

# **Trade Aid Audited Social Accounting 2017**

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## Introduction

### Trade Aid — history, background and purpose

Trade Aid's beginnings can be traced to efforts to sell carpets handcrafted by Tibetan refugees that were vital to their survival. Following this, in 1973, a Christchurch group of people interested in the concept of trade as a practical form of aid set up the importing society specifically to trade with a range of partners in developing countries. Later, Trade Aid Importers Ltd was established as the trading company (referred to hereafter as Trade Aid).

Over the subsequent years, raising the level of knowledge of trade justice in New Zealand has been made possible by our wide ranging relationships and depth of knowledge of our more than 60 trading partners. Bringing issues of trade justice to New Zealanders has been based around our understanding of our partners' experiences within trade.

Trade Aid is part of the Trade Aid Movement, which includes 28 shops. Trade Aid is a limited liability company, whose shares are owned 100% by an incorporated society, Trade Aid NZ Inc. The members of the Society, which includes the Trade Aid shops, elect trustees, who in turn appoint a Board which is responsible for governance of Trade Aid.

The faces of the Trade Aid Movement in New Zealand, are the Trade Aid shops. These shops are owned and governed by independent charitable trusts, however, each shop has a contract with Trade Aid, which means that the trading Board and the CEO have input into the management of the shops. Paid staff members manage each shop and are supported by a mix of paid and volunteer retail assistant roles.

The Trade Aid Movement meets annually through regional or national conferences designed to inspire, educate and upskill the Movement.

The Trade Aid Movement has a common Charter, updated in 2013.

### The Trade Aid Charter

**Vision:**

A world where trade is fair for all

**Purpose:**

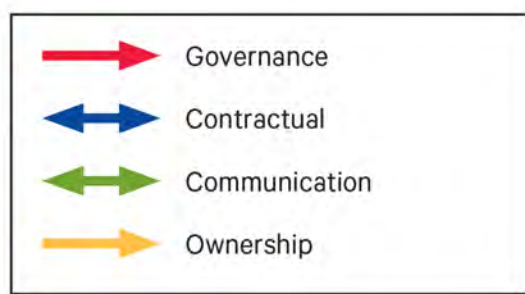
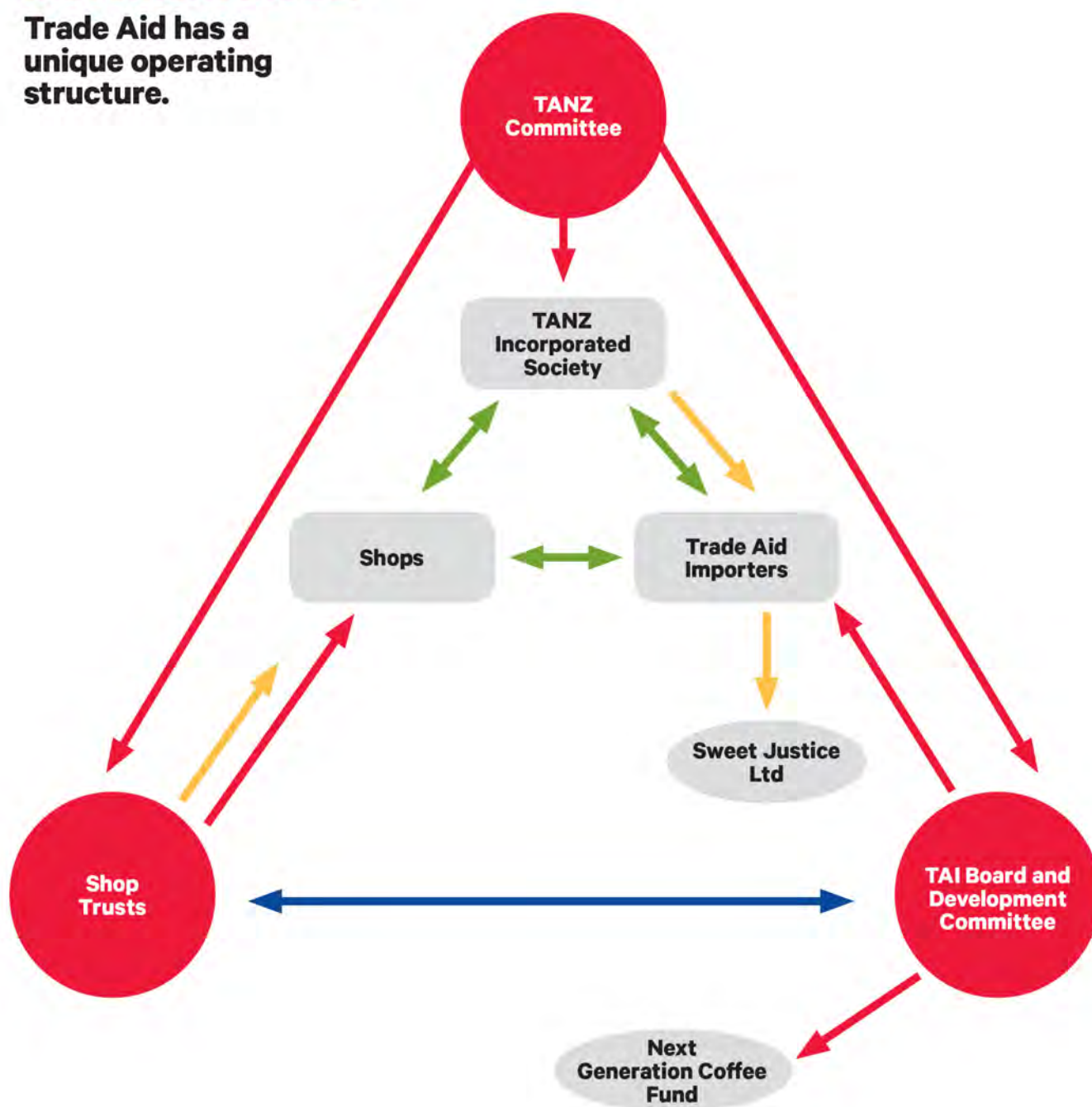
To improve producers' lives through our trading relationships and to raise the level of knowledge of trade justice

