Union (EU) paid to former British colonies for their sugar exports were first reduced and then abruptly ended. This system was known as the Sugar Protocol and its annulment has transformed the international sugar trade, especially for those African, Pacific and Caribbean countries who were part of the original agreement. For Belize, the certification of their independent cane farmers by the Fairtrade Labelling Organisation was seen as one way to target 'value added' luxury markets instead of undifferentiated and more volatile bulk markets. An agreement was made with Tate & Lyle in 2008 under which the company would refine raw sugar from Belize and transfer a premium to cane farmers as a condition of using the Fairtrade label. At the time, this was the biggest Fairtrade commitment undertaken by any corporation in the world. Based on fieldwork undertaken in Belize during 2010 and 2012 as part of a doctoral thesis on sugar industry adaptation, this report asks about the difference Fairtrade certification has made to the livelihoods of the 6,000 cane farmers. Two areas have dominated the spending of the Fairtrade Premium: environmental management in the field and basic service provision in the cane-growing communities. The Fairtrade organisation has had a strong influence in determining this agenda and has introduced new initiatives like a pest control systems and rehabilitation of education facilities. Yet cane farmers remain unconvinced that this is really benefitting them, as some of their costs have increased as a result of new agrochemical requirements and the community projects have not addressed their own immediate needs. Perhaps the greatest difference made by Fairtrade has been reform to the Belize Sugar Cane Farmers Association, which was briefly decertified for mismanagement of the Fairtrade Premium, although again, some cane farmers still allege that self-serving interests are at work. It is important to consider certification in context. Fairtrade certification in the Belizean sugar industry has allowed cane farmers, via their association, to ring fence a significant portion of the value of UK retail sugar. However, the Fairtrade Premiums have not offset losses in the real price of raw sugar received by Belize, which have tumbled as a result of EU reform. Moreover, the cane farmers have become deeply dependent on one firm, American Sugar Refining, which bought Tate & Lyle's sugar division and Belize Sugar Industries Ltd meaning that it now controls the mill and refinery both sides of the Atlantic. In short, while Fairtrade brings benefits, they are insufficient in stabilising precarious livelihoods when understood in their broader economic context. Keywords: Fairtrade, Sugar, Ethics, Impact, Belize, FLO, Livelihoods.
Fairtrade Foundation. (2004). Fairtrade Bananas Impact Study Dominica, Windward Islands. June	Grey literature Secondary (OR)	A subjective and overly biased paper. There is an enhanced sense of participation in the banana industry, an increased social awareness within communities both by farmers and, as a knock on effect, by the community as a whole. Health and safety issues have been highlighted and environmental issues have been brought to the fore and been taken up by the community as a whole.

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
2004. www.fairtrade.org.uk		Fairtrade has encouraged growers to discuss, consider and improve their farming practices. This is well borne out by the quality of the product being produced, which is consistently the best the Windward Islands have ever produced, and has resulted in a greater awareness and understanding of the banana industry as a whole. Fairtrade has rekindled hope and confidence in the banana industry in Dominica, which was in serious decline. There is now an unmistakable pride by the farmers in their work, a concept seriously lacking in banana farmers before the introduction of Fairtrade. Keywords: Banana, Fairtrade, West Indies, Wellbeing, Livelihoods, Impact, Producer organisations.
Fabrin, S. (2010). Fairtrade in coffee: A study of opportunities and limitations for newcomers. Master thesis. MSc.BLC/ cand.merc.int – Business and Development Studies. Copenhagen Business School, Denmark.	Grey literature Secondary (OR)	The thesis poses the question of what opportunities and limitations Fairtrade certification brings about for poor coffee growers. The focus of the thesis is on what can be achieved by those farmers who are presently not involved in Fairtrade. In order to answer this question the study explores it on three levels of abstraction: theory, literature and case studies. Discusses the working of Fairtrade in relation to a wide variety of theories on economic development. Proceed to distilling opportunities and limitations from the relevant literature and from two distinct case studies. Finally, findings are discussed against each other to see which of the perceived opportunities and limitations can truly hold. Findings can be grouped into seven categories that hold within them both opportunities as well as limitations. These are: The Fairtrade minimum price, access to credit, the social premium, cutting out the middlemen, economic and social stability, benefits of organizing, and finally environmental sustainability and gender equality. As a result of a synthesis of these findings, conclusions are that Fairtrade by design has some embedded shortcomings that inhibit it from enlisting large numbers of newcomers into the program. While it is benefiting farmers who are already inside, it has simultaneously raised entry barriers around the Fairtrade market to levels that make it difficult and less appealing for prospective entrants. The overarching problem regarding Fairtrade's ability to absorb new members is that demand cannot keep pace with supply – even with the current number of producers enlisted. Keywords: Fairtrade, Coffee, Opportunities, Limitations.
Fairtrade Foundation (2011). Impact of Fairtrade bananas: Summary and Management Response to an independent impact study. December 2011	Secondary (SR)	This document has been developed by the Fairtrade Foundation as both a summary and a response to an independent research report by the IDS titled 'Fairtrade Bananas: A Global Assessment of Impact'. As well as providing a concise summary of the report's findings, in terms of both successes and challenges, it also provides a clear response to each of the major recommendations the report puts forward. Keywords: Fairtrade, Banana, Impact study, Ecuador, Dominican Republic, Ghana, Windward Islands, Producer organisations.
Fairtrade Foundation. (2012). Fairtrade and Coffee. Commodity Briefing. Fairtrade Foundation, London, UK. May 2012. 25pp.	Grey literature Secondary (OR)	A comprehensive briefing paper on coffee. Provides information on exporters and importers, a brief history of coffee, how coffee is grown, background and recent developments, coffee prices, the coffee supply chain: who wields the power?, why fairtrade is needed, how fairtrade works for coffee growers, supporting producer organisations, how Fairtrade benefits farmers and their families, the growth of Fairtrade coffee producer organisations, fairtrade coffee sales. Keywords: Fairtrade, Coffee, Commodity report.
Fairtrade Foundation. (2013). Fairtrade and Sugar. Commodity Briefing. Fairtrade Foundation, London, UK. January 2013. 26pp.	Grey literature Secondary (OR)	A comprehensive briefing paper on sugar. Provides information on exporters and importers, a brief history of sugar, how sugar is grown, background and recent developments, sugar prices, the sugar supply chain: who wields the power?, why fairtrade is needed, how fairtrade works for sugar growers, supporting producer organisations, how Fairtrade benefits farmers and their families, the growth of Fairtrade sugar producer organisations, fairtrade sugar sales. Keywords: Fairtrade, Sugar, Commodity report.
Fairtrade International (2013). Monitoring the Scope and Benefits of Fairtrade. Fifth Edition, 2013. Fairtrade Labelling Organizations	Grey literature Secondary (OR) Other review	This report gives the results of the annual monitoring data collection from Fairtrade certified producer organizations which took place during 2012. It presents the scope and scale of Fairtrade in 2012, and gives data for some key Fairtrade performance indicators from a producer perspective. The information generated through our annual monitoring processes is used to inform and guide the Fairtrade system. It gives us an important indication of how we are performing in relation to their ambitions to

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International e.V. www.fairtrade.net [accessed 27 December 2014]		strengthen, broaden and deepen Fairtrade's impact for farmers and workers in developing countries. The data showed that Fairtrade is performing well and growing rapidly in some areas, while indicating other areas where we have challenges to overcome. Being aware of these challenges allows them to reshape the programme activities in order to tackle them. Fairtrade International makes this information public as part of our commitment to transparency, openness, and information-sharing with their stakeholders and supporters. It was recognised that there are some shortcomings in the reliability of the data, and the need to be open about these shortcomings. Keywords: Fairtrade, Producer organisations. PR document.
FAO. (2009). Certification in the value chain for fresh fruits: The example of the banana industry. FAO Commodity Studies No 4. Food & Agriculture Organisation, Rome, Italy. September 2009. ftp://ftp.fao.org/docrep/fao/012/i0529e/i0529e00.pdf	Secondary (SR)	This report only deals with certification to voluntary standards, which producers are free to adopt or not. Certification to mandatory governmental standards (officially named 'technical regulations') such as phytosanitary certification programmes that may be imposed by importing countries is outside its scope. Since the early 1990s, a variety of voluntary standards and certification programmes have become available to the banana industry. Broadly speaking, the standards used in the industry can be classified into two categories depending on the type of organizations that developed them. The first category includes environmental and social standards developed by not-for-profit NGOs. It covers a wide range of issues such as environmental protection, labour rights, safety and health at work, social equity and the welfare of local communities. Among these standards the most common in the banana industry are organic agriculture, Rainforest Alliance, fair-trade, SA8000 and ISO 140014. A growing number of banana producers and traders have sought to obtain certification against one or more of these standards for a variety of reasons. Some of the schemes use a label targeting consumers that may lead to a price premium. The first chapter of the report introduces the main voluntary environmental and social certification programmes that are used in the banana sector. It goes on to describe the main patterns of international trade in certified bananas. Chapter II examines the market situation and prospects of certified organic bananas. Chapter III offers a similar analysis for fair-trade bananas. Chapter IV reviews the various types of benefits and challenges associated with organic and fair-trade bananas from the perspective of producing countries. Export prices for certified bananas are analysed and compared to those of conventional fruit for a selection of producing countries. The chapter goes on to analyse the distribution of prices along selected value chains and seeks to determine whether producing countries reap the full benefits of certified banana exports. Finally, Chapter V offers a summary of the report findings, examines their policy implications and suggests areas for further research and action. Keywords: Fairtrade, Banana, Organic certification, Voluntary standards. Sector analysis.
FAO. (2014). Banana Market Review and Banana Statistics 2012-2013. Intergovernmental Group on Bananas and Tropical Fruits. Market and Policy Analyses of Raw Materials, Horticulture and Tropical (RAMHOT) Products Team. Food and Agriculture Organization of the United Nations, Rome, Italy. http://www.fao.org/economic/est/est-commodities/bananas/en/	Grey literature Secondary (OR)	This report is issued on an annual basis to Members and Observers of the Sub-Group on Bananas of the Intergovernmental Group on Bananas and Tropical Fruits. It is prepared by the Market and Policy Analyses of Raw Materials, Horticulture and Tropical (RAMHOT) Products Team, Trade and Market Division, FAO, Rome, and the tables contained bring together the information available to FAO, supplemented by data obtained from other sources in particular with regard to preliminary estimates. The Market and Policy Analyses of Raw Materials, Horticulture and Tropical (RAMHOT) Products Team provides economic data and analyses on major agricultural raw materials and horticultural and tropical products. Commodities covered under the Team include, bananas and tropical fruits, citrus fruits, cotton, hides and skins, jute, kenaf and allied fibres, sugar, and tea. The Team also undertakes market reviews, outlook appraisals and projections, and provides assistance to developing countries in designing and implementing national policies for those agricultural commodities which enter into international trade. The table of contents includes: (1) developments in banana trade (exports & imports); (2) banana prices (import prices & wholesale and retail prices); (3) policy developments; and (4) current situation and short-term outlook. Keywords: Market review, Banana statistics, Agricultural commodities.
Frank, J and Penrose Buckley, C. (2012). Small-scale farmers and climate change. How can farmer organisations	Grey literature Secondary (SR)	Smallholder farmers are disproportionately vulnerable to the impacts of climate change as a result of poverty, marginalisation and reliance on natural resources. Climate change is likely to lead to decreasing crop yields in most tropical and sub-tropical regions, negatively impacting agricultural sectors and reducing food security in developing countries. It is imperative to identify approaches

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and Fairtrade build the adaptive capacity of smallholders? IIED Sustainable Markets paper. Sustainable Markets Group. IIED, London, UK. 32pp.		that strengthen ongoing economic development efforts and enhance the adaptive capacity of farmers, their households and their communities. This paper explores the links between farmer organisations, Fairtrade and adaptation to climate change, and the extent to which such institutions and market arrangements can enhance the adaptive capacity of smallholder farmers. It does this by reviewing evidence from published research and studies and by analysing case studies of two Fairtrade-certified farmer organisations in Uganda and Malawi. The paper's findings suggest that membership of farmer organisations and participation in Fairtrade can strengthen smallholders' capacity to adapt to climate change in a number of ways. Keywords: Fairtrade, Small-scale farmers, Climate Change, Uganda, Malawi, Farmer organisations, Coffee, Sugar.
Gingrich, C. D., and King, E. J. (2012). Does Fair Trade Fulfil the Claims of its Proponents? Measuring the Global Impact of Fair Trade on Participating Coffee Farmers. Journal of Cooperatives. Volume 26. Page 17-39.	Primary and Empirical OBS - Observational + method	While proponents claim that fair trade provides meaningful benefits for participating commodity growers, few studies to date have measured these benefits on a global scale. This study estimates the worldwide monetary benefits that fair trade provides to participating coffee farmers, most of whom belong to cooperative organizations. These benefits can be significant for individual farmers and reach up to \$100 per year, averaged across all beneficiaries, when coffee prices are low. When market prices for coffee are relatively high, the annual benefits from fair trade shrink to an average of \$35 per beneficiary. The fact that less than two percent of the world's coffee farmers currently sell any coffee under certified fair trade labels - and because fair trade coffee farmers are already producing quantities that exceed market demand - weakens proponents' arguments that fair trade provides an attractive new paradigm for the global coffee market. Another concern is that consumers spend between \$2 and \$10 extra on fair trade for every dollar that reaches participating farmers. By comparison, projects that aim to improve coffee farmers' production, processing, and marketing skills show the potential to provide benefits at a lower cost and also reach a broader clientele. Key words: Coffee; Fair Trade; Efficiency; Economic development
IIED. (2012). Pro-poor certification: Assessing the benefits of sustainability certification for small-scale farmers in Asia. IIED Natural Resource Issues. International Institute for Environment and Development. 143pp.	Grey literature Secondary (OR)	This study reviews evidence on the costs and benefits of a number of certification schemes, organic, Fairtrade, Rainforest Alliance, Utz Certified and CAFÉ Practices. It also explores the potential of geographic labelling strategies to deliver benefits to poor and marginalised farmers. The research has a particular focus on certification for small-scale tea production in Vietnam and China; coffee production in China, Vietnam and Indonesia; and cotton production in India. The Asian settings examined are interesting because they are dominated by small-scale production systems, often characterised by limited economic and agricultural opportunities, high levels of persistent poverty and pockets of food insecurity. The work was carried out in response to a lack of useful information comparing the costs and benefits – including environmental costs and benefits – of the myriad of certification schemes, specifically in relation to farmers in Asia. It reviews existing literature as well as using interviews and short in-country case studies to assess the relevance of certification schemes for coffee, tea and cotton farmers in China, India, Indonesia and Vietnam. Keywords: Pro-poor certification, Small-scale farmers, Asia, Coffee, Tea, Cotton, Fairtrade, Environment
Imhof, S. and Lee, A. (2007). Assessing the Potential of Fair Trade for Poverty Reduction and Conflict Prevention: A Case Study of Bolivian Coffee Producers. swisspeace and Europainstitut, University of Basel. June 2007. pp165	Grey literature Secondary (SR)	This study addresses the question of whether Fair Trade – and in particular Fair Trade coffee – has the potential to be used as a comprehensive tool for poverty reduction and, if so, whether it is plausible that it will have a positive impact on conflict prevention. To do so, the study assesses the effect of Fair Trade in a specific region in Bolivia, and examine not only small-scale Fair Trade coffee producers, but also producers not participating in Fair Trade. The main findings are summarised as follows: (1) Positing that horizontal inequalities (defined as inequality between culturally defined groups) are biased against indigenous peoples in Bolivia and have particular relevance for explaining political violence, we found that Fair Trade, through its poverty-reducing impact, may have a positive influence on conflict prevention by contributing to a reverse of these inequalities. (2) By providing competition at the level of the intermediaries, Fair Trade has the potential to reduce poverty. One major reason for low prices paid to small-scale coffee producers is the lack of competition amongst intermediaries. While it is well known that creating a Fair Trade cooperative makes those joining it better off, the subsequent pro-competitive effect in the local market may, under certain circumstances, also benefit non-Fair Trade producers. (3) By enabling capacity-building, Fair Trade has a poverty-reducing impact. Through regular training in relevant topics such as

