



# Partnership for **Prosperity**

A Collaboration of **SNV** Netherlands Development Organisation (SNV)  
and **Fairtrade International** (FLO)





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**In 2006, a unique partnership was born.**

Responding to the need for an integrated, market-based approach to the challenge of persistent poverty, SNV Netherlands Development Organisation (SNV) and Fairtrade International (FLO) teamed up to help producers in the Global South reach consumers worldwide via Fairtrade.

As a result of the partnership, numerous farming communities in eleven African countries now benefit from expanded market access, increased production, employment and income, as well as broader social progress and greater control over their future.

This is the story of the partnership, the people involved and the progress made.

# Partnering for **Prosperity**

The SNV-FLO partnership brings together two leaders in sustainable market-based social and economic development.

**SNV**, an international development organization, is dedicated to a society where all people enjoy the freedom to pursue their own sustainable development. SNV advisors provide effective capacity development services to organizations and local capacity builders. SNV's activities are directed towards improving access to basic services and increasing production, income and employment of people. In addition, SNV facilitates multi-stakeholder forums to achieve its development goals.

**Fairtrade International (FLO)** is a multi-stakeholder, non-profit organization focusing on the empowerment of people in developing countries through trade. Fairtrade works to directly connect producers and consumers and promote fairer trading conditions and sustainability. FLO sets the strategic direction for Fairtrade, produces the standards by which Fairtrade is conducted and supports producers worldwide. Fairtrade enables producers to access markets, secure more value for their products and build more sustainable livelihoods.

## Key facts about SNV

- ▶ 40 years of experience on the ground, now operating in 35 countries, 18 of which in Africa
- ▶ Serving about 100 clients per country on average, through strong engagement with local capacity builders
- ▶ At the heart of the organization's approach for local economic development is a strong commitment to promoting gender equity and social inclusion and supporting good governance

## Key facts about FLO

- ▶ Three regional Producer Networks represent the interest of producers in the Fairtrade system, while 19 national Labelling Initiatives promote Fairtrade to business and consumers
- ▶ Over 20 years of experience
- ▶ 827 Fairtrade certified farmer and worker organizations in 60 countries worldwide (2009)
- ▶ Around 27 000 Fairtrade products are now sold in over 70 countries





Fairtrade certified producer organizations must be built on democratic structures where workers or farmers have a vote on how the Fairtrade Premium is spent in the community.

The SNV-FLO partnership combines the skills and expertise of both organizations in the areas of organizational development, capacity building, governance and market intelligence. We work with local capacity builders to promote and sustain knowledge at national level.

**Our goal:** to promote sustainable production systems and help producers get access to international markets under fair conditions.

**Our method:** to strengthen product value chains, and to help producers achieve and maintain Fairtrade certification.

**Our challenge:** to overcome deficits in organizational infrastructure, and provide business experience, transparency and inclusiveness at the producer level.

**Our commitment:** to promote pathways for individuals and communities to pursue their own sustainable development by building capacity and expanding economic and social opportunities.





# How the **Partnership** Works

Fairtrade is more than a certification scheme.  
It's a different way of doing business.

Fairtrade offers producers more stable financial outcomes and improved terms of trade. This is achieved by implementing the Fairtrade standards. The standards ensure that the conditions of production and trade of all Fairtrade certified products are socially and economically fair and environmentally responsible.

Through consultation with producers and experts around the world, Fairtrade sets fair prices to be paid to producers for their products. The price is equal to or above the market price and provides a safety net against excessive market fluctuations. This enables producers to make longer-term investment decisions and enhance their credit worthiness.

In addition producers are paid a Fairtrade Premium to be used in community development. The use of the Fairtrade Premium is decided upon democratically by the farmers or workers themselves, according to their needs. The Fairtrade Premium is most often invested in education and healthcare, farm improvements to increase yield and quality, or processing facilities to increase income. These projects bring change to the whole community, both in terms of increased income and better social conditions.

The SNV-FLO partnership helps small-scale farmers and workers gain access to the Fairtrade system, and maximize the benefits from Fairtrade. With shared values and a common plan of action, the partners amplify their development impact through:

- ▶ **Committing to Partnership** – SNV and FLO field officers jointly develop, implement and evaluate clear and focused plans with producers and workers at country level;
- ▶ **Being dedicated to Market Intelligence** – Partners collect, develop and exchange knowledge and information about market conditions and opportunities in sectors and regions of mutual interest;
- ▶ **Building Capacity** – The partnership strengthens the professional development of all actors in the value chain and increases their organizational and managerial potential;
- ▶ **Improving Access** – The partnership works tirelessly to help producers and workers get access to markets, finance and technology.