**Objectives:**

- To trade with integrity according to fair trade principles
- To educate about trade justice
- To demonstrate and inspire others with our equitable trading practice

## Trade Aid Movement model

Trade Aid has a unique operating structure.



## Social Accounting<sup>1</sup>

Social accounting challenges conventional accounting, in particular financial accounting, for giving a narrow image of the interaction between society and organisations.

Social accounting seeks to broaden the scope of accounting in the sense that it should:

- concern itself with more than only economic events
- not be exclusively expressed in financial terms
- be accountable to a broader group of stakeholders.

It points to the fact that companies influence their external environments (sometimes positively and many times negatively) through their actions, and should therefore account for these effects as part of their standard accounting practices.

Social accounting offers an alternative account of significant economic entities. It has the potential to expose the tension between pursuing economic profit and the pursuit of social and environmental objectives.

## Why does Trade Aid engage in Social Accounting?

Trade Aid is a social enterprise. This means as an organisation we engage in commercial trading activity, but with stated development and education objectives that we aim to achieve through this trading activity. This provides a tension to ensure the right balance between commercial trading, development and education is struck. This tension can be seen as very constructive, or alternatively as a risk that requires management. This tension manifests itself in the organisation's trading behaviour, particularly in the choice of partners and the level of orders placed with partners whose products may not compete easily in the marketplace due to their low level of development.

Social accounting and auditing are seen as ways of ensuring that financial success does not become the only measure of the organisation's work and progress.

Trade Aid is accredited by the World Fair Trade Organization (WFTO) which ensures that our trading behaviour within ten principle areas aligns with what is allowed for under the WFTO Guarantee System. This is a very comprehensive reporting and auditing process that holds weight with consumers and is actively promoted by Trade Aid.

Trade Aid has long sought to measure our impact from fair trade, and to educate consumers about the outcomes of fair trade. Despite the WFTO Guarantee System being a rigorous third party accreditation process, it does not seek to measure outcomes from fair trade work, instead focusing on the processes we engage in. It is for this reason that Trade Aid chooses to conduct social accounting as well as holding WFTO accreditation. Social accounting allows us to consult a wider range of stakeholders, and to measure our impact within education and for our trading partners and individual producers.

Trade Aid has engaged in audited social accounting since 2000, with 2017's becoming our sixth set of accounts over the 17 years.

In 2017 we are following a different methodology called The Theory of Change (hyperlink). As with all previous accounts, it provides a framework for assessing our complete range of activities and their impacts, rather than focusing purely on our financial sustainability. The new methodology has the added benefit of mapping out the work that we do (activities) and the results (outputs) and clearly linking these to the outcomes we expect to occur from this work. Mapping out our extensive activities has the benefit of demonstrating the added value we provide within our supply chains.