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		<p>organic production, management and financial issues etc., producers have the opportunity to constantly acquire new skills, which in turn allow them to improve the quality of their coffee. In this sense, the cooperative is an ongoing learning centre where producers are encouraged to become small entrepreneurs.</p> <p>(4) By having influenced trends in the non-Fair Trade market, Fair Trade may have indirectly reduced poverty for some non-Fair Trade producers. Our case study analysed a company that sells mostly in the non-Fair Trade market, but which adopts a number of principles similar to Fair Trade. On a more general level, increased consumer awareness with respect to social and environmental issues, and as a result, greater consumer demand for certified coffee, has led to large multinational companies increasingly offering Fair Trade coffee as well as promoting various forms of bilateral or multilateral cooperation with farmers outside the FLO system. Although we cannot say for sure, it seems likely that increased consumer demand for higher social and environmental standards has stemmed at least in part from the inroads Fair Trade has made into the coffee market and the public debate.</p> <p>(5) If Fair Trade's excess supply lowers the world market price of non-Fair Trade coffee, poverty levels of non-Fair Trade producers may potentially increase. At present, Fair Trade seems too small relative to the world market to have much of a negative impact. Nevertheless, if Fair Trade intends to grow and increase its relative size of the world market, the issue of excess supply will need to be addressed. Fair Trade leaders are aware of this and often publicly state the need to invest into training and diversification, for instance, rather than simply expanding production.</p> <p>Keywords: Fair Trade, Coffee, Bolivia, Poverty reduction, Conflict prevention, Small-scale producers.</p>
<p>Jaffee, D. (2007). <i>Brewing Justice: Fair Trade Coffee, Sustainability and Survival</i>. Michigan State University. University of California Press. ISBN 978-0-520-24959-2</p>	<p>Primary and Empirical OBS- Observational + method</p>	<p>Four year study of the impact of fair trade on Michiza cooperative coffee producers, in Oaxaca, Mexico. Findings provide a nuanced view of fair trade: Fair trade's higher prices increase gross household income - although, because most fair trade coffee is also certified organic, producers have higher costs of production as well. Participation in fair trade reduces households' debt and enhances their economic options, affording them the possibility of better feeding and educating their children. Fair trade affords peasant farmers partial protection from some of the worst aspects of commodity crises and in many cases allows them the breathing room needed to engage in more sustainable agricultural practices. Furthermore, the extra capital from fair trade can generate important economic ripple effects within communities, providing additional employment even for non participating families. However, fair trade is not a panacea, and it does not bring the majority of participants out of poverty. Demand for fair trade products must increase dramatically in order to augment the economic benefits for such small farmer families and allow the system to include many more producers of coffee and other commodities around the world.</p> <p>Keywords: Fair Trade, Coffee, Sustainability, Mexico, Ethics, Livelihoods.</p>
<p>Jaffee, D. (2008). "Mejor, Pero No Muy Bien Que Digamos": The Benefits and Limitations of Fair Trade for Indigenous Coffee Producer Households in Oaxaca, Mexico. Washington State Univ. Vancouver, USA. http://www.ftis2008.org/programme/liste_des_communications/com_88</p>	<p>Primary and Empirical OBS- Observational + method</p>	<p>This study, based on extensive ethnographic and survey research in Zapotec indigenous communities in the southern Mexican state of Oaxaca between 2002 and 2005, offers one of the first comprehensive investigations of the social, economic, and environmental benefits of Fair Trade. It compares members of the Michiza producer cooperative in the Rincón de Ixtlán region, whose certified organic coffee is sold on the international fair trade market, with unorganized conventional farming families in the same region who sell their harvests through local intermediaries. It offers a nuanced analysis of both the effects of Fair Trade on the household and community economy and the limits of its impact. The study finds that access to Fair Trade markets generates significant household- and community-level benefits for many participants, enhancing family incomes and improving food security. Fair Trade results in increased gross household incomes, but producers have higher costs of production as well. Participation in Fair Trade is linked with lower levels of debt, and households participating in Fair Trade markets are more food secure than their conventional counterparts. However, Fair Trade's ability to deliver such improvements to producers, and to attract additional participants, is constrained by several factors. Among these are the added costs and labour burdens of certified organic coffee production, and substantial erosion of the purchasing power of the fair trade minimum prices. In fact, the fair trade farm gate prices in many cases do not even cover farmers' costs of production. While Fair Trade does make a tangible difference in the livelihoods of many producers, these benefits are at present insufficient to persuade most non-member households in these</p>

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		<p>communities to join the cooperative organization. The paper concludes with recommendations for strengthening and reforming the international Fair Trade system so that participation in Fair Trade would again represent a substantial improvement in livelihoods for these small producer participants.</p> <p>Keywords: Coffee, Fair Trade, Impact, Coffee, Mexico, Impact, Livelihoods.</p>
Kodama, Y. (2009). The Effects of Fair Trade on Coffee Producers: A Case Study of Ethiopian Coffee Cooperatives. In: Proceedings of the 16th International Conference of Ethiopian Studies, ed. by Svein Ege, Harald Aspen, Birhanu Teferre and Shiferaw Bekele, Trondheim, Norway.	Grey literature Secondary (OR)	<p>This paper examined fair trade coffee and its impacts on farmers in by examining the role of coffee cooperatives in Ethiopia. By increasing competition, the activities of coffee cooperatives have generally increased the prices paid to both member and non-member farmers. The export volume of fair trade coffee has also increased and has helped buffer fair trade coffee farmers from international price fluctuations. However, fair trade sales are still limited, and thus the benefits to farmers have been relatively small and diluted. Although increased fair trade sales could provide more income to farmers, regional economic gaps might also widen, dividing members of fair trade cooperatives from those whose cooperatives have been unable to obtain certification. Such a situation may lead to social discontent, particularly if international coffee prices fall. Moreover, fair trade certification is not a guarantee of market success because cooperatives must then compete in the global fair trade market as well as with private traders.</p> <p>Keywords: Fairtrade, Coffee, Ethiopia, Impact, Small-scale farmers, Cooperatives.</p>
Le Mare, A. (2008). The Impact of Fair Trade on Social and Economic Development: A Review of the Literature. <i>Geography Compass</i> . 10.1111/j.1749-8198.2008.00171.x	Primary and Empirical OBS- Observational + method	<p>This article explores the outcomes of Fair Trade for producers, artisans and their organisations. It asks the question, ‘what happens to people who are involved in Fair Trade?’, and reviews the case studies and empirical research conducted on Fair Trade for a range of products in different countries. The article is organised around important aspects of development which Fair Trade seeks to influence, including market relations, institutional development, economic development and reductions in poverty, social development, gender equity and sustainable development. The outcomes are diverse and complex, though, most studies found significant impact on social and economic aspects of development, contributing to the capacity to improve and diversify livelihoods. Fostering sustainable commercial organisations is an important contribution of Fair Trade networks. However, there appears to be less success in achieving gender equality and dealing with issues of importance to women. Both the enactment of partnership and the achievement of development goals require continuous commitment, a variety of strategies and cooperation with other actors, such as government and non-governmental organisations.</p> <p>Keywords: Fair Trade, Producer organisations, Review, Impact, Gender, Livelihoods.</p>
Laroche, K. and Guittard, B. (2009). L'impact du commerce équitable labellisé auprès des petits producteurs. Max Havelaar France. http://www.maxhavelaarfrance.org/IMG/pdf/Synthese_technique_impact_mai09.pdf	Grey literature Secondary (OR)	<p>A synthesis report presenting the principle conclusions of impact studies on Fair Trade, based upon the core model of production and organisation of the FLO system: The organisation of small producers. This report is based upon six impact studies of CEL, which represents small producers which are seen to be broadly representative of the whole FLO system, in the sense that: they deal primarily with the three most important products of CEL, (coffee, bananas, cocoa), Certified organisations for five years or more, where CEL represents a significant part of products sold for at least three years for at least three of the years covered by the study. They cover the most significant regions in relation to the three products selected, other less central areas, for the same products and less important products. (French original)</p> <p>Keywords: Fair Trade, Coffee, Banana, Cocoa, Synthesis review.</p>
Lyon, S. and Moberg, M. (2010) Fair Trade and Social Justice: Global Ethnographies. NYU Press. June 2010	Grey literature Secondary (SR)	<p>Ethnographic studies to evaluate important aspects of Fair Trade. Key content includes the in-depth case studies of what Fair Trade is, or is not, achieving in various producer communities. The academic studies drawn on in this book examine farmers of Indian and Kenyan tea, Costa Rican coffee, eastern Caribbean bananas, handicrafts, and global cut flowers. The various authors also cover women's issues, coffee labels, international development, cultural issues in identifying indigenous crafts, producer v.</p>

Reference	Type of literature/ research type	Summary
		<p>consumer perceptions of Fair Trade, marketing and more.</p> <p>Keywords: Fair trade, Tea, Coffee, Banana, India, Kenya, Costa Rica, Caribbean, Producer organisations</p>
<p>Max Havelaar France (2009). Choisir sa vie de développement. Bilan de l'impact du commerce équitable. Organisations de petits producteurs 2008 -2009, Max Havelaar, p.17 http://www.maxhavelaarfrance.org/IMG/pdf/Bilanimpact.pdf</p>	<p>Grey literature Secondary (OR)</p>	<p>Max Havelaar engaged to carry out impact studies. Here they have presented six case studies, in an accessible format. This first edition, in a series of case studies, covers six small producers, who export over 30% Fair Trade, and who have been established for sufficient enough time to analyse FT impact. Six cooperatives have been chosen in South America, as they have been chosen as representative examples. The next impact studies will look at other areas, such as salaried workers, and different world regions such as Africa and Asia. This report provides both positive conclusions, and shows where there is room for improvement. (French original).</p> <p>Keywords: fairtrade, Small-scale producers, South America, Africa, Asia, Equity, Livelihoods.</p>
<p>Max Havelaar France (2009). The impact of Fairtrade labelling on small-scale producers. Conclusions of the first studies. Max Havelaar, p.35. April 2009.</p>	<p>Grey literature Secondary (SR)</p>	<p>In 2005, Max Havelaar France and FLO initiated an in-depth reflection on the impact FTL (Fairtrade labelling) has on its major beneficiaries. The substantial work done until then, focusing on the effective guarantees offered by Fairtrade (the means (standards, prices...) and their direct results (verified through certification: volumes have been paid at the defined price, to democratic organizations...)) only gave an incomplete overview of the sustainable and substantial changes brought by FTL to participating organizations and their members. FTL's impact1 assessment is thus aimed at better understanding its mechanisms and reality in order to (1) be able to better explain it and have more robust information, and (2) be able to improve its tools and operations. Report summarizes the main effects of FTL, consequences of the implementation of FT tools. As such, over time, impact of FT originates from these effects. As presented in this report, 5 main effects have been identified: the «price effect», the «market access effect», the «regulation effect», the «organization effect», and the «organic effect». The obvious conclusion is that FTL brings the proof that the impoverishment trend of small producers in developing countries and of the disintegration of their representation structures is not irreversible. FTL also proves that with a range of tools bringing concrete solutions to structural problems and clearly identified by product, a positive dynamic can take over. Report states that FTL substantially improves the well-being of families of producers, especially with regards to living conditions, new opportunities and possibility to make decisions on their future (including the choice of continuing farming with dignity). The guaranteed minimum price of FTL enables producers to free themselves from the risk of price variations, which in many cases forces them periodically to find work outside their production zone. The economic stability created allows them to invest on their farms and improves their profitability. Through this mechanism, FTL strongly contributes to supporting a rural agricultural model based on a family economy. Nevertheless, FTL should not be presented as a substantial transformation factor: producer families can live in dignity, in better conditions, and gain hope, but they still cannot meet all needs beyond basic ones. In several cases they still face lingering difficulties to save and invest enough money. One of the key indicators revealing this aspect is the interest younger generations have in agriculture: even if they are aware of the improvement of the conditions of their parents, they still often perceive agriculture as a less interesting opportunity than others. Besides, basing FTL mechanisms on producer organizations, representative and well-managed, greatly contributes to creating a leverage effect. This means that effects encompass the initial population (members) and furthermore, global FTL tools are used to respond to local development issues. As a result FTL contributes to put at the forefront disadvantaged rural populations, neglected for a long time, lacking visibility, and suffering from a lack of representation. Producers who did not have a chance in the past are today given recognition and have means to recapture their own space within the international market. The organizations thus raise the voice of small producers and isolated rural populations to higher levels. Finally, FTL contributes to making producers take care of the issue of environmental protection, mainly by acknowledging the additional cost linked to a production associated with higher constraints. This clearly appears in the case of non-use of chemical inputs and of organic production, but still needs to be consolidated in the more global dimension of biodiversity and ecosystems protection.</p>

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
		Keywords: Fairtrade labelling, Impact, Banana, Coffee, Small-scale producers, Producer organisations
Max Havelaar Foundation (the Netherlands). (2014). An Evaluation of Fairtrade Impact on Smallholders and Workers in the Banana Sector in Northern Colombia. Summary and Response from the Commissioning Agency to an Independent Evaluation of Fairtrade Impacts in Certified Banana Cooperatives and Plantations. Utrecht/Bonn, March 2014	Secondary (SR)	<p>A subjective report for Fairtrade. According to the study, the performance and impact of Fairtrade in many of the communities of Urabá and Magdalena is undeniable. This is in part due to the relatively high percentage of bananas sold on Fairtrade terms. However both workers and smallholders stressed the need for a stronger demand for Fairtrade bananas since many of the benefits derive from greater sales on Fairtrade terms. While challenging, this need was clear and acknowledged by Fairtrade. Cheap bananas are a staple product used by many retailers – often selling below cost – to attract consumers and compete in the marketplace. This can put increased pressure on suppliers to cut costs to unsustainable levels and these cuts are driven down to the producer level. Supermarkets and other commercial partners to recognize the need for sustainable production and fair pricing, allowing farmers to invest in their future. In a banana price review implemented in January 2014, as part of continuing review process, Fairtrade International implemented a substantial increase to the Fairtrade Minimum Price based on system wide research. It is hoped that this will give small producer organization and plantations a stronger position for negotiations. Fairtrade continues to monitor the impacts of the pricing change. Beyond pricing issues, plantations and farmers have noted that yields are affected negatively by changing weather conditions. Fairtrade recognizes the effects of climate change and has started programmes to support producers as they adapt to the new reality. Reliance was placed on all actors in the supply chain – farmers and plantations, importers and exporters, retailers and consumers – to create a sustainable banana sector.</p> <p>Keywords: Banana, Impact, Smallholders and workers, Columbia, Fairtrade. Producer organisations.</p>
Milford, A. (2004). Coffee, Co-operatives and Competition: The Impact of Fair Trade. R 2004: 6. Chr. Michelsen Institute. Development Studies and Human Rights. Bergen, Norway. 83pp. ISSN 0805-505X/ISBN 82-8062-081-8. www.cmi.no/publications	Grey literature Secondary (OR)	<p>Fair Trade is a new system, which started up because consumers in the North wished to support producers in the South by paying them what they thought they deserved for their produce, rather than the market price. Fair Trade premiums paid to coffee farmers are channelled through coffee co-operatives. In order to assess the impact of Fair Trade, a case study was conducted in Chiapas, Mexico, where there are both coffee exporting co-operatives and private companies. The market situation here shows clear signs of being one of imperfect competition among private coffee purchasers. The coffee co-operatives seem to have a pro-competitive effect, as price levels offered by private purchasers are higher in areas with cooperative presence than in areas where there are no co-operatives. Because of their link to Fair Trade and the organic market, the coffee co-operatives are able to offer prices that are significantly higher than those of their competitors. But despite their higher prices offered, the co-operatives can remain open to new members because of membership costs such as delayed payment or compulsory organic production methods, which prevent too many entrants. Because they represent an alternative to non-members, the co-operatives are a threat to the private purchasers, who increase their prices in order not to lose their market share. In addition, the co-operatives raise the farmers' level of information on prices and quality, and thus the power of the local intermediaries is further reduced, and competition enhanced. The experience from Chiapas is that coffee co-operatives are economically disadvantaged in competition with private exporting companies, especially the large multinational ones that do not have problems of liquidity. But the co-operatives investigated still manage to succeed: they are successfully functioning economic organisations that also run social programmes such as education schemes.</p> <p>Keywords: Fairtrade impact, Coffee, Cooperatives, Organic production, Mexico.</p>
Nelson, V. and Martin, A. (2013). Strategic Review to inform the future of Irish Aid support to fair and ethical agricultural trade. Natural Resources Institute, University of Greenwich, November 2013. 65pp.	Grey literature Secondary (OR)	<p>Irish Aid commissioned the Natural Resources Institute to conduct a strategic review to establish: (a) Whether Irish Aid support to fair and ethical trade system should continue (i.e. is it effective and is it still relevant to Irish Aid policies) and if so, how can impact be improved? (b) What are the best strategies for Irish Aid to maximize the impact of its investments in smallholder agriculture to tackle poverty?</p> <p>Policy objectives: (i) Irish Aid should continue its catalytic role, supporting standards to increase their reach in the market and in rural economies and to scale up their poverty and environmental impact. (ii) Alone, sustainability standards are insufficient to tackle poverty, hunger and environmental challenges, but some clear steps are emerging whereby impact can be scaled up and out. (iii) Funding for 'generic' producer support is recommended to unlock the greater potential of standards through collaborative civil</p>