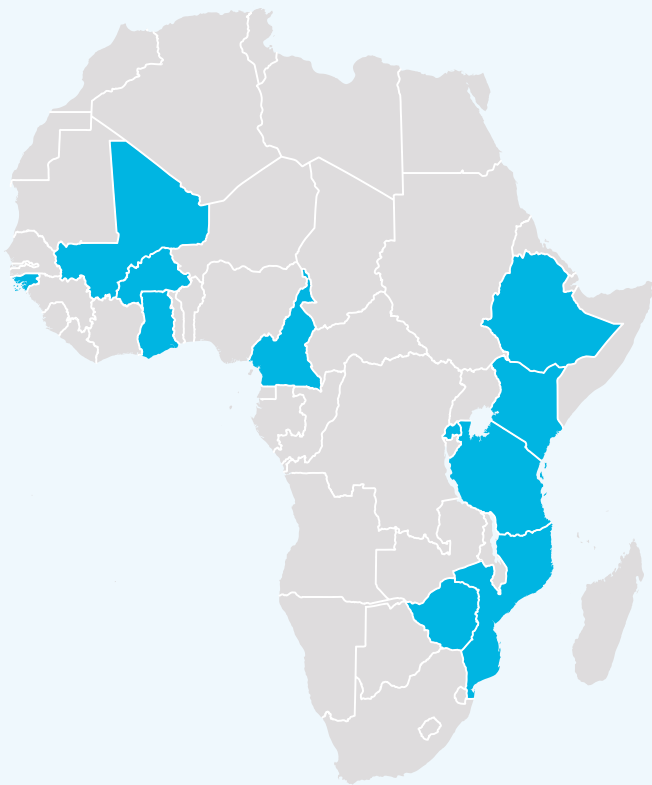


The SNV-FLO partnership contributes to the United Nations' Millennium Development Goals for a dramatic reduction in global poverty by promoting sustainable ecosystems, improving living conditions and personal empowerment, nurturing a culture of corporate social responsibility and establishing fairer trading relationships.



## Progress towards Prosperity

To date, the partnership is active in eleven African countries, in value chains with good Fairtrade market potential. Progress comes in many forms – from significant advancement in bottom-line indicators like production, income and employment, to increased participation by previously marginalized groups in leadership and decision-making processes. In a number of countries in Africa, the partnership's efforts are leading to tangible improvements in the lives of producers and their communities.



Country	Products
Ghana	pineapple, banana, mango and cocoa
Mali	shea butter, sesame seeds, mango and cotton
Burkina Faso	mango, shea nuts, shea butter
Guinea Bissau	cashew nuts
Cameroon	honey, gum arabica
Kenya	vegetables
Tanzania	sesame seeds, sesame oil
Rwanda	coffee
Ethiopia	honey
Mozambique	cashew nuts, ground nuts, sesame, banana, fresh fruit and vegetables, tea
Zimbabwe	vegetables





## → Rwanda

In Rwanda, the partnership focuses on the coffee value chain. Producer cooperatives in three districts are engaged to increase the quantity and quality of production and expand the number of Fairtrade certified groups.

SNV and FLO field officers, in close cooperation with local capacity builders, have helped Rwandan cooperatives become more organized, manage finances more effectively, and attract funding for capital improvements, such as washing stations. Skill-building workshops, marketing and networking trips and encouraging more inclusive and transparent governance have been part of the partnership's approach. Likewise, the partnership has played a decisive role in raising the profile of cooperatives and the marketability of their product. Kopakaki Dutegure Cooperative, for example, has established strong relationships with financial institutions such as Root Capital and the Rwandan Development Bank. In addition to this they have been able to build effective partnerships with key actors in the coffee value chain. A good example is Rwanda Coffee Development Authority (OCIR Café),

which supports them in agricultural techniques and practices, extension services, quality control and input supply.

Production indicators have also improved as a result of the partnership's work. At the Kopakaki Dutegure Cooperative coffee production rose from 12 000 kg in 2008 to 18 000 kg in 2009. Large Fairtrade buyers in the United States and Europe – such as Paramount Coffee and Union Coffee Roasters – have purchased green beans from the cooperatives. There are also advances in gender equality: more women are able to earn steady incomes, send their children to school and assume responsibility for banking, record-keeping and financial management.