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<sup>1</sup> Definition taken from Wikipedia [https://en.wikipedia.org/wiki/Social\\_accounting](https://en.wikipedia.org/wiki/Social_accounting)

Engaging in social accounting provides a vehicle for us to assess our wide range of work and our impact, and most importantly to learn and improve what we do. It also provides the information required for our supporters to fully understand what they are contributing to, when they invest their time and dollars with us. In this way the 2017 accounts have placed particular focus on identifying a framework and an online mode of presentation that is more accessible to the New Zealand public, and is more engaging at the results' level to hopefully encourage readers to delve into the detail behind the results.

## **Auditing: Why do we audit our accounts?**

We believe that social accounting requires independent auditing to verify stated information so that it objectively and truthfully represents an organisation's progress against its stated objectives.

Auditing social accounts not only provides authenticity of result, but also a framework and process that are robust to ensure all the organisation's values are represented and that all relevant stakeholders have been consulted.

Many New Zealand and international companies choose not to audit their social accounts, and because of this Trade Aid's accounts stand out from the rest. As we produce our sixth set of audited accounts in 2017, we become the only New Zealand business that we are aware of, to do so.

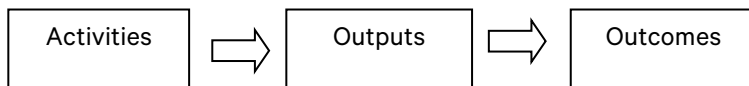
## **Authors and editors**

The social accounting process is managed by the Development Committee, a subcommittee of the Trade Aid Board. The Accounts are compiled by Trade Aid Development Manager Michelia Miles, with the Development Committee being involved at each stage: approving the framework, reviewing the material produced, monitoring the process and addressing the issues arising out of the draft Social Accounts.

# Social Accounting Model

## Theory of Change

The Trade Aid Importers (Trade Aid) Social Accounts are based on a methodology called **Theory of Change**. This is a comprehensive description and visual illustration of how a desired change is expected to happen in a particular context. It is focused in particular on mapping out what is often missing between what a change initiative does (its activities or interventions) and how these lead to desired goals being achieved. It does this by first identifying the desired long-term goals (outcomes) and creating an Outcomes Framework, and then works back from these to identify all the conditions (activities and outputs) that must be in place for the outcomes to occur.



For Trade Aid the Theory of Change approach is useful for:

- clarifying the most significant outcomes to be measured
- considering how operations contribute to these outcomes
- articulating where we add value across our supply chains
- measuring results across the life cycle of Trade Aid from activities through outcomes.

Our Theory of Change includes:

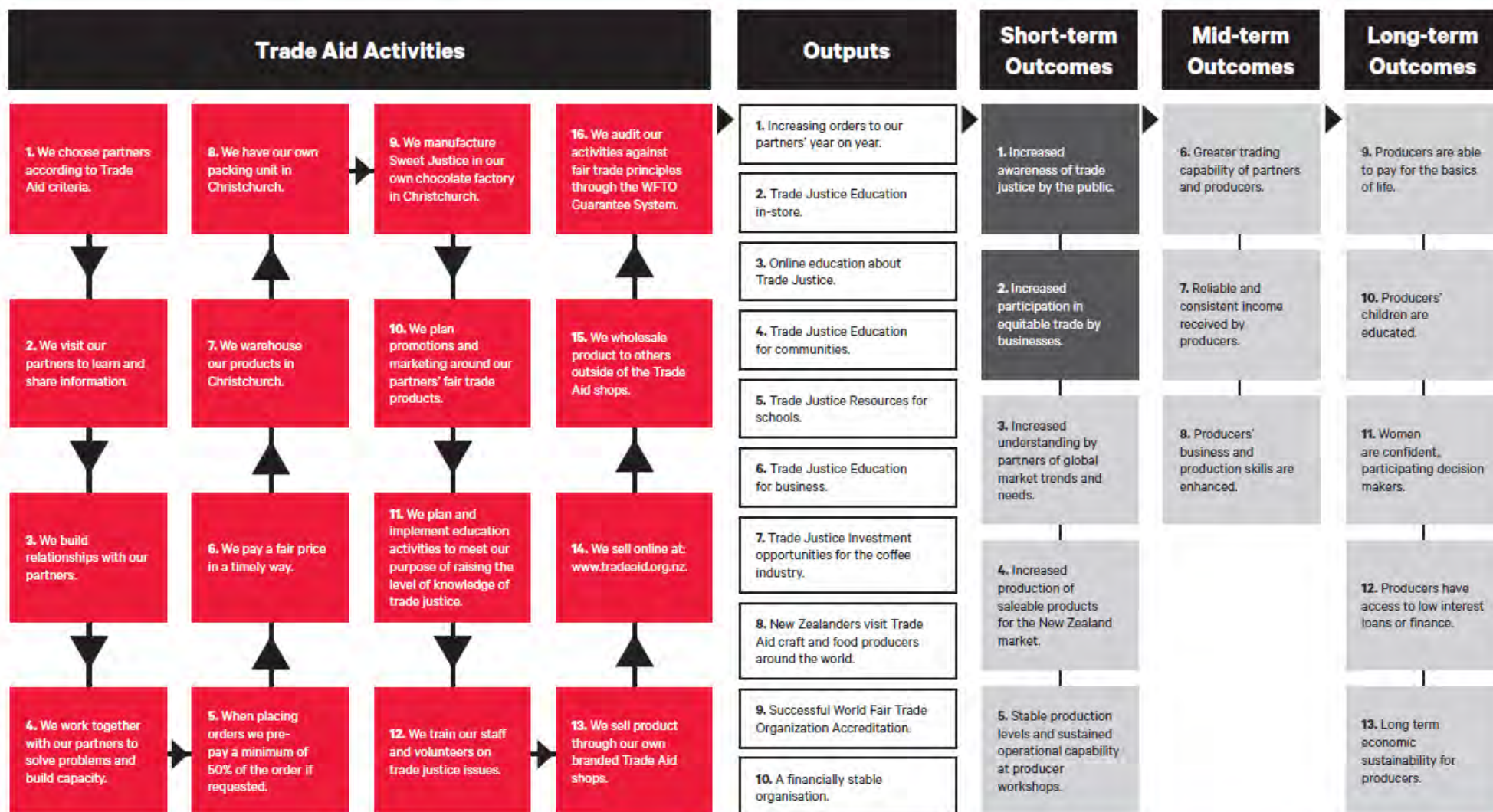
- 16 Activities
- 10 Outputs
- 13 Outcomes

Each of these activities, outputs and outcomes can be measured and reported on to give us a guide as to how well we are doing in meeting our objectives.

These Social Accounts will provide readers with:

- an understanding of the breadth and depth of Trade Aid's activities
- an understanding of how much we produce or achieve through our outputs' section
- a glimpse into how our expected outcomes from fair trade play out at the producer, customer or business level and what change actually occurs.

# Trade Aid - Theory of Change



## Development of the Outcomes' Framework

The Outcomes' Framework identifies what Trade Aid expects to achieve through our work and focuses our assessment on these. Our outcomes have been derived from the three objectives of our Charter:

- our trade with our trading partners (and producers)
- our education for the New Zealand public
- our engagement with businesses, as important partners in growing ethical supply chains.

Deriving an outcomes' framework for our partner-related work began back in 2005–2006 when we were subject to a review by NZAID (now MFAT) prior to signing an Agreement for funding for the 2006–2010 period. The reviewer suggested that a process should be set up to attempt to measure the impact of our work in quantitative terms, recognising that there was already a large body of evidence of a qualitative nature gathered through visits to partners and the Social Accounts written in 2000, 2002, and 2005. He suggested that common indicators might be developed and used across a range of partners over time.

As Trade Aid staff and the Development Committee began to discuss how to go about this, it was quickly established that the process needed to belong to partners as far as possible, and that the most meaningful indicators to measure needed to be those that producers themselves selected. The opportunity of meeting with a large group of partners came at what is now called the World Fair Trade Organization (WFTO) Conference in Belgium in 2007, where a lunchtime meeting was attended by 22 partner representatives. A list of indicators that they saw as important emerged from this meeting which fell under five broad headings:

- Income levels
- Financial security
- Basics of life
- Status of women producers
- Skills' levels.

It was at once evident from the discussion that the indicators meant completely different things to people from different cultures. For example “financial security” meant owning a piece of land in the village where someone could build a place to retire in the case of an African, whereas an Asian person would most likely interpret this as not needing to go to a money lender. It also began to look unrealistic to apply the same indicators across a range of partners without being very directive.