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		<p>society and private sector programmes, multiple certification, innovation by the standards and other complementary measures, including government support. (iv) Support to fair and ethical trade should form one component of a coherent response to the global challenges facing agriculture: food security, climate change, environmental degradation, employment, urbanization and economic growth. (v) Increased engagement by Irish Aid in international debates and initiatives on global agricultural transformation is required to promote equitable and sustainable outcomes. Irish Aid should strengthen its own capacity in sustainable and equitable agricultural trade to engage in this policy arena.</p> <p>Keywords: Fair trade, Ethical Trade, Donor support, Sustainability standards, Policy, Central America, East Africa, Coffee, Tea.</p>
<p>Nelson, V. and Pound, B. (2009). The last ten years: A comprehensive review of the literature on the impact of Fairtrade' – Main Report. Natural Resources Institute, UK – University of Greenwich http://www.fairtrade.org.uk/includes/documents/cm_docs/2010/n/2_nri_full_literature_review_final_version.pdf</p>	<p>Grey literature Secondary (SR) This study was commissioned by the Fairtrade Foundation (UK), but the findings and views contained herein are those of the authors alone.</p>	<p>This study has been commissioned by the Fairtrade Foundation, in order to: 'systematically analyse the impact of Fairtrade certification as demonstrated by the current evidence base'. Over 80+ studies were reviewed, but the evidence base containing in-depth information on the impact of Fairtrade on producers and producer organisations was found to comprise 23 reports containing 33 separate case studies, which have been analysed in detail (a small number of these case studies cover the same co-operatives, e.g. Coo café in Costa Rica). All of the reports are published academic and development agency studies, including journal articles, working papers and reports. Concluded that at the time of the review, the evidence base is far from complete, but the information to date shows the importance of Fairtrade in providing organised small producers, who can produce products for export, with the stability and security they need to make longer-term investments, building their capacity and throwing them a lifeline in times of real hardship. Similarly, most Fairtrade co-operatives are becoming stronger, often showing greater ability to survive in difficult times and becoming more able to provide important services to producers (such as providing greater access to credit, training). This strengthening is particularly marked where producer ownership further along the value chain is achieved. But there are still some outstanding questions regarding the Fairtrade system: e.g. the bureaucracy, how to increase producer ownership and how to tackle gender inequalities. Analysis is needed of the magnitude of Fairtrade poverty impact compared to other types of support to rural producers and workers, and the resources invested. Furthermore, Fairtrade does not claim to solve rural poverty in developing countries, and it is clearly a favourable option for many smallholders, but its ability, or otherwise, to raise (poor) producers out of poverty is an important part of its' credibility in the marketplace and with donors; and of great urgency is the need to explore the implications of climate change for the Fairtrade movement. Crucially, Fairtrade impact assessment should be based on the views of participating farmers and workers (as well as other affected stakeholders). Support should be provided for direct dialogue between the local level and others in the value chain. There is an inherent tension faced by Fairtrade of needing to persuade consumers to provide support by buying Fairtrade products, whilst recognising and being transparent about the complexities involved in any development intervention and finding ways to improve impact. There is no easy solution, but furthering understanding of how Fairtrade has an impact in different contexts based on the perspectives of farmers and workers is a critical first step along the way.</p> <p>Keywords: Fairtrade, Impact review, Systematic literature review.</p>
<p>Pay, E. (2009) The Market for Organic and Fair-Trade Coffee. "Increasing incomes and food security of small farmers in West and Central Africa through exports of organic and fair-trade tropical products" Study prepared by Ellen Pay in the framework of FAO project GCP/RAF/404/GER. September 2009. Trade and Markets Division</p>	<p>Grey literature Secondary (SR)</p>	<p>Despite the recent boom in sales of certified coffees, the share of these coffees in total sales by the world's main coffee roasters – with the exception of Starbucks – remains limited. Certified coffees account for between 0 and 6 percent of than the world's largest coffee roasters, including Nestlé, Kraft, Sara Lee, Procter & Gamble, Tchibo, Smucker's, Lavazzo and Segafredo. According to the Tropical Commodity Coalition, these relatively small volumes indicate that established brands are unlikely to market certified coffees on a large scale in the near future as they prioritise cost efficiency and are prepared to absorb only minimal additional costs. Rather than the main roasters, the twin drivers behind today's growing sales of certified coffees are large food services providers (e.g. McDonalds, Starbucks, Dunkin' Donuts) and mainstream retailers, who seek to meet growing consumer demand for ethical products and profile themselves as socially responsible corporations. Here, the battle for market shares is not fought in the area of cost reduction through mass production, but rather through the marketing of made-to-measure products tailored to consumers' particular tastes. There are concerns that the proliferation of private voluntary ethical certification schemes</p>

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Food and Agriculture Organization of the United Nations, Rome, Italy. 19pp.		is confusing to consumers, and ultimately weakens the entire field. While private certification schemes, no matter how stringent, are only valuable if they are understood and trusted by consumers, today's ethical coffee shoppers are challenged to distinguish between organic, shade grown, mountain farmed, Rainforest Alliance or UTZ Certified, fair-traded or Fair Trade coffee, in addition to companies' private schemes. According to the World Bank differentiated and value-based coffees, including environmentally and socially certified products, present an opportunity for small, rural producers to participate in the cost-competitive global coffee market. Indeed, securing a market position based on ethical certification is potentially a viable long-term strategy for coffee producing smallholders. Keywords: Organic, Fair Trade, Coffee, West and Central Africa, Markets.
Phillips, D. (2010). Fair trade and community empowerment: the case of sugar producers in Malawi. Thesis submitted for Degree of Doctor of Philosophy, School of Geography, Politics and Sociology Newcastle University, UK. November 2010. 351pp.	Primary and Empirical OBS - Observational + method	Whilst there have been many accounts of success stories of fair trade in a variety of low income producer communities, there have been few critical accounts that examine the varied lived experiences of people in such communities. This thesis advances a developing critical literature by exploring reasons for unequal and uneven experiences of members of a Fairtrade certified producer organisation. As fair trade has expanded into new commodities and countries, both sugar and Malawi have to date been under researched. This thesis addresses these gaps by focussing on Kasinthula Cane Growers Limited (KCGL) in southern Malawi. Developing a critical reflection that incorporates postcolonial and post-Marxist critiques, the thesis considers definitions and assumptions regarding empowerment as a people-centred development approach and community as a cooperative social and political formation. This reflection is used to expand existing analytical frameworks to create a Postcolonial Agricultural Production Network as a framework to focus on a complex geography embedded in a local postcolonial production place. Doing so opens space to explore uneven geographies of production and empowerment shaped by embedded social and political factors. By un-masking inequalities, hierarchies, and dependencies in the institutional environment of a producer community, and incorporating perspectives from a range of producers, both intended and unintended outcomes from Fairtrade certification are examined. The thesis reveals that despite fair trade intentions to promote democracy, transparency, and participation, unintended consequences of exacerbating inequalities and discrepancies between low income producers, and over expectations of an impoverished society, have led to variable experiences of fair trade. Identifying sites of local inequality and unable and unwilling agents of empowerment highlights the important role of place in analysis. This demonstrates how embedded social and political formations in a particular place shape different experiences of fair trade. The findings propose a lesson to incorporate a more nuanced understanding of place in fair trade approaches that challenge assumptions of harmonious producer communities to sharpen focus on embedded inequalities and uneven producer community landscapes. Keywords: Fairtrade, Sugar, Community empowerment, Malawi, Producer organisations, Impact.
Pound, B. (2013). Fairtrade in Malawi. Monitoring the impact of Fairtrade on five certified organisations. Phase two of a longitudinal study. This phase of the assessment by Natural Resources Institute, University of Greenwich in collaboration with the Malawi Fairtrade Network, Fairtrade Africa and the Fairtrade Foundation. UK. March 2013. 84pp.	Grey literature Secondary (OR)	The Fairtrade system is committed to understanding how its systems and certification have an impact on farmers and workers in developing countries. In 2009, the Fairtrade Foundation initiated a long-term study to learn what difference Fairtrade is having on groundnut, tea and sugar farmers and workers within Fairtrade-certified organisations in Malawi. The five Fairtrade-certified organisations studied were: the Joint Body of Satemwa Tea Estates Limited (worker organisation), Sukambizi Association Trust and Eastern Outgrowers Trust (both smallholder tea producer organisations), Kasinthula Cane Growers Association (smallholder sugar cane producer organisation) and Mchinji Area Small Farmers Association (smallholder groundnuts producer organisation). Sugar cane: Kasinthula Cane Growers Association is the only Fairtrade-certified small farmer organisation in this sector in Malawi. Since the baseline study in 2010, Kasinthula has seen a number of organisational adjustments, including the formation of the Kasinthula Cane Growers Association to represent the farmers, significant increases in membership, the formation of the Kasinthula Workers Union to represent the workers of KCGL and importantly a debt-servicing plan in place that will remove a huge burden of interest payments and enable KCGL to make a profit. Both production and productivity of cane sugar have been fluctuating since 2006 owing to unreliable irrigation facilities and the disruption caused by expansion, but with the added land brought under the scheme, 2012 production trends are expected to be strong. All the sugar cane produced at Kasinthula is sold to

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		<p>a single sugar mill (Illovo Sugar (Malawi) Ltd) and all the sugar produced is sold on Fairtrade terms, producing large amounts of premium income (Euros 682,076 in 2011). Owing to the debt situation and KCGL not yet making any profit, farmers receive a set monthly payment from KCGL plus benefits (in kind) from a 40 per cent share of the Fairtrade Premium. In the absence of a Fairtrade minimum price for sugar, premium income has been the main avenue of impact on KCGA farmers. Research shows that the Kasinthula farmers' standard of living has improved significantly since 2009 and is well above that of their non-member neighbours (who do not grow sugar cane commercially and have little or no access to irrigated land). The potentially negative impact of this concentration has been mitigated by the wide range of premium-funded social development projects that benefit the wider community, and also by the inclusion of more farmers from the region into the Association as it expands (KCGA has 482 members now compared to 282 in 2010, and includes members from 20 surrounding villages compared to only 6 in 2010). KCGA farmers were also approached for their views on their organisation's strengths and weaknesses. They value the assured market for their crop, premium-funded benefits and technical support and wish to expand production and reduce reliance on hired labourers and contractors. It will be important to see how Fairtrade can help them fulfil these aspirations. As with the other two sectors, Kasinthula stakeholders are aware in a general way of the risks posed by climate change. However, none have a clear idea of specifically what might happen or how to mitigate its impacts.</p> <p>Keywords: Fairtrade, Impact, Sugar, Tea, Groundnut, Producer organisations.</p>
<p>Pound, B. and Phiri, A. (2011). Taking Root: Fairtrade in Malawi. A synthesis report by Natural Resources Institute, University of Greenwich, April 2011</p>	<p>Grey literature Secondary (SR)</p>	<p>This paper is drawn from three independent studies carried out by the Natural Resources Institute (NRI) in 2009/10 exploring the impacts of Fairtrade on five Fairtrade-certified producer and worker organisations in Malawi that produce tea, sugar and groundnuts, as well as research in 2010 with a range of Malawian Fairtrade stakeholders. The independent investigations used qualitative and quantitative methods designed to understand the changes (negative as well as positive) brought about by Fairtrade certification. The research confirms that there are tangible, significant and sometimes considerable economic, social, technical and organisational development benefits to smallholder families and estate workers arising from Fairtrade certification. Participation, democracy and empowerment have also been enhanced through the application of Fairtrade standards and the technical and organisational support given to the smallholder and worker organisations by the Fairtrade Foundation, Fairtrade International, TWIN, VSO, research organisations such as ICRISAT and the Tea Research Foundation, the tea and sugar estates and national bodies such as the National Smallholder Farmers Association of Malawi (NASFAM). However, there is a large contrast between commodities in the benefits to smallholders and workers from Fairtrade certification. The most striking example is the Fairtrade Premium, which is small for groundnut producers and considerable for sugar producers. Tea and sugar producer and worker organisations have invested their Premium funds in an impressive range of social and production projects, while the groundnut smallholders have only completed one project to date. There is a broadly conducive national policy environment for expansion of Fairtrade, although further awareness needs to be raised at government level of the benefits of Fairtrade. While smallholder tea, groundnut and sugar farmers and the estate workers at Satemwa Tea Estates enjoy direct benefits from Fairtrade certification, the hired labourers working alongside sugar smallholders at Kasinthula Cane Growers Ltd do not get an adequate share of benefits. A series of challenges remain for the expansion of Fairtrade in Malawi, including the costs of certification and audit, the modest educational levels of producer organisation committee members, debts, declining soil fertility and the low proportion of produce sold as Fairtrade. However, Fairtrade is solidly established in Malawi, and the potential is there to expand products and volumes through improved marketing and extension services, to move further down the value chain, to benefit from partnerships with Fairtrade NGOs, VSO and others, and to increase networking within and outside Malawi.</p> <p>Keywords: Fairtrade, Impact, Sugar, Groundnut, Tea, Malawi.</p>