*"We [women] are now partners. We have become part of the management of the cooperative and own coffee trees, all because of the support and training we have received through the cooperative"*

Member of Kopakaki Dutegure Cooperative, Rwanda





## → Ghana

In Ghana, the partnership concentrates on mango, banana, pineapple and cocoa value chains. Of these sectors, the cocoa sector is the most advanced. When internal marketing of cocoa was liberalized in Ghana, a group of 200 cocoa farmers in 22 village societies established Kuapa Kokoo as a farmers' cooperative in 1993. Kuapa Kokoo has a registered buying company – Kuapa Kokoo Ltd – referred to in Ghana as a Licensed Buying Company (LBC). The COCOBOD is the sole regulatory body in Ghana's cocoa industry and at the beginning of every cocoa season COCOBOD announces producers' price per Kilogram for purchasing of cocoa from farmers. All LBCs pay the COCOBOD quoted price to farmers. Today, Kuapa Kokoo Union represents almost 62 500 small-scale cocoa growers in over 1400 village societies.

SNV provided advisory services in organizational development for Kuapa Kokoo from its inception. The cooperative received Fairtrade certification two years after it was established. Over the years, Kuapa's sales to the Fairtrade market have increased consistently, reaching 10 000 tonnes in 2009. This translates to US \$1.5 million of Fairtrade

Premium money which the cooperative has invested in community development and alternative livelihood activities.

The benefits to Kuapa Kokoo are multiple, including improved social infrastructure, better access to finance and a more efficient business with good governance systems. The additional income from the Fairtrade Premium has enabled Kuapa Kokoo to improve the livelihoods of its members. Fairtrade Premium projects ensure a sense of community participation and ownership and have helped the farmers, especially the women, empower themselves. The Fairtrade Premium has been used for improving the communities' access to potable water which has greatly reduced health risks related to waterborne diseases. Basic schools have been constructed and books and stationery have been stocked. Development officers have been employed to advise farmers on good agricultural practices and provide training programmes in management and leadership skills. Alternative income generating schemes, particularly for the empowerment of women have been initiated; such as tie-dye textiles, soap making, and corn milling.

*„Kuapa has assisted women, they ensure that women have a voice and that we are heard. I have learnt a lot from Kuapa. I grew up in cocoa and I see many differences between Kuapa and the other buying companies“*

Comfort Kwaasibea,  
cocoa farmer







## → Mali

In Mali, the partnership's efforts focus on shea butter, sesame, mango and cotton value chains.

The partnership provided information and training on Fairtrade standards, certification and expectations, along with book-keeping and management. A new tool for monitoring business performance, introduced by the partnership, now makes it possible for producers to collect and report data more effectively.

In sesame, the partnership has expanded its efforts to enable several key producers to commit to Fairtrade practices. While groups in Mali have attained varying levels of success in the production of Fairtrade sesame, their aggregate production, income and employment levels increased significantly between 2008 and 2010.

In shea butter, the partnership's services have helped boost production to 130 tonnes, resulting in a 174 per cent rise in income. The number of shea butter producers has also increased to 6359. The partnership helped the Si Yiriwa cooperative build a relationship with Chimitex, a French company seeking to buy semi-processed shea products. Chimitex has committed to purchasing an equivalent of 20 tonnes of shea butter per year from Si Yiriwa. The company will also send experts to Mali to train Si Yiriwa workers in the production of high-quality soap. The partnership is working with both organizations to meet Fairtrade standards in order to increase their market potential.

The partnership is also leading to increases in value-added products such as oils, lotions and soaps for domestic consumption and foreign niche markets. At several cooperatives, the Fairtrade Premium is being used to establish literacy centres, expand warehouses and supply potable water to farming communities.





## → Burkina Faso

Shea butter, cashew nut and mango value chains are at the centre of the partnership's work in Burkina Faso. Seven producer organizations have become Fairtrade certified here.

In all, some 628 tonnes of fresh mangoes and 60 tonnes of dried mangoes were produced, bringing approximately CFA 60 million (US \$120 000) of Fairtrade Premium money to producer communities.

The partnership has trained producer groups in Fairtrade standards and certification, as well as in production and financial management. Principles of governance have been integrated into business development programs and women are much more involved in decision-making.