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Renard, M.-C. (2008) <i>Café de conservación y Comercio Justo : el caso de las cooperativas de cafecultores de la Reserva del Triunfo, Chiapas, México</i> . FTIS 2008, p.13. http://www.ftis2008.org/content/download/2399/26581/file/COM93_Renard.pdf	Grey literature Secondary (OR)	In response to critique of their business practices, transnational corporations have established their own social programmes and systems of certification, such as the CAFÉ Practices of Starbucks. This company also offers a coffee certified by TrasFair USA. This work evaluates the situation of cooperatives which have established commercial relationships with Starbucks. In the region of the Réserve du Triunfo, in Chiapas, born in the 90s, the coffee producer cooperatives are subject to the required control and checks of Starbucks and AMSA-Omnicafé, the biggest exporters from Mexico. This takes place through an integral strategy which includes, control of production, the commercialisation, the monopoly of the market, and credit. The strategy applied by a NGO, Conservation International, threatened their survival of the cooperatives as organisations by getting rid of their economic and social functions. They were able to break out from this dependence with the help of Fair Trade and from clients whose networks brought a sense of solidarity and support, rather than competition, from other Fair Trade cooperatives from Chiapas. Pressure from the transnational corporations however, has not abated, and the competition between the model of Fair Trade and the more regular practises are always in play against each other. (Original Spanish) Keywords: Fair trade, Coffee, Cooperatives, Mexico., Business practices
Romero, G and Ana, M. (2010). <i>Research on the Fair Trade Ugandan Coffee Value Chain</i> . Intermón Oxfam. September 2010.	Grey literature Secondary (OR)	Analysis of the Fair Trade Robusta coffee value chain from Uganda and its impact on Sustainable Livelihoods of Ugandan producers. More info: This research is part of the project “From consumer to consumACTOR: Promoting Fair Trade in key sectors”, funded by the EU. Keywords: Fair Trade, Coffee, Uganda, Sustainability, Livelihoods.
Ronchi, L. (2006) <i>Fairtrade and Market Failures in Agricultural Commodity Markets</i> . World Bank Policy Research Working Paper 4011, September 2006.	Primary and Empirical OBS - Observational + method	This paper concerns an NGO intervention in agricultural commodity markets known as “Fairtrade”. Fairtrade pays producers a minimum unit price and provides capacity building support to member cooperative organizations. Fairtrade’s organizational capacity support targets those factors believed to reduce the commodity producer’s share of returns. Specifically, Fairtrade justifies its intervention in markets like coffee by claiming that market power and a lack of capacity in producer organizations ‘marks down’ the prices producers receive. As the market share of Fairtrade coffee grows in importance, its intervention in commodity markets is of increasing interest. Using an original data set collected from fieldwork in Costa Rica, this paper assesses the role of Fairtrade in overcoming the market factors it claims limits producer returns. Features of the Costa Rican input market for coffee permit a generalization of the results. The empirical results find that market power is a limiting factor in the Costa Rican market and that Fairtrade does improve the efficiency of cooperatives, thereby increasing the returns to producers. These results do not depend on the minimum price policy of Fairtrade and therefore can inform on its organizational support activities. Finally, the results also suggest that producers selling to vertically integrated, multinational coffee mills face lower producer price ‘mark-downs’ compared with domestically owned non-cooperative mills. This result contradicts the popular view that the increasing concentration of vertically integrated multinational firms accounts for a decline in producers’ share of coffee returns. Keywords: Fairtrade, Market failures, Coffee, Costa Rica.
Roquigny, S., Vagneron, I., Lescot, T. and Loeillet, D. (2008). <i>Making the rich richer? Value distribution in the conventional, organic and fair trade banana chains of the Dominican Republic</i> . FTIS. http://www.ftis2008.org/programme/liste_des_communications/com_68	Grey literature Secondary (OR)	Private voluntary schemes aimed at differentiating the product flourish on global markets. Among these schemes, “sustainable standards” are aimed at promoting values such as environmental friendliness and fairness. The aim of this paper was to question the fairness of these “sustainable standards”. To do so, we study the distribution of value and power within the conventional and sustainable (organic and Fair Trade) banana chains. This paper is based on an original six-month investigation that started in the Dominican Republic banana plantations and ended with European global retailers. The paper shows that although the producers do manage to extract a greater share of the rent by participating in sustainable banana chains, the downstream actors are the real winners of the game. More importantly, sustainable banana chains involve the same actors, logistics and relations as their conventional counterparts. All important decisions concerning what must be produced, how and for which market segment are taken by the downstream actor who, in the end, also concentrate most of the power. Keywords: fair trade, banana, producer organisations

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Ruben, R. (2008). The Impact of Fair Trade. Editor Ruerd Ruben. Wageningen University, The Netherlands. 256 pages. http://www.wageningenacademica.com/clientfiles/TOC/Fairtrade.pdf	Primary and Empirical OBS- Observational + method	<p>Twenty years ago, Fair Trade started as an effort to enable smallholder producers from developing countries to successfully compete in international markets. Better access to market outlets and stable prices are considered key principles for sustainable poverty reduction and stakeholder participation based on 'trade, not aid'. While Fair Trade is primarily conceived as a trading partnership - based on dialogue, transparency and mutual respect - seeking greater equity in international trade, it relies on an organized social movement promoting standards for production practices and delivery procedures, working conditions and labour remuneration, environmental care and social policies in supply chains of certified tropical goods. Over the past two decades, sales of Fair Trade products have considerably increased. After the first shipments of coffee, the range of products has gradually broadened to include fruit (particularly bananas, pineapple and citrus), tea, cocoa, textiles, cosmetics and a whole series of other products. Global Fair Trade sales have steadily grown to approximately EUR 1.6 billion worldwide, covering almost 600 producer organizations in more than 55 developing countries that represent close to a million families of farmers and workers. In recent years, efforts have been made towards mainstreaming of Fair Trade involving large international companies and retail chains. While numerous case studies and descriptive overviews are available to illustrate the importance of Fair Trade for producers and their families in developing countries, little quantitative evidence has been presented to review the socio-economic impact of Fair Trade. This collection of articles provides the first balanced in-depth analysis of the real welfare impact of Fair Trade, paying attention to key dimensions of income, consumption, wealth, environment, empowerment and gender. The core articles are based on extensive field surveys in Peru, Costa Rica, Ecuador, Ghana, Kenya and Mexico, and provide valuable insights in the contributions and constraints for producers' involvement in Fair Trade. In addition, attention is paid to the broader implications for international trade regimes and the ethical perspectives on Fair Trade.</p> <p>Keywords: Banana, Coffee, Fair Trade, Impact, Central and South America, West and East Africa, Livelihoods.</p>
Ruben, R., and Fort, R. (2011). The Impact of Fair Trade Certification for Coffee Farmers in Peru, World Development, doi: 10.1016/j.worlddev.2011.07.030	Primary and Empirical OBS - Observational + method	<p>Smallholder farmers producing for Fair Trade market outlets are usually considered to benefit from better prices and stable market outlets. However, many empirical studies verifying this impact suffer from strong selection bias. This study uses a balanced sample of Fair Trade farmers and likewise non-Fair Trade producers of organic and conventional coffee from Peru to compare the net effects on production, income and expenditures, wealth and investments, and attitudes and perceptions. After careful matching, we find only modest direct income and production effects, but significant changes in organization, input use, wealth and assets, and risk attitudes.</p> <p>Moreover, important differences between farmers with early and more recent FT affiliation are registered.</p> <p>Keywords: Fair Trade, Impact, Matching, Coffee, Peru.</p>
Smith, R. (2009). Sustainable Living Wages and the Impact of Fairtrade at Volta River Estates Limited (VREL), Banana Plantation, Ghana. For Banana Link, Norwich, UK. September 2009. 17pp.	Grey literature Secondary (OR)	<p>Fairtrade relies on ethically-minded consumers who are willing to pay a higher price for the sake of social justice. FLO promises to 'assure consumers that every purchase brings benefits to the producer'. Fairtrade has clearly had a positive impact on the lives of the workers at VREL, by helping them to pay their children's school fees and enabling their families to be covered by national health insurance, for instance. Yet their salary remains too low, which ultimately prevents them from taking control of their lives. The results of the research unambiguously demonstrate that the workers are not earning a sustainable living wage. It is estimated that their salary would need to increase at least fourfold in order for them to be able to meet the basic needs that they defined. Whilst this is only an approximate estimate, the limitations outlined above are not considered sufficient to invalidate these findings, due to the large gap between the salaries the workers receive and the amount of money they stated that they needed. Surely no system of trade that does not enable a worker to earn sufficient money to feed his or her family, let alone meet the costs of education, participating in cultural life and saving for the future, can be considered fair. Moreover, the revelation that Fairtrade does not enable plantation workers to earn a respectable living could equally undermine the integrity of the Fairtrade movement in the long term.</p> <p>Keywords: Banana, Ghana, Fairtrade, Social justice, Workers,</p>

Reference	Type of literature/ research type	Summary
<p>Smith, S. (2010). Fairtrade bananas: a global assessment of impact. Institute of Development Studies (IDS), University of Sussex Brighton, UK. April 2010. 161pp.</p>	<p>Secondary (SR)</p>	<p>This good report presents the findings of a study commissioned by the UK's Fairtrade Foundation, to assess the impact Fairtrade has had on banana producers and workers, their organisations and the wider community. Nearly 300,000 metric tonnes of Fairtrade bananas were sold globally in 2008; in the UK they accounted for nearly a quarter of all UK bananas sales, with a value of £185 million. As such, it is important to understand the effect Fairtrade is having and also how impact could be enhanced. Case studies were carried out with three Fairtrade small producer organisations and three Fairtrade plantations in four locations: Ecuador, the Dominican Republic, Ghana and the Windward Islands. Research was also carried out with importers, ripening companies and retailers that trade in Fairtrade bananas, to interrogate value chain dynamics and how they affect impact. Five areas of impact were assessed, as follows: (1) changes in social differentiation; (2) changes in the socio-economic situation of producer and worker households; (3) changes in the organisation of rural areas; (4) changes in local, regional and national development; and (5) changes in the management of natural resources. A summary of recommendations emerging from the findings of the study are as follows. These recommendations should be subjected to further analysis and discussion with Fairtrade stakeholders (primarily small producers and workers) prior to implementation.</p> <ol style="list-style-type: none"> 1. Ensure all participants in Fairtrade are aligned to its principles and contribute to achieving its objectives. This includes lobbying for an end to the banana price wars in the UK which undermine efforts to develop social, economic and environmental responsibility in the global banana industry. 2. Find ways to increase returns from Fairtrade banana production, including through improved productivity and reduced costs, and more regular reviews of FLO minimum prices. 3. Protect the position of small producers in Fairtrade, including maintaining a balance between supply and demand, careful management of FLO minimum price differentials between origins, and giving preference to SPO applicants. 4. Strengthen worker empowerment in Fairtrade, recognising and raising awareness of the inherent challenges this involves and developing a clear focus on independent worker organisation as key to success. 5. Work towards a living wage for Fairtrade workers, ensuring additional profits earned by plantations are shared with workers. If returns to Fairtrade production are not sufficient to allow for living wages, allow a portion of the Premium to be used to increase worker income as an interim measure. 6. Work to overcome differential impacts within small producer and worker categories, including extra support to vulnerable groups of workers, such as migrants, women and illiterate people, to enable them to participate fully in their organisations. 7. Strengthen gender perspectives in Fairtrade, including development of gender specific criteria in the FLO Producer Standards which go beyond non discrimination clauses to promote gender equity more directly. 8. Use the Fairtrade Premium more strategically, in line with current theory and best practice related to sustainable rural development and international aid (e.g. working in partnership with community based organisations and local authorities; collective funds for capacity building and networking of Fairtrade producers and workers). 9. Enhance contacts between Fairtrade producers and workers, and with institutions that could provide support. Assist Fairtrade producers to create a common platform at a political level, e.g. in relation to official export prices, minimum wages, labour rights and trade regimes. 10. Improve communication within Fairtrade and beyond, including development of appropriate communication and training materials for small producers, workers and their communities. <p>Keywords: Fairtrade, Banana, Impact study, Ecuador, Dominican Republic, Ghana, Windward Islands, Producer organisations.</p>
<p>SOAS. (2014). Fairtrade, Employment and Poverty Reduction in Ethiopia and Uganda. Department for International Development, SOAS. Funded by the Department for</p>	<p>Grey literature Secondary (SR)</p>	<p>This research project addresses three intersecting issues where it has been acknowledged that there is too little empirical knowledge: the transmission mechanisms linking global trade in agricultural products with poverty reduction; the functioning and significance of rural labour markets in low-income countries; and the labour market dimensions of Fairtrade certification. The Fairtrade, Employment and Poverty Reduction in Ethiopia and Uganda (FTEPR) research team, based at SOAS, University of London, set out to develop and apply innovative, careful research methods in order to gather analytically useful, policy relevant</p>

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
International Development. April 2014. 143pp.		<p>evidence on these issues. The core objective of the research was to improve knowledge of transmission mechanisms between the lives of extremely poor rural people (especially women) and international trade in agricultural commodities, focusing especially on the role of labour markets as means of transmission. In particular, the purpose of the research was to understand better the comparative benefits/disadvantages of different institutional arrangements for agricultural production for poor rural people needing access to wage employment. This applies specifically to the comparison – from this labour market and poverty reduction perspective – between Fairtrade certification and production not certified as Fairtrade. And the over-arching research question was whether a poor rural person dependent on access to wage employment for their (and their family’s) survival is better served by employment opportunities in areas where there is a Fairtrade certified producer organization or in areas where there is none. The empirical evidence produced by this research has generated findings discussed in detail in the report. There were three especially clear findings. First, wage employment is very prevalent in rural areas producing agricultural export commodities. This may seem relatively unsurprising in major flower growing areas in Ethiopia or in those areas close to a large multinational owned coffee plantation in Uganda or in the Jimma region of Ethiopia where there are large coffee enterprises, though even in these areas the scale of the labour market is striking and rarely reported. However, more significant is the high level of recent wage employment experience in areas regarded as “smallholder”, “family” farming areas producing tea or coffee. Second, the wage workers in the FTEPR sample are about as far as it is possible to get from some notional “labour aristocracy”. Analysis of the sample shows that these workers are extremely poor by any standard; and they are relatively deprived by comparison with other estimates of poverty in rural Ethiopia and Uganda, for example in DHS estimates. Third, FTEPR research focused in particular on the role of Fairtrade certification in influencing pay, amount of work, and working conditions. As a simple version of one of the research questions put it: is a poor rural person dependent on access to wage employment for their (and their family’s) survival better served by employment opportunities on certified farms or on non-certified farms? The research findings show that Fairtrade has made no positive difference – relative to other forms of employment in the production of the same crops – to wage workers. Systematically, wage workers in the FTEPR sample in research sites characterised by the presence of Fairtrade certified producer organizations earned less than equivalent workers in research sites without Fairtrade production.</p> <p>Keywords: Fairtrade, Coffee, Tea, Flowers, Ethiopia, Uganda, Rural labour</p>
Solidaridad. (2008). Impact Assessment of Fair Trade Programs for Coffee and Bananas in Peru, Costa Rica and Ghana. Fair Trade programme evaluation. Study Assignment by Solidaridad. Coordinated by the Centre for International Development Issues (CIDIN), Radboud University Nijmegen, The Netherlands. October 2008. 13pp.	Grey literature Secondary (OR)	<p>The study distinguishes the impact assessment into three types of criteria: (1) standard welfare effects (i.e. income, consumption expenditures and assets), (2) behavioural responses (i.e. changes in livelihoods, attitudes, gender empowerment and environmental care), and (3) institutional implications, e.g. changes in farmers’ organization and regional externalities that may result from FT involvement. Although common problems related to attribution and complementarities should be acknowledged, the before outlined matching framework permits to make a largely unbiased assessment of the importance of these less-tangible benefits of Fair Trade.</p> <p>Keywords: Banana, Ghana, Fairtrade, Social justice, Workers,</p>
Terstappen, V., Hanson, L., and McLaughlin, D. (2012). Gender, health, labour, and inequities: a review of the fair and alternative trade literature. Springer Science + Business Media B.V. 10 March 2012. Agric Hum Values.	Primary and Empirical Secondary (SR)	<p>Although research into fair and alternative trade networks has increased significantly in recent years, very little synthesis of the literature has occurred thus far, especially for social considerations such as gender, health, labour, and equity. Authors draw on insights from critical theorists to reflect on the current state of fair and alternative trade, draw out contradictions from within the existing research, and suggest actions to help the emancipatory potential of the movement. Using a systematic scoping review methodology, this paper reviews 129 articles and reports that discuss the social dimensions of fair and alternative trade experienced by Southern agricultural producers and workers. The results highlight gender, health, and labour dimensions of fair and alternative trade systems and suggest that diverse groups of producers and workers may be experiencing related inequities. By bringing</p>

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
DOI 10.1007/s10460-012-9377-7		<p>together issues that are often only tangentially discussed in individual studies, the review gives rise to a picture that suggests that research on these issues is both needed and emerging. Paper ends with a summary of key findings and considerations for future research and action.</p> <p>Keywords: Fair trade, Alternative trade, Gender, Health, Labour, Equity.</p>
<p>Vagneron, I. and Roquigny, S. (2011). What do we really know about the impact of Fair Trade? A synthesis”, French Platform for Fair Trade, Paris: PFCE, CIRAD. 25 p. January 2011.</p>	<p>Primary and Empirical OBS- Observational + method</p>	<p>Through this work, the French Platform for Fair Trade (PFCE) wanted a comprehensive overview of existing studies on the impacts of fair trade, i.e. one that presented some straightforward results, without hiding the many methodological issues encountered nor the great richness and variety of topics covered by the studies. For the PFCE, this work has methodological implications (better targeted impact studies) and pragmatic implications (improve the fair trade). The analysis focuses on 77 studies carried out between 1998 and 2009. All of the studies explicitly aimed at assessing the impact of fair trade on producers in the South. Studies devoted to the impact of fair trade in developed countries (on Alternative Trade Organizations, consumers, etc.) were outside the scope of the study. This literature survey was pegged to a multi-criteria database in which the main characteristics of each study were stored: country, sector, product, other certifications, type of effect described and analysed, etc.). The first result of this work is that impact studies of fair trade are geographically and sectorally concentrated: 74% of the studies focus on Latin America and the West Indies, and 92% on food products. The flagship products of these studies are respectively: coffee (47% of all studies), bananas (13%), and cocoa. Only 4% of all impact studies considered focused on handicraft. In terms of methodology, despite some common features (most studies are in the field of economics and work at a micro-economic level, most analyses assess the impact of fair trade on the producers and/or their organizations), the approaches are both quite heterogeneous (participant observation, econometric studies, etc.) and quite secretive concerning their methodology. Two main frameworks for analysis were developed recently: the methodology developed by AVSF/FLO/MH and quantitative impact assessment methods based on statistics. While the former are mainly founded on qualitative and static approaches, the later aim at assessing the impact of fair trade over time. Since 2006, the criteria taken used to measure the impacts of fair trade are increasingly diversified and original: there is a growing interest relating to plantations, the fate of wage workers on fair trade farms/plantations, women, the spill-over effects of fair trade, etc.). The most documented impacts of fair trade (those that are mentioned by over half of the studies of the sample) are the impacts in terms of: producer prices and producer incomes and the ability of organizations to offer their members an improved access to the market, as well as to technical and social services. Conversely, still very little is known about the impacts of fair trade on: the most vulnerable groups (women, wage workers); the environment; the legitimacy of producer organizations and the development of their institutional networks; or various spill-over effects. The most positive impacts of fair trade are high price differentials and higher and more secure incomes. More mitigated or controversial impacts were found concerning: the economic situation of women, the governance of producer organizations, and the positive externalities of fair trade in terms of rural migration. The lack of a clear picture may come from the fact that these criteria are still little studied. Finally, one unexpected effect was the impact that fair trade may sometimes have on inequality: by supporting a group of beneficiaries, fair trade may sometimes become a source of conflicts, or exacerbate existing inequalities at the micro-level (between men and women, between farmers and wage workers, between temporary and permanent workers, etc.), the community level (horizontal inequalities), or within a value chain (vertical relationship). One of the main recommendations of this report is to redirect future impact studies on under-represented target populations in order to better take into account existing local tensions.</p> <p>Keywords: Fair Trade, Impact, Review, Impact, Coffee, Banana, Other commodities.</p>
<p>Valkila, J. (2009). Fair Trade coffee certification. A tool for rural development and environmental protection in Nicaragua? University of Helsinki, Department of Economics</p>	<p>Grey literature Secondary (SR)</p>	<p>This paper analyses the possibilities and challenges of Fair Trade certification to improve the well-being of small-scale coffee growers and coffee labourers as well as promote environmental protection in the global South. Seven months of fieldwork was conducted in 2005–2006 and 2008 to study the roles of a wide range of farmers, labourers, cooperative administrators, and export companies in Fair Trade coffee production and trade in Nicaragua. The results indicate that Fair Trade’s opportunities to provide a significant price premium for participating farmers largely depend on world coffee prices in mainstream markets. Small-scale, low-</p>

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
and Management. Discussion Papers No 38. Helsinki 2009. 31pp.		intensity farming produces very little coffee in the case of the most marginalized farmers, keeping these farmers in poverty even when price premiums are available from certified markets. While Fair Trade has promoted premiums for social development for participating producers and strengthened the institutional capacities of the cooperatives involved, its ability to enhance significantly the working conditions of hired coffee labourers remains limited. Fair Trade has a potential to promote environmentally benign small-scale shade coffee production providing numerous ecosystem services. Key words: Fair Trade, Certification, Coffee, Coffee cooperatives, Labour conditions, Organic production, Nicaragua
Valkila, J. (2009). Fair Trade organic coffee production in Nicaragua — Sustainable development or a poverty trap? Ecological Economics. ECOLEC-03456. Elsevier B.V. journal. 8pp www.elsevier.com/locate/ecolecon.	Primary and Empirical OBS - Observational + method	This article assesses the impact of Fair Trade organic coffee production on the well-being of small-scale farmers in Nicaragua. Studying the results of organic management is crucial for evaluating the advantages of Fair Trade because approximately half of all Fair Trade coffee is also organically certified. A wide range of farmers, representatives of cooperatives and export companies in Nicaragua were interviewed during seven months of field work between 2005 and 2008. Fair Trade organic production raises farmer income when low intensity organic farming is an alternative to low-intensity conventional farming. However, low-intensity farming produces very little coffee in the case of the most marginalized farmers, keeping these farmers in poverty. With higher intensities of management, the economic advantages of Fair Trade organic production largely depend on prices in the mainstream market. Keywords: Organic agriculture, Fair Trade, Certification, Coffee, Nicaragua
Valkila, J. and Nygren, A. (2008). Impacts of Fair Trade-certification on Coffee Farmers, Cooperatives, and Labourers in Nicaragua. Paper N° 51. 3e Colloque international sur le commerce équitable. 3th Fair Trade International Symposium – FTIS 2008 – Montpellier, France, 14-16 mai 2008.	Grey literature Secondary (OR)	This paper analyses the possibilities and challenges involved in the Fair Trade certification as a movement that seeks to improve the living conditions of small-scale coffee growers and coffee labourers in the global South. Six months of fieldwork was conducted in 2005–2006 to study a wide range of farmers, labourers, cooperative administrators, and export companies involved in Fair Trade coffee production and trade in Nicaragua. The results indicate that the Fair Trade's opportunities to provide a significant price premium for participating farmers largely depend on the world coffee prices in the mainstream markets. While Fair Trade has encouraged the social networks of participating farmers and strengthened the institutional capacities of the involved cooperatives, the ability of the Fair Trade to significantly enhance the working conditions of hired coffee labourers remain limited. Keywords: Fair Trade, Coffee, Nicaragua, Farmers, Cooperatives, Labourers, Impact.
Whelan, T. and Newsom, D. (2014). Sustainable Coffee Farming: Improving Income and Social Conditions: Protecting Water, Soil and Forests. Rainforest Alliance. May 2014. 10pp.	Grey literature Secondary (OR)	A PR document from Rainforest Alliance. According to the International Institute for Sustainable Development's 2014 study "The State of Sustainability Initiatives," close to 40 percent of the world's coffee has been certified under some program. While the various programs differ in their level of rigor, the argument could be made that the coffee sector has recognized the need for sustainability interventions. Rainforest Alliance certification currently represents 5.2 percent of total global coffee production. Studies comparing Rainforest Alliance Certified farms with their noncertified peers found many positive benefits, such as increased productivity, that typically led to greater profitability for farmers. The main areas of environmental impact were water protection and the protection of forest fragments for wildlife habitat. On the social side, the research showed improved access to knowledge, worker provisions and capacity building, as well as better organization on farms. Though the work that is being done by the Rainforest Alliance and others is relatively new, the growth in the number of certified farms over the last five years has been dramatic. Looking ahead, need to expand Rainforest Alliance scope so that it can deal with the macro-challenges discussed earlier, as well as some of the weaknesses we uncovered through the impact studies. Keywords: Coffee, Rainforest Alliance, Sustainability,
Williams, C. (2014). Fair Trade Coffee: A Good Choice for Sustainability? Journal of the National Centre for Sustainability, June 2014	Primary and Empirical OBS - Observational + method	For many of us, drinking coffee is part of our daily ritual to which we are deeply attached. As a global commodity, the coffee industry embodies inequality between producers and consumers, unsustainable agricultural practices, global transportation and production waste. Some of us relieve our consciences for our participation in this by choosing Fair Trade coffee, believing this is a vote for ethical and sustainable consumption. However, as this paper demonstrates, sustainable coffee consumption is far more

<i>Reference</i>	<i>Type of literature/ research type</i>	<i>Summary</i>
Vol.1 No.2. 8pp.		<p>complex than simply choosing Fair Trade. Fair trade attempts to make the existing global market system work better for those that are marginalised, but it does not necessarily facilitate a questioning of the system itself. The most effective way to intervene is to alter the paradigm of the system. Models such as fair trade act as a point that can be massaged to allow the existing system to work better, but as long as the dominant paradigm is embedded in global market capitalism, envisaging an economically, environmentally and socially sustainable future for the coffee industry at the scale we currently desire is difficult. However, through a collective questioning of why and how we do things, and a far deeper understanding of the impacts of our decisions, we can seek to transcend the bind. It is here we may find our response-ability; the ability to respond built on an understanding of what we know and how we know it, and the opportunity to have meaningful conversations about it.</p> <p>Keywords: Fair Trade, Coffee, Sustainability, Market systems</p>

Annex L – Summary List of FT Impact Studies

	Study	Commodity	Country Case studies	Study Peer Reviewed	Confidence Level	Comments
1	Aguilar (2007)	Coffee	Bolivia	N	Moderate	Detailed impact assessment of FT
2	Arnould, Plastina & Ball (2007)	Coffee	Nicaragua Peru Guatemala	N	Moderate	Comparative analysis of FT & non-FT; country comparative study
3	Arnould, Plastina & Ball (2009)	Coffee	Nicaragua Peru Guatemala	Y	High	Comparative analysis of FT & non-FT; effects on income, education & health
4	Bacon (2004)	Coffee	Nicaragua	Y	High	Doctoral dissertation. FT, organic & specialty coffees, northern Nicaragua
5	Bacon (2005)	Coffee	Nicaragua	Y	High	Vulnerability of FT small farmers, livelihoods
6	Bacon, Mendez, Gomez, Stuart, Diaz Flores (2008)	Coffee	Nicaragua	Y	High	FT impact on livelihoods, development goals & cooperatives
7	Backman (2009)	Coffee	Ethiopia	N	Moderate	Impact study on FT , economic benefits
8	Barham & Weber (2011)	Coffee	Mexico Peru	Y	High	Economic sustainability of certified coffee
9	Barham, Callenes, Gitter, Lewis & Weber (2011)	Coffee	Mexico	Y	High	FT & organic coffee, rural livelihoods.
10	Becchetti & Costantino (2008)	Coffee	Kenya	Y	High	FT impact on marginalised producers
11	Berndt (2007)	Coffee	Costa Rica Guatemala	N	Moderate	Critical analysis of the conditions of FT & implications for policy
12	Beyer (2008)	Coffee	Colombia	N	Moderate	Thesis for BA degree on FT
13	Bitzer, Francken & Glasbergen (2013)	Coffee	Worldwide	Y	High	Inter-sectoral partnerships in coffee value chain
14	Blackmore & Keeley (2012)	Coffee Tea Cotton	SE & E Asia	Y	High	Review impact, case studies & evidence FT, Rainforest Alliance & Utz
15	Bower (2012)	Sugar	Fiji	N	Moderate	FT cost & benefits, economic assessment
16	Calo & Wise (2005)	Coffee	Mexico	N	Moderate	Organic and FT coffee study, CEPSCO cooperative is the focus.
17	CEval (2012)	Coffee Banana	Peru	N	Moderate	Impact study FT, including banana & coffee in Peru
18	Chambolle & Poret (2008)	Coffee	Worldwide	N	Moderate	FT supply chain & insurance - risk
19	Chan & Pound (2009)	Range products Coffee Banana etc.	Worldwide	N	Moderate	Global review of FT for range of products
20	CIDIN (2014)	Coffee	Kenya Uganda Ethiopia	N	High	Impact of coffee certification – FT & Utz, smallholder farmers
21	CODER (2014)	Banana	Colombia	N	High	Good impact report on

	Study	Commodity	Country Case studies	Study Peer Reviewed	Confidence Level	Comments
						FT, producers, workers
22	Coles (2011)	Coffee	Tanzania	N	High	Coffee value chain analysis of FT in East Africa
23	Consumers International & IIED (2005)	Coffee	Brazil	N	Moderate	Focus on effect of consumer decision making on producers of FT
24	COPLA (2009)	Banana	Peru	N	Moderate	Case study in Peru of FT & organic certification
25	Didier & Lucie (2008)	Coffee	Worldwide	Y	High	FT impact & consumers
26	Dragusanu & Nunn (2014)	Coffee	Costa Rica	Y	High	Impacts of FT certification, smallholders & workers
27	Dragusanu et al (2014)	Coffee	Worldwide	Y	High	Economic impact & sustainability of FT
28	Elliot (2012)	Coffee	Worldwide	N	Moderate	Trends & challenges FT certification
29	Escalante (2013)	Sugar	Belize	N	High	FT ethics & impact, livelihoods
30	Frank & Penrose Buckley (2012)	Coffee Sugar	Uganda Malawi	N	High	FT small-scale farmers & climate change
31	Giovannucci & Ponte (2005)	Coffee	Worldwide	Y	High	FT social contract & sustainability
32	Gingrich & King (2012)	Coffee	Nicaragua	Y	High	Impact study of FT, economic development
33	IIED (2012)	Coffee Tea Cotton	China India Indonesia Vietnam	N	High	Study assessing benefits FT in Asia, sustainability issues
34	Imhoff & Lee (2007)	Coffee	Bolivia	Y	High	Theoretical and empirical study. Also covers impacts of FT on conflict
35	Jaffee (2007)	Coffee	Mexico	Y	High	Detailed book exploring FT in Oaxaca, cooperatives
36	Jaffee (2008)	Coffee	Mexico	Y	Moderate	FT impact study in Mexico, livelihoods
37	Kilian, Pratt, Villalobos & Jones (2004)	Coffee	Latin America	Y	High	Compares organic, FT, Rainforest Alliance, & Utz Kapeh certification schemes
38	Kodama (2009)	Coffee	Ethiopia	N	Moderate	Case study of FT coffee coops & farmers
39	Laroche & Guittard (2009)	Coffee Banana Cocoa	Worldwide	N	Moderate	Review report of FT impact studies, organisation of small producers
40	Le Mare (2008)	Range products	Worldwide	N	Moderate	Review literature on FT impact
41	Luetchford (2006)	Coffee	Costa Rica	Y	High	Study of Coocafé
42	Lyon & Moberg (2010)	Coffee Tea Banana Cut flowers	India Kenya Costa Rica Caribbean	N	Moderate	Book with in-depth case studies of impact FT.
43	Max Havelaar Foundation (NL) (2014)	Banana	Colombia	N	Moderate	Subjective report for FT on impact, producer organisations, workers
44	Max Havelaar	Banana	Worldwide	N	Moderate	Impact study review on