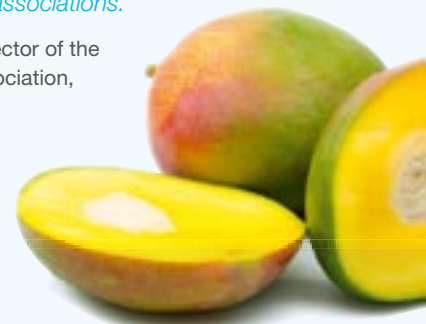
With world markets for mangoes expanding, the partnership and the producer groups see a significant opportunity for Fairtrade to improve the lives of local people.

The partnership is working to engage more local capacity builders and civil society actors in assisting producer groups.

Groups are receiving support in using the Fairtrade Premium more equitably and in making sure that projects are environmentally and socially sustainable. Producers are using Fairtrade Premium money to dry mangoes, acquire tractors and drill boreholes to bring fresh drinking water to their communities.

*"The mango industry is an important source of income and generates employment. The [SNV-FLO] partnership helped us to better understand our positioning as a local capacity building organization and to be of added value to our associations."*

Mr. Antoine Sombié, Director of the Wouol development association, Burkina Faso







## → Ethiopia

In Ethiopia, the partnership identified honey as a promising export product for people with low incomes, in particular people of the Menja tribe of Southern Ethiopia. Honey does not require significant capital or land, and is thus well-suited as additional income for farmers. The partnership's work in Ethiopia encompasses four cooperatives and one private processor/exporter involving over 18 000 beekeepers organized in 25 farmer groups.

In 2010, production, employment and income in these communities increased as a result of the partnership's work. SNV and FLO facilitated long-term strategic linkages between cooperative groups and private processors/exporters. Ethiopian farming communities and the newly established Apiculture Board were linked up with Max Havelaar France, Fairtrade's French Labelling Initiative and Miel Maya Honing asbl, a Belgian promoter of fair trade products.

The partnership also played a role in the relationship between GEPA, a German fair trade company, and Beza Mar, which sells honey from Masha woreda (Teppi union). Two of the Ethiopian cooperatives and one private company have applied for Fairtrade certification. Menja tribespeople in particular have benefited, many rising to assume positions of prominence in local affairs.



# Looking Ahead

In Africa, more than 60 per cent of the population is under 25 years old and their main source of livelihood is agriculture. Support to smallholders to benefit from markets is not only an economic and moral imperative; it is also a rights issue. It is providing an opportunity for youth to engage in productive employment and contribute to the development of the continent.

In the years of working together, SNV and FLO have created new business opportunities for small producers, making a tangible difference in the lives of thousands of people across Africa. The partnership offers a promising formula for building a solid market-based foundation for prosperity.

In the years ahead, the partnership is committed to expanding its reach in priority areas, including low income countries and additional products, to reach more people and deepen impact.

## The partnership will continue to:

- ▶ Expand its technical support and capacity development services, providing top-level market intelligence to farmers and workers. This enhances their productivity and improves their responsiveness to opportunities in growing markets;
- ▶ Support existing and new producer networks, creating economies of scale and augmenting the bargaining power of small producers;

- ▶ Increase producers' access to technology and finance through workshops, organizational capacity building, and linkages with processors, exporters and lenders;
- ▶ Enable more small producers to enjoy the benefits of Fairtrade by expanding their access to alternative avenues of financial support, such as FLO's Producer Certification Fund, a fund to help small farmers' organizations pay for their Fairtrade certification;
- ▶ Look into more innovative financing mechanisms and expand the partnership to investors who share FLO and SNV's values and ambitions.

The spirit of the partnership extends beyond SNV and FLO, to the growers and processors, families and communities who together dream of and actively shape a better future for themselves.





### Worku Behonegne

Regional Director East and  
Southern Africa, SNV

*"Poverty is the result of systems influenced by institutions. The bottom billion are denied access to business development, financial services and capacity development among others in order to benefit from opportunities and markets. The SNV-FLO partnership is very much geared towards addressing this injustice and is intended to create opportunities for the prosperity of small producers. I am proud of the way the two organizations collaborate: after working together for four years we have almost reached 100% complementarity."*

### Kimberly Easson

Director of Producer Services and  
Relations, FLO

*"In sustainable development circles we often consider the triple bottom line as the parameter by which we measure our collective work – a focus on people, planet and profit. The SNV-FLO partnership goes beyond this and lays a foundation for people to prosper. Together, we work with farmer groups to enhance their business and production capacity and gain access to markets at fairer trading terms. The result is that farmers take greater control over their own lives and build hope for the future of their families and communities... building a path to prosperity."*



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