	Study	Commodity	Country Case studies	Study Peer Reviewed	Confidence Level	Comments
	France (2009)	Coffee				producers organisations
45	Mendoza & Bastiaensen (2003)	Coffee	Nicaragua	Y	High	Study of Prodecop co-operative
46	Milford (2004)	Coffee	Mexico	N	High	Fairly detailed impact study
47	Moberg (2005)	Banana	Windward Islands, Caribbean	Y	High	Detailed analysis of Fairtrade in Windward Island bananas
48	Murray, Raynolds & Taylor (2003)	Coffee	Latin America	Y	High	Meta-review of 7 case studies conducted across Latin America
49	Nelson & Pound (2009)	Range products Coffee Banana etc.	Worldwide	N	High	Comprehensive impact review – over 80+ studies reviewed with 33 case studies
50	Nelson & Martin (2013)	Coffee Tea	Latin America East Africa	N	High	Strategic review of FT for Irish Aid
51	Nelson, Morton, Chancellor, Burt & Pound (2010)	Sugar Banana Coffee	Kenya Dominican Republic	N	High	Climate change, agricultural adaptation & FT
52	Parrish, Luzadis & Bentley (2005)	Coffee	Tanzania	Y	High	Comparison between FT & Technoserve
53	Pay (2009)	Coffee	West & Central Africa	N	Moderate	Study on organic & FT coffee
54	Petkova (2006)	Coffee	Worldwide	Y	High	Impact of governance in coffee market
55	Phillips (2010)	Sugar	Malawi	Y	High	FT impact & community empowerment
56	Pound (2013)	Sugar Groundnut Tea	Malawi	N	High	Three case studies on 3 FT crops in Malawi, impact study funded by FT
57	Pound & Phiri (2011)	Sugar Groundnut Tea	Malawi	N	High	Three case studies on 3 FT crops in Malawi, impact study
58	Raynolds (2002)	Coffee	Latin America	Y	High	FT consumer/ producer links
59	Renard (2008)	Coffee	Mexico	N	Moderate	Critical review of trans-national FT programs, cooperatives
60	Romero & Ana (2010)	Coffee	Uganda	N	Moderate	Impact on livelihoods on producers coffee
61	Ronchi (2002)	Coffee	Costa Rica	Y	High	Fairly in-depth qualitative analysis of Fairtrade impact on Coocafé
62	Ronchi (2006)	Coffee	Costa Rica	N	High	FT & market failures, & efficiency
63	Roquigny, Vagneron, Lescot & Loeillet (2008)	Banana	Dominican Republic	N	Moderate	Assessment of sustainability standards of FT
64	Ruben (2008)	Coffee Banana	Latin America West & East Africa	N	Moderate	Collection of articles on impact FT, livelihoods, gender, environment
65	Ruben & Fort (2011)	Coffee	Peru	Y	High	Good empirical study of FT impact
66	Ruben, Fort & Zuniga (2008)	Coffee Banana	Peru Costa Rica Ghana	N	Moderate	Comparative/quantitative analysis of impacts on producers. Several cases

	Study	Commodity	Country Case studies	Study Peer Reviewed	Confidence Level	Comments
						including Coocafe, Costa Rica, 3 FT orgs. central Peru, 3 FT banana cases (Ghana, Costa Rica, Peru)
67	Smith (2009)	Banana	Ghana	N	Moderate	Review impact of FT in Ghana, social justice, workers
68	Smith (2010)	Banana	Ecuador Dominican Republic Ghana Windward Islands	Y	High	Detailed good impact study of banana & FT
69	SOAS (2014)	Coffee Tea Cut Flowers	Ethiopia Uganda	N	High	Good critical review of FT – producers & workers issues
70	Solidaridad (2008)	Coffee Banana	Peru Cost Rica Ghana	N	Moderate	Impact study of FT, social justice, workers, organisational issues
71	Stonehill (2006)	Coffee	Guatemala	N	Moderate	Comparison of impacts of coffee certifications
72	Terstappen, Hanson & Mclaughlin (2012)	Various	Worldwide	Y	High	Detailed review FT impact, gender, equity, trade
73	Torgersen (2007)	Banana	St Vincent	N	Moderate	FT & global justice, small-scale farmers
74	Utting-Chamorro (2005)	Coffee	Nicaragua	Y	High	Impact of FT on SOPPEXCCA & CECOCAFEN Cooperatives, especially impact on vulnerability
75	Utting-Chamorro (2008)	Coffee	Latin America	Y	High	Focus on methodological framework, but information on FT coffee in Jinotega
76	Vagneron & Roquigny (2011)	Coffee Banana	Worldwide	Y	High	Global review impact of FT focus on 77 case studies
77	Valkila (2009a)	Coffee	Nicaragua	N	Moderate	Impact of FT on farmers, development & environmental issues
78	Valkila (2009b)	Coffee	Nicaragua	Y	High	Impact of FT & organic production on farmers, sustainable development or poverty trap?
79	Valkila & Nygren (2008)	Coffee	Nicaragua	N	Moderate	Impact of FT on farmers, cooperatives & workers

Annex M – References

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Annex N – Glossary

Primary source: Joint publication of the World Fair Trade Organization, Fairtrade International and FLO-CERT. 28 June 2011

Fair Trade system terms

Fair Trade (FT)

The term Fair Trade defines a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in developing countries.

Fair Trade organization (FTO)

A Fair Trade organization, also called an alternative trade organization (ATO), has Fair Trade as part of its mission and at the core of its objectives and activities. Fair Trade organizations follow the Fair Trade principles. They are actively engaged in supporting producers, trading, raising awareness of Fair Trade issues and advocating the integration of Fair Trade principles into all international trade practices.

Examples of alternative trade organizations are Asha Handicrafts Association (India), Undugu Fair Trade Limited (Kenya), Level Ground Trading Ltd (North America and Pacific Rim), CIAP-Inter crafts Peru SAC, Pachacuti, Oxfam and Traidcraft (Europe).

Fair Trade principles (FT principles)

The Fair Trade principles (five principles) were developed by FLO and WFTO (2008) as a common understanding of the basic principles of fair trading. They are defined within the 'Charter of Fair Trade Principles' and are approved by the Board of FLO and the General Assembly of WFTO. To find out more visit www.fairtrade.net/our_partners.0.html or www.wfto.com.

Fairtrade (no abbreviation)

Fairtrade refers to all or any part of the activities of FLO eV, FLO-CERT, Fairtrade producer networks, national Fairtrade organizations and Fairtrade marketing organizations. Fairtrade is used to denote the product certification system operated by Fairtrade International (FLO).

Fair Trade movement; The Fair Trade movement is the combined efforts of Fair Trade organizations, campaigners and businesses to promote and activate the Fair Trade principles of empowering producers, making trade more fair, and sustainable livelihoods.

Fairtrade organizations; Fairtrade organizations refer to FLO eV, FLO-CERT, Fairtrade producer networks, national Fairtrade organizations, associate members and Fairtrade marketing organizations that comprise and support the Fairtrade system.

monitoring and evaluation (M&E)

Together, monitoring and evaluation provide the knowledge for effective programme management and reporting, including accountability and responsibility. M&E uses sets of tools to assess projects, taking into account the project's relevance, effectiveness, efficiency, impact and sustainability.

Sustainable Fair Trade Management System (SFTMS)

The Sustainable Fair Trade Management System is a certification system for Fair Trade organizations, currently under development by WFTO. It is based on 10 Fair Trade principles, and will result in the creation of a label for food and non-food products. To find out more visit www.wfto.com.

WFTO monitoring system

The WFTO monitoring system is based on biennial self-assessments, peer reviews and external verification. It gives the WFTO member insight into its level of compliance with the WFTO Fair Trade principles and its development over the years. The system invites WFTO members to take measures to improve their level of compliance and gives information to WFTO global and regional offices on services to develop to support members in their efforts to improve.

Fair Trade stakeholder terms

World Fair Trade Organization (WFTO)

The World Fair Trade Organization is a global network of Fair Trade organizations and WFTO associates representing the supply chain from producer to retailer.

Fair Trade Advocacy Office (FTAO)

The Fair Trade Advocacy Office in Brussels is a joint initiative of FLO and WFTO Europe. Its role is to coordinate advocacy (public support for a course of action or way of doing things) and campaigns to improve the livelihoods of marginalised producers and workers, especially in developing countries.

Fair Trade support organizations

Fair Trade support organizations are legal entities whose primary mission is to promote Fair Trade through the provision of technical, financial and business advisory or other services to Fair Trade producers and/or Fair Trade organizations.

Fairtrade International / Fairtrade Labelling Organizations International eV (FLO)

Fairtrade International (FLO) is a multi-stakeholder, non-profit organization focusing on the empowerment of producers and workers in developing countries through trade. FLO provides leadership, tools and services needed to connect producers and consumers, promote fairer trading conditions and work towards sustainable livelihoods.

Fairtrade Labelling Organizations International eV is the legally registered name for 'Fairtrade International'.

Fairtrade marketing organization (FMO)

A Fairtrade marketing organization is a national or regional organization normally created in a country where there is no national Fairtrade organization. They are responsible for promoting awareness and support of the Fairtrade system and Fairtrade products within their country or region.

They are similar to national Fairtrade organizations, but are not full members of Fairtrade International. In countries or regions covered by Fairtrade marketing organizations, FLO licenses companies directly to use the FAIRTRADE Certification Mark.

Fairtrade marketing organizations handle the use of the Mark for third parties (journalists, campaigners, etc.) in their country or region.

Fairtrade stakeholder

In the context of Fairtrade, the term stakeholders refers to all those actively involved in the Fairtrade system. This includes, but is not limited to, producers, traders, national Fairtrade organizations, Fairtrade marketing organizations, producer networks, FLO-CERT and FLO itself.

FLO-CERT GmbH (FLO-CERT)

FLO-CERT GmbH is the independent Fairtrade certification body offering Fairtrade certification services to clients in more than 70 countries. FLO-CERT, a private limited company, evaluates Fairtrade certification applications, verifies compliance with the Fairtrade Standards during audits, and decides whether Fairtrade certification can be granted or not. Certificates are issued as proof of successful Fairtrade certification, and as authorization to trade Fairtrade products. FLO-CERT holds an ISO65 accreditation and follows best practice in all of its certification operations.

National Fairtrade Organization (NFO)

A national Fairtrade organization is a full member of FLO as defined by the FLO constitution. The NFO (formerly known as 'labelling initiative') is responsible for licensing, marketing, business development and awareness raising in a defined geographical area. An NFO has the right to sub-license the FAIRTRADE Certification Mark to licensees and third parties within their area. Some NFOs are responsible for trade audits in their territories.

Liaison Officer (LO)

Liaison Officers are consultants that assist FLO Fairtrade producers and applicants in understanding and meeting certification requirements, and are involved in supporting producers in capacity building and gaining market access.

Liaison Officers are based in the Fairtrade producing countries and also forward product and regional information to FLO, helping the organization to anticipate demand and the needs of producers.

producer networks (PN)

A producer network is a regional network of producers and/or regional associations who work together for their common interest. The focus of those efforts may vary depending on the context.

In Fairtrade the promotion of dialogue and collaboration is a key objective, and the producer networks represent their members on the FLO Board. Networks include AFN for the African region, CLAC for the Latin American and Caribbean region and NAP for the Asian region. They now exist as 'CAN', a cluster of Fairtrade producer networks (CLAC-AFN-NAP).

In WFTO, producer networks collaborate on technical issues such as cultivation techniques and marketing. They work locally or nationally in countries with similar production systems.

Producer Services and Relations Unit (PSR)

The Producer Services and Relations Unit at FLO advises producers on compliance with Fairtrade Standards and assists in market access and capacity building. PSR is supported by Liaison Officers who work in the producing countries and also provide training in local languages. The unit was formerly known as the Producer Business Unit (PBU).

WFTO applicant

A WFTO applicant is an organization or individual that has formally submitted their application for WFTO membership or to be a WFTO associate.

WFTO associates WFTO associates fall into three categories: associate organizations, who support or campaign for more just trading conditions; individual associates, who are active Fair Trade supporters within their fields of expertise; and honorary members, who have special skills in trade, social science, culture or human rights, or who have contributed to the growth of Fair Trade, gaining international recognition.

WFTO global conference A WFTO global conference is a global networking event for debates, discussions, seminars and Fair Trade fairs. The conference takes place every two years in odd-numbered years (2011, 2013, etc.).

WFTO provisional membership

WFTO provisional membership is the status of organizations who have been approved for provisional membership, but who have not yet gone through the monitoring process that would give them registered membership. Provisional members have limited rights.

WFTO regional conference

The WFTO regional conference is a regional WFTO networking event. The conference takes place every two years in even-numbered years (2010, 2012, etc.). At these events, WFTO members in each of these regions meet to discuss and vote on issues of special relevance to them.

WFTO regional networks The WFTO regional networks are the regional 'chapters' (organizations) of WFTO. They are WFTO Asia for Asia, WFTO Latin America for Latin America, WFTO Europe for Europe, Cooperation for Fair Trade in Africa for Africa, and WFTO Pacific for North America and the Pacific Rim.

WFTO registered membership

WFTO registered membership is the status of organizations that have successfully undergone the WFTO monitoring process. Registered members have full membership rights.

Fair Trade/Fairtrade operator terms

1st-grade organization

1st-grade (producer) organization describes a small producer organization whose legal members are exclusively individual small farmers.

2nd-grade organization

2nd-grade (producer) organization describes a small producer organization whose legal members are exclusively 1st-grade organization affiliates.

3rd-grade organization

3rd-grade (producer) organization describes a small producer organization whose legal members are exclusively 2nd-grade organization affiliates.

contract production (CP)

The term contract production has a different meaning within WFTO and Fairtrade. It is therefore important to distinguish the meaning in relation to its context. In Fairtrade contract production is a production set-up (regulated by Fairtrade Standards) which involves small producers who don't have a formal structure, or who are organized into structures without legal status. These can join Fairtrade if they partner with an intermediary organization such as an exporter, processor, private enterprise or non-governmental organization (NGO) (see promoting body) to which they contract for the production and sale of a product. The intermediary organization contributes to the producer's social and economic development with the aim of helping them become autonomous and, over time, comply with the Fairtrade Standards for small producer organizations.

Fairtrade Standards for small producer organizations

In contrast to the above, WFTO uses the term contract production to refer to a production set-up where producers have an agreement with a buyer, sometimes before harvesting and most often before starting cultivation. Defined conditions might concern prepayments, delivery inputs by the buyer, cultivation methods, delivery period and price. The (small) producers either don't have a formal structure or are organized into structures without legal status.

Fair Trade producer/Fairtrade producer

A Fair Trade producer is a producer organization complying with WFTO Fair Trade standards, or a producer/producer organization that is a member of WFTO.

A Fairtrade producer describes a producer set-up located in a producing country as classified by FLO that has obtained product certification as per the relevant Fairtrade Standards.

Fairtrade Officer

All operators must designate one key contact person, a Fairtrade Officer, within their organization. The Fairtrade Officer will be the main point of contact for certification and audit issues. They will be responsible for ensuring the operator's compliance with all certification requirements and for keeping the certification body updated with contact details and other relevant information.

Fairtrade payer

Fairtrade payers are the buyers responsible for paying the Fairtrade Minimum Price or agreed commercial price and/or the Fairtrade Premium. Buyers must check their status as Fairtrade payer with the Fairtrade certifier.

Fairtrade trader A Fairtrade trader describes an operator that buys, sells and/or manufactures/processes and that has obtained product certification as per the relevant Fairtrade Standards.

hired labour (HL)

The term hired labour is used to describe workers. hired labour set-up The term hired labour set-ups describes producing companies that are not membership-based (farms, plantations, factories, manufacturing industries, etc.) and where the main share of the work is carried out by hired labour.

joint body (JB)

A joint body is the body within a hired labour set-up that consists of democratically elected worker representatives and company delegates. It is mainly responsible for the management of the Fairtrade Premium.

mixed structure

The term mixed structure describes a small producer organization whose legal members are a mixture of at least two different organizational set-ups. This means that the group of legal members may be composed of individual small producers, 1st-grade affiliates or 2nd-grade affiliates. Mixed-structure producer organizations are only accepted for certification when the statutes allow such a structure, and the rights of each member are clearly defined in the statutes.

multi estate (ME)

Companies that structurally depend on hired labour and are composed of more than one plantation with independent administration are called multi estates. A central management body is responsible for the labour conditions of the workers on all of the plantations. plantation A plantation is an agricultural company that structurally depends on hired labour. It is a single estate that might comprise of single or multiple production sites, but only one central management and administration body.

producer executive body (PEB)

A producer executive body, in the context of contract production, comprises elected representatives of the individual contracted producers. The PEB is the intermediary between the individual producers and the promoting body. It also represents the producers' interests and ensures that the Fairtrade Premium is handled properly.

promoting body (PB)

A promoting body is defined in the Fairtrade Generic Standards for contract production, and describes a legal entity, either trade or non-trade, forming a partnership with the producers it contracts and supports. In the case of certification on the contract production standard, the promoting body is the holder of the certificate.

small producer organization/small-scale producer organization (SPO)

The term small producer organization or small-scale producer organization describes legally registered groups and, in WFTO, other less formally organized structures whose members are primarily small producers/small-scale producers able to engage in commercial activities.

small producers/smallscale producers (SP)

A small producer or small-scale producer is a producer who is not structurally dependent on permanent hired labour and who manages their production activity mainly with a family workforce. Most working time is spent on agricultural/artisanal activities on their own farms or in their own homes with this revenue representing the major part of their total income.

workers

The term workers usually describes field workers, artisans or other workers including migrant, temporary, seasonal, sub-contracted and permanent workers, and all other hired labour personnel. The term, however, is limited to personnel who are entitled to join unions and therefore normally excludes middle and senior management.

Licensing/labelling terms

Fair Trade label/Fairtrade label

A Fair Trade label means any recognized Fair Trade product or organizational certification label referring to the relevant Fair Trade standard.

A Fairtrade label means any product certification label owned by FLO eV that is used to denote compliance with the internationally-agreed Fairtrade Standards.

Fairtrade Brand Mark

The Fairtrade Brand Mark is a registered trademark owned by FLO and sub-licensed to national Fairtrade organizations (NFOs). It is for use only in corporate applications by Fairtrade International member organizations and in approved campaign applications.

FAIRTRADE Certification Mark

The FAIRTRADE Certification Mark ('FAIRTRADE Mark' or 'Mark') is a registered trademark owned by FLO and sub-licensed to national Fairtrade organizations (NFOs). The FAIRTRADE Mark is only for use on consumer retail products that have met the Fairtrade Standards, and for the promotion of such products by licensees, certified operators and third parties.

licensee

A licensee is a company licensed by a national Fairtrade organization or FLO to use the FAIRTRADE Certification Mark.

licensing body

A licensing body is the organization that draws up and signs a licence contract with a licensee. In countries where a national Fairtrade organization (NFO) is located, the NFO serves as the licensing body. In non-NFO countries and in countries where there is a Fairtrade marketing organization, Fairtrade Labelling Organizations International eV (FLO) serves as the licensing body.

WFTO logo/WFTO mark

The WFTO logo/WFTO mark is an organizational logo/mark for registered WFTO members who have successfully gone through the WFTO monitoring system. The WFTO logo/mark is not a product label.

Standard-setting terms

child labour

Fairtrade defines child labour as all work performed by children under the age of 18. Fairtrade differentiates between the employment of children below the age of 15 by the producer and members of producer organizations, and children helping out on family farms. Children sometimes carry out small tasks, which could be beneficial to their development, such as learning a skill, having a responsibility, and/or contributing to their or their families' well-being or income. However, if children are helping out on family farms,

Fairtrade requires that they do so only if they work after school or during holidays, the work they do is appropriate for their age, they do not work long hours and/or under dangerous or exploitative conditions, and are supervised and guided by an adult family member. In Fairtrade no child below the age of 18 can undertake any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardize their health, safety or morals, and their school attendance. Examples of child work considered to be unacceptable are work that involves slave-like practices; recruitment into armed conflict; sex work and/or illicit activities. Examples of activities that are potentially damaging to a child include work in an unhealthy environment; excessive working hours resulting in tiredness or lack of sleep; work that involves handling or any exposure to toxic chemicals; work at dangerous heights; operation of dangerous equipment; and work that involves abusive punishment.

Fairtrade standards on child labour are based on the International Labour Organization (ILO) Convention 182 concerning the worst forms of child labour and ILO Convention 138 concerning minimum working age.

cost of sustainable production (COSP)

The cost of sustainable production is the cost of producing a product sustainably and in a socially, economically and environmentally responsible way that conforms with Fairtrade Standards. The Standards Unit assumes that the COSP reflects sustainability.

Fairtrade Generic Standards

The Fairtrade Standards are the requirements that producers and traders must meet, irrespective of the product produced or traded, in order to obtain a Fairtrade certificate.

Fairtrade Trade Standard (FTS)

The Fairtrade Generic Trade Standards are the requirements that traders must meet, irrespective of the product traded, in order to obtain a Fairtrade certificate.

Fairtrade Product-specific Standards

The Fairtrade Product-specific Standards are requirements that apply to a specific product category, in addition to the Fairtrade Generic Standards. Product-specific Standards supersede Fairtrade Generic Standards if any contradictions occur.

Fairtrade Standards

Fairtrade Standards, comprising Fairtrade Generic Standards and Fairtrade Product-specific Standards, are requirements that producers and traders have to meet in order to obtain Fairtrade product certification.

forced labour

The term forced labour describes work or services undertaken by a person under duress or threat, in circumstances where the person has not offered him/herself voluntarily. freedom of association The term freedom of association describes the right of all workers to join or form an organization of their own choosing without prior authorization from their employer or public authorities.

Environmental Standards (GES)

The term Generic Environmental Standards includes requirements for environmentally sound agricultural practices. These standards are integrated within Fairtrade Generic Standards and Fairtrade Product specific Standards.

genetically modified organism (GMO)

A genetically modified organism is a plant, animal or microorganism that is transformed by genetic engineering.

International Labour Organization (ILO)

The International Labour Organization is the international organization responsible for drawing up and overseeing international labour standards. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

An International Labour Convention has the force of international law. States that ratify the convention are required to incorporate its principles into national law and to ensure the implementation of the law.

core requirements

The core requirements reflect the Fair Trade principles, and all producers within small producer organizations and contract production set-ups must comply with the core requirements to become Fairtrade producers.

minimum requirements

Within Fairtrade, minimum requirements are requirements that all producers within hired labour set-ups must initially meet in order to comply with the Fairtrade Standards. Within WFTO, minimum requirements are requirements that all producers must initially meet in order to comply with the WFTO Fair Trade principles.

pre-financing

The practice of providing funding in advance of delivery or receipt of a product is known as pre-financing.

progress requirements

The term 'progress requirements' describes requirements that producers must meet in a defined timescale to demonstrate progress towards improvement and maintain Fairtrade certification in the long run.

Development requirements

The term, development requirements, describes the continuous improvements that producers within small producer organizations and contract production set-ups must make. Average scores are awarded in a scoring system (that also defines minimum average thresholds) defined by the certification body.

traceability

The ability to identify and trace the history, location, use and processing of products and materials is known as traceability.

Product, pricing and trade terms

Price premium

The percentage by which a product's selling price exceeds that of its benchmark or competition

Fairtrade composite product

A Fairtrade composite product is a product composed of more than one ingredient, of which at least one is Fairtrade certified. In Fairtrade composite products, all ingredients for which there are Fairtrade Standards must be Fairtrade certified. So, in the case of chocolate, the cocoa and the sugar must be certified. In the case of single-ingredient products like coffee, 100% of the coffee must be Fairtrade certified to carry the label.

In order to carry the FAIRTRADE Certification Mark on packaging there needs to be at least a minimum specified amount of Fairtrade ingredients in the product. At least 50% of the volume of liquid composite products must be Fairtrade certified. For all other composite products the significant ingredient (for example cocoa in chocolate, sugar in conserves) must be Fairtrade certified, and must be at least 20% of the products' dry weight.

Fairtrade Minimum Price (FMP)

The Fairtrade Minimum Price (where it exists) is the minimum price that must be paid by buyers to producers for a product to become certified against the Fairtrade Standards. The FMP is a floor price which covers producers' average costs of production and allows them access to their product markets. The FMP represents a formal safety net that protects producers from being forced to sell their products at too low a price when the market price is below the FMP. It is therefore the lowest possible price that the Fairtrade payer may pay to the producer.

Fairtrade Premium (FP)

Fairtrade Premium is an amount paid to producers in addition to the payment for their products. The use of the Fairtrade Premium is restricted to investment in the producers' business, livelihood and community (for a small producer organization or contract production set-up) or to the socio-economic development of the workers and their community (for a hired labour situation). Its specific use is democratically decided by the producers.

Fairtrade price

Fairtrade price means the total price paid to producers and includes the Fairtrade Minimum Price (or relevant market price where applicable) and the Fairtrade Premium.

end-of-chain sale

An end-of-chain sale is a sale, at the end of the Fairtrade supply chain, of the final packaged and labelled Fairtrade product (e.g. sale from licensed company to retailer).

flow of goods report (FoG)

A flow of goods report records transactions of purchases and sales of Fairtrade products throughout the supply chain.

Certification terms

accreditation

The term accreditation describes a procedure by which an authoritative body formally recognises the competence of a certification body to provide certification services, against an international standard.

allegation

An allegation is an accusation, made by a third party, against a Fairtrade operator, claiming that this operator violated the Fairtrade Standards, FLO-CERT policies or other contractual obligations with FLO/FLO-CERT.

Such an allegation can be filed by any party, including but not limited to, a Fairtrade operator, a nongovernmental organization (NGO), a labour union, a worker or a member of the public.

appeal

An appeal is defined as the request of an operator/WFTO member to change a certification/monitoring decision.

(> See also Appeals Committee, certification decision.)

Appeals Committee

The Appeals Committee controls decisions that affect the certification/monitoring status of a FLO-CERT operator or WFTO member, including application decisions. FLO-CERT operators/WFTO members can challenge these decisions by submitting a request to the committee, which then re-evaluates the respective decisions (> See also certification decision, evaluation decision, Review Committee and WFTO monitoring system.)

audit

An audit describes an evidence-gathering process that aims to assess the compliance of an operator and/or a product with certain standards. There are three types of audit: first-party audit, second-party audit and third-party audit.

auditor

An auditor is a person qualified to carry out audits on behalf of a certification body.

certification body (CB)

A certification body is an independent entity authorized by a specific standard setter to certify that its clients comply with the requirements of the respective standard.

certification cycle

A certification cycle is the period from the point of initial certification to re-certification, or from re-certification to the following re-certification. At FLO-CERT one certification cycle lasts three years.

certification decision

A certification decision is always made on the basis of a previous evaluation of audit results, or assessment of other compliance status-related facts, and directly affects the certification status of an operator.

certification policy

A FLO-CERT certification policy is a further clarification of one or more compliance criteria. Requirements specified in policies are binding requirements that must be met by any operator to whom the policy is relevant. Failure to meet any requirement of the policy will be recognized as the operator not fulfilling the compliance criteria.

complaint

A complaint is a formal expression of dissatisfaction with the quality of services delivered by FLO-CERT, FLO or WFTO, and can be registered by any third party or member.

compliance criteria (CC)

The term compliance criteria describes a translation of the requirements of the Fairtrade Standards, binding guidance documents and FLO-CERT certification policies into verifiable control points. These criteria are evaluated in the certification process to determine compliance with the Fairtrade Standards and with certification requirements. CCs are in accordance with minimum and progress requirements of the Fairtrade

Standards, and therefore every CC is linked to a specific timeline indicating when it needs to be fulfilled. CCs are classified into major compliance criteria and regular compliance criteria. All CCs are published by FLO-CERT on the public compliance criteria lists.

compliance timeline

The compliance timeline defines the point within the certification cycle at which a specific compliance criterion becomes valid and needs to be fulfilled. Conformity with all valid compliance criteria is required for certificate issue or renewal.

evaluation decision

An evaluation decision is taken by FLO-CERT within the process of an application or audit evaluation. Evaluation decisions are the basis for the certification decision and include confirmation of non-conformities and corrective measures, and evidence sent in by the operator.

Fairtrade certification/Fair Trade certification

Fairtrade certification refers to certification according to the Fairtrade Standards. To find out more visit www.fairtrade.net/certifying-fairtrade.html and www.flo-cert.net.

Fair Trade certification refers to certification according to Fair Trade standards. To find out more visit www.wfto.com.

non-conformity

A non-conformity is the non-fulfilment of a specific standard requirement.

review

In contrast to an appeal, FLO-CERT defines a request for review as the official demand of an operator to review an evaluation decision. (> See also Review Committee.)

risk assessment

A risk assessment is a component of risk analysis that involves identifying, evaluating and quantifying risk factors in any given process.

social audit

A social audit is an audit of a company's performance and impact across a range of social indicators, including industrial relations, community impact, social dialogue, stakeholder consultation, observance of labour standards and contribution to social infrastructure. The focus of a social audit needs to be defined and can vary depending on the goals of the company and the auditing service provider.

WFTO monitoring system

The WFTO monitoring system is a verification system based on biennial self-assessments that gives the WFTO member insight into its level of compliance with the Fair Trade standards and its development over the years. The system invites WFTO members to take measures to improve their level of compliance and provides WFTO global and regional offices with information on services to help them support members in their efforts to improve.

Annex O – Overview FTM-DK Activities

Overview of main FTM-DK Marketing and Support Activities as well as selected Goals and Indicators, 2008-2013

Business Area	Marketing and Support Activities
Licensing	Servicing and sourcing advice to licensees; licensee meetings; validation of supply chain; product composition approval, approval of labelling
Business / Market Development⁹	<i>PR, Product Placement; Fairtrade on wmm; campaigns; business brunch; input to retail campaigning; in-store Point-of-sale material; distribution of magazine FairNOK; direct marketing towards existing and potential business partners</i>
Communication and Marketing	Input to magazine FairNOK; Fairtrade homepage; Facebook; press coverage; newsletters; events; Fairtrade towns and educational institutions; ambassadors;

Indicator/Goal	2008	2009	2010	2011	2012	2013
Estimated wholesale turnover (mill. DKK)	381.9	405.3	460.5	558.2	535.5	604.6
Estimated per capita spending	69	73	83	100	96	108
Awareness	76	76	78	86	86	88
Credibility	60	60	72	83	83	85
Number of product codes	480	989	1,291	1,234	1,059	994
Number of FLO product categories	16	17	17	15	16	16
Retail campaigns	18	25	29	41	39	16
Number of products in assortment with discounters	41	49	54	41	51	64
Number of products in assortment with Coop	-	153	165	198	188	202
Income from licensees (DKK)	4,141,160	4,426,802	4,880,254	4,892,468	4,452,449	4,878,444
Number of licensees	99	142	158	157	157	156
Fairtrade City	1	2	5	5	6	7

Source: FTM-DK

⁹ Activities presented in Italic are now under the Business Area “Communication and Marketing”

Annex P – FTM-DK Annual Revenue

FTM-DK Annual Revenue (DKK), 2007-2013

	2007	2008	2009	2010	2011	2012	2013
Danida	3,000,000	3,000,000	2,500,000	2,500,000	2,000,000	1,500,000	1,500,000
Tips & Lotto	160,000	115,000	137,891	281,313	143,988	219,037	175,887
Other grants, excl. Tips & Lotto	727.676	447.794	484.746	239.784	815.000	670.000	0
License, foreign	1,668,037	1,962,348	2,362,430	2,994,566	3,136,361	2,826,508	2,823,342
License, Danish	1,279,109	2,178,812	2,064,372	1,885,688	1,756,107	1,625,941	2,055,102
Various	680.398	870.458	655.719	1.061.675	555.555	60.553	434.855
TOTAL	7,515,219	8,574,411	8,205,158	8,963,026	8,407,011	6,902,039	6,989,186

Source: FTM-DK Annual Accounts as well as Audited Project Accounts on the FTM-DK's Result Contract with Danida, 2007-2013

Annex Q – Fairtrade Banana Data

Development in Estimated Volumes (MT), Estimated Retail Value (mill. DKK), License (DKK) and Estimated Fairtrade Premium Generated (DKK) from Sales of Fairtrade Banana in Denmark, 2008-2013

	2008	2009	2010	2011	2012	2013
Retail Value	59.3	79.6	114.9	97.310	43.7 ¹¹	71.4
Volume	2,287.8	3,075.4	4,419.0	4,632.7	2,059.8	3,485.2
License	682,409	915,833	1,129,180	1,185,968	587,411	920,965
Fairtrade Premium	642,706	907,547	1,370,364	1,368,856	658,265	1,037,481

Source: FTM-DK

¹⁰ Part of the change between 2010 and 2011 is caused by the implementation of a new method of calculation

¹¹ In 2012, Coop ceased carrying Fairtrade bananas because of difficulties obtaining stable quality supplies. However, supplies were resumed in 2013, and in total, volumes for 2014 are expected to increase considerably in comparison with 2013.

Annex R – Fairtrade Sugar Data

Development in Estimated Volumes of Sugar for Consumption and Industry (MT), Estimated Retail Value of Sugar for Consumption and Industry (mill. DKK), License¹² from Sugar for Consumption (DKK) and Estimated Fairtrade Premium generated (DKK) from Sales of Fairtrade Sugar for consumption and for industry) in Denmark, 2008-2013

	2008	2009	2010	2011	2012	2013
Value	19.4	28.7	48.5	102.9	148.4	170.5
Volume	394.3	448.1	462.3	567.0	721.9	894.3
License	125,340	131,489	184,439	161,647	198,539	213,546
Fairtrade Premium	120,553	143,917	156,042	194,620	251,117	328,398

Source: FTM-DK

¹² Sugar for industry is for marmalade and ice cream, for example. Those products have their own license fees independently of the content of sugar. Therefore, only license income from sales of sugar for consumption are shown.

Annex S – Fairtrade Coffee Data

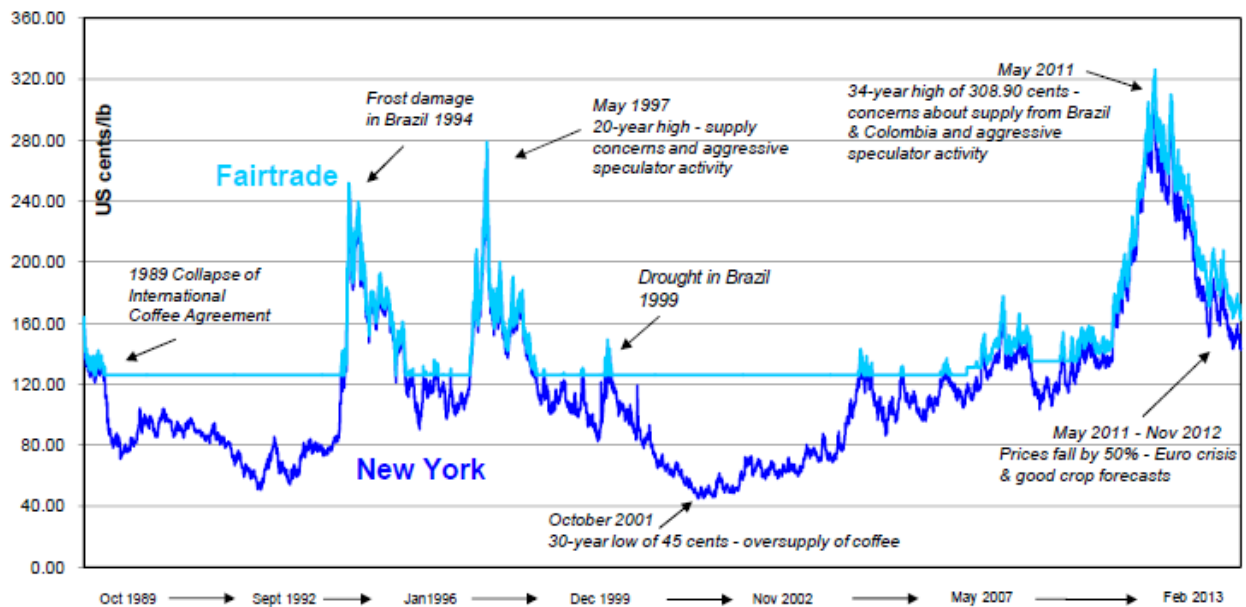
Development in Estimated Volumes (raw, MT), Estimated Retail Value (mill. DKK), Licence (DKK) and Estimated Fairtrade Premium generated (DKK) from Sales of Fairtrade Coffee in Denmark, 2008-2013

	2008	2009	2010	2011	2012	2013
Volume	1,401	1,510.8	1,700.3	1,631.2	1,641.8	1,879.7
Value Ground Coffee	93.3	99.4	109.2	137.1	141.9	153.4
Value Instant Coffee	19.6	29.2	30.8	40.4	41.6	51.5
License Coffee	1.169.872	1.151.605	1.383.684	1.344.954	1.394.323	1.524.937
License Instant Coffee	166.178	273.481	315.991	248.759	260.914	318.015
Fairtrade Premium	1,573,984	1,782,890	2,108,709	2,891,472	4,196,574	4,475,614

Source: FTM-DK

Annex T – Minimum Price in the Coffee Market

The Arabica Coffee Market 1989-2013: Comparison of Fairtrade and New York Prices¹³

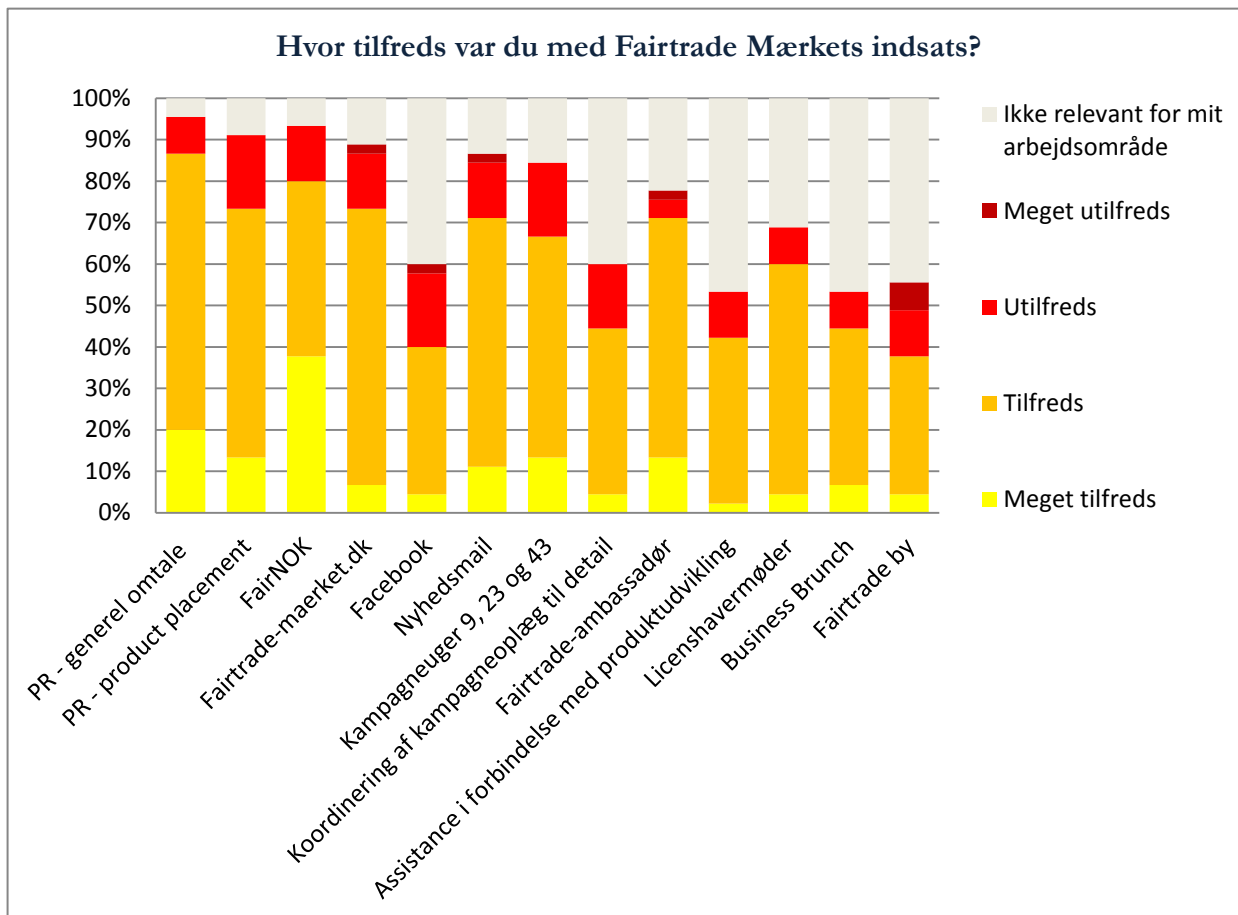


Source: Fairtrade International

¹³ The New York price is the daily settlement price of the 2nd position Coffee C Futures contract at ICE Futures U.S.

Annex U – Survey Licencees

Licensees and Agents' level of Satisfaction with the Marketing and Branding Activities carried out by FTM-DK, 2012¹⁴

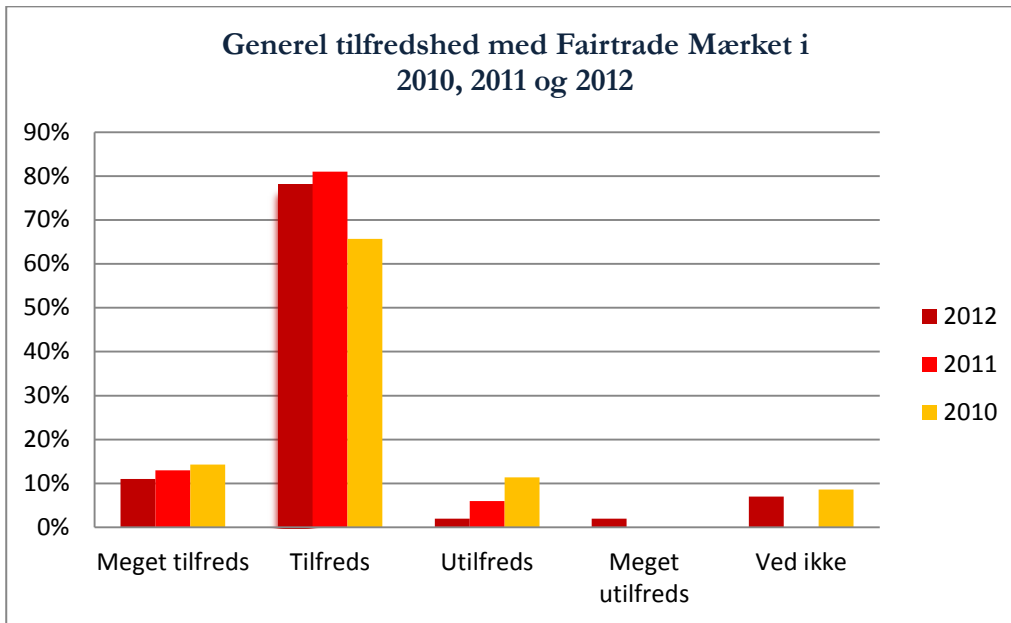


Source: Licenshaver/Agent-analyse 2012 carried out by FTM-DK via SurveyMonkey

¹⁴ Question: "How satisfied were you with the effort of FTM-DK?". Answers: yellow = "very satisfied", dark yellow = "satisfied", red = "dissatisfied", dark red = "very dissatisfied", grey = "not relevant for my area of work".

Annex V – Survey Retailers

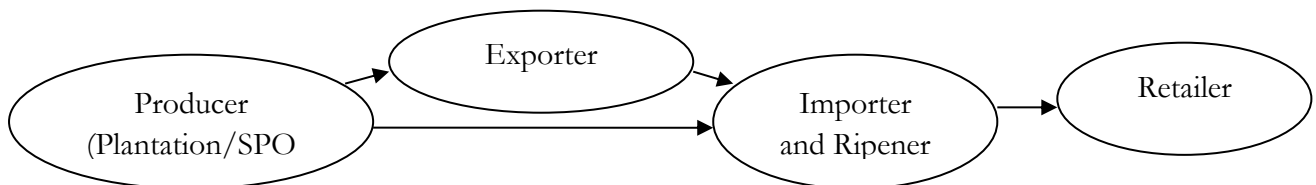
Retailers' Level of Satisfaction with the Marketing Work of FTM-DK, 2010-2012



Source: Retail and Convenience Analysis 2012 carried out by FTM-DK via SurveyMonkey

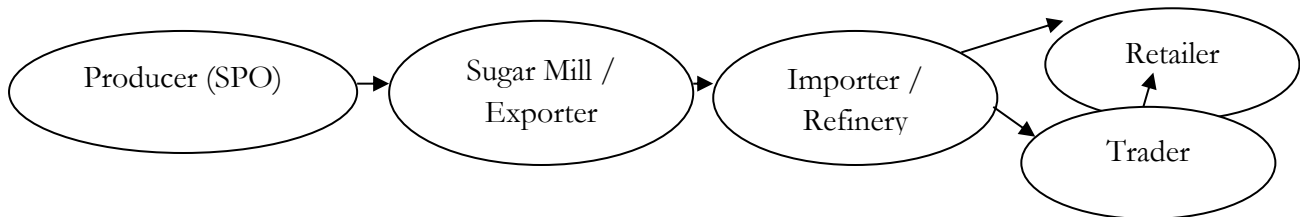
Annex W – Supply Chains for Fairtrade Banana, Sugar and Coffee

Figure W1: Typical Supply Chains for Fairtrade Bananas in the Danish Market



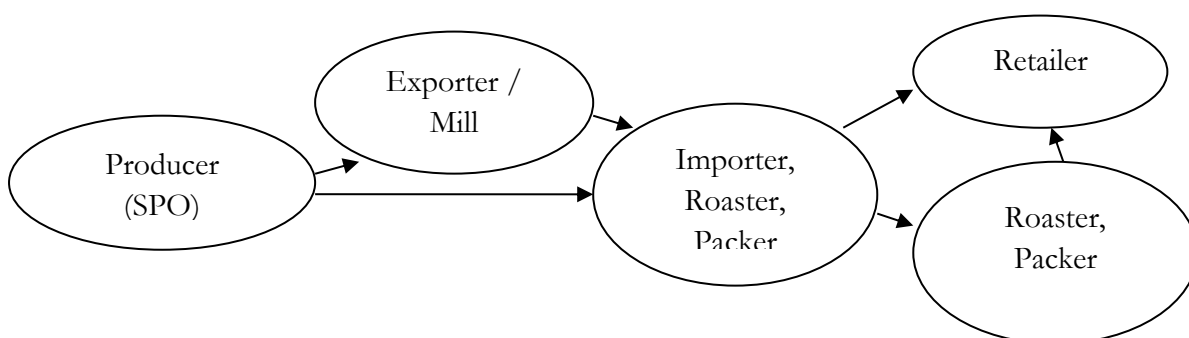
Source: Own production based on interviews with FTM-DK, retailers and one importer

Figure W2: Typical Supply Chains for Fairtrade Sugar for Consumption in the Danish Market



Source: Own production based on interviews with FTM-DK, retailers, one importer and one trader

Figure W3: Typical Supply Chains for Fairtrade Coffee in the Danish Market



Source: Own production based on interviews with FTM-DK, traders and roasters

Annex X – Impact of Climate Change

Environmental impacts and climate change for the three priority DFT-DK products

Banana

Changes in rainfall patterns are likely to have a larger effect on banana production than increases in temperature. In countries in Central and South America where Fairtrade bananas are grown areas which currently have unstable rainfall during drier periods will become increasingly marginal for sustainable production. Increased attention will need to be given to water use efficiency, especially through the wider use of drip irrigation systems. In the Caribbean, the major threat will be from the greater prevalence of storm damage from increased hurricane activity. Possible technological adaptations: (a) improving water use efficiency (e.g. by using drip irrigation systems), (b) improving drainage and soil conservation on slopes, and (c) Black Sigatoka control strategies as key components of banana crop management systems.

Coffee

In many coffee-growing regions a combination of lower rainfall and higher temperatures will render production unsustainable by 2050, at lower elevations where the crop is currently cultivated. Farmers will need to make more use of shade trees, select drought-resistant varieties and use supplementary irrigation. Higher altitudes, where it is currently too cold to grow coffee, will become more suitable but available land is usually scarce and the environment highly fragile. Possible technological adaptations: (a) more use of shade trees, (b) mulching coffee plants with the pruning's from shade trees, (c) use of drought-resistant varieties, and (d) supplementary irrigation.

Sugar cane

The available evidence on the potential impacts of climate change on sugar cane production suggests that, whilst enhanced levels of CO² may enhance plant growth the apparent benefits will not be seen when temperature is limiting. Thus in countries such as Brazil there may be yield gains, but these are unlikely to occur in countries such as Malawi and South Africa where temperatures exceed the mid-thirties degrees centigrade. Possible technological adaptations: sprinkler irrigation.

Source: Nelson et al (2010)