From these initial discussions two partners took up this research option in 2007, but while each piece of work was impressive in its own way, they were both limited in scope because the funding offered was only a small contribution. Following this, Trade Aid approached four other partners and suggested that more in-depth fully funded studies might be done at producer level. In each case the key points of the methodology suggested were:

- that the studies should be very participatory
- that if possible indicators should be chosen by producers themselves
- that the process should be owned by the partner organisation, and only undertaken if they could see value in it for themselves — possibly as a learning tool or a useful way to plan future strategy.
- In 2007 and 2008 five partners began this undertaking. From these studies, some findings in common were developed. The methodologies employed were quite different, the presentations of the findings were very different, and to some extent the outcomes were different, although common threads were apparent.

Findings in common:

- prosperity and wellbeing of producers has increased. This is measured by their own indicators of what constitutes prosperity and wellbeing. It does not always equate with greatly increased income levels
- women's self-esteem, self-sufficiency and decision making ability has increased
- children's education is seen as very important and is a common use of savings
- craft making is seen as a sustainable business
- individual earnings have increased, but not always to a satisfactory level
- savings, household assets have increased.

Other findings common to some studies:

- individual skill levels have increased
- training is seen as important
- the workplace is valued for support, togetherness, social interaction etc.

“The study threw a different light on evaluating Fair Trade. Building on the basic principles of Fair Trade it included the expectations and perceptions of the people it works with and derived a methodology, a tool to measure the significant changes on the ground - particularly at the end of the value chain of Fair Trade- i.e. the producers and their families. It has taken a ‘bottom up’ approach to validate the efficacy of Fair Trade standards.”

- Feedback received from Sasha Association for Craft Producers (SACP)

## **2012 onwards**

As a result of these studies, Trade Aid sent out impact assessment questionnaires (titled ‘Measuring Change’ questionnaires), which focused on collecting information against the standardised indicators through a two-step process of data collection from partners’ organisational records and interviews conducted by partners with focus groups of producers. These were sent in 2012, 2014 with a final one due to be sent in 2018.

These questionnaires delivered interesting and comparable results across organisations with regards to the interviews which focused on the long-term outcomes, however, the short- and medium-term outcome data collected from trading partner organisations’ records have been less effective at delivering useable data.

## **Education within the Outcomes Framework**

Education is a key purpose of Trade Aid’s work and we place a lot of time and energy on education across a wide range of ages, community and business groups, customers and the general public. However, the new framework used for these accounts has helped highlight that this high level of education activity is not matched by suitably strong processes for measuring the outcomes from this work. This lack has been identified as an area requiring improvement and plans are currently underway to identify further, robust ways to measure our education outcomes across the short through long term in future accounts.

2017 Outcomes Framework



**KEY:** NZ based outcomes - Consumers - businesses      Partner/producer evaluations

## Stakeholders

Stakeholder groups	Included/ excluded	Reason for inclusion/exclusion	Size of samples
<b>Trading partners</b> (the organisations we partner with from around the world who create relationships with producers to supply us with fair trade product)	Included for relevant key aspects	Our trading partners are the ones who join us in implementing fair trade principles in their work with producers (those we expect to experience a change to their lives as a result of fair trade). It is essential that that we include trading partners in our accounts to ensure the work we do is of value to them so that their work can in turn lead to a positive result for the producers they work with.	Electronic survey responded to by 28 trading partners (outcomes 3 and 4) and 24 trading partners (outcome 6).
<b>Producers</b> (the people who have the skills to produce food and craft products)	Included for relevant key aspects	'Producers improving their lives through our trading relationships' is at the heart of Trade Aid's purpose, along with education in New Zealand. Thus, they are very important stakeholders. It is essential that we seek to understand from their perspective what change is being created for producers through our work and how we can improve what we do.	Face-to-face interviews with 30 producers across six workshops.
<b>The New Zealand Public</b> (who come in contact with our education initiatives)	Included for in-store education only, not other key aspects	Raising the level of knowledge of trade justice sits at the heart of Trade Aid's purpose. Education and its resulting behaviour change is by its nature difficult to measure, especially in terms of long-term outcomes. This difficulty is reflected in the small sample size contained in these accounts. We will seek to improve on this in following years.	Feedback from 15 users of in-store education initiatives across the country.
<b>New Zealand business customers</b> (our wholesale customers)	Included for relevant key aspects	One of our three objectives in the Trade Aid Charter is 'to demonstrate and inspire others with our equitable trading practice', and we seek to fulfil this objective through the businesses we partner with to increase the supply of fair trade product available in New Zealand. As above with education, these stakeholders are also extremely important to us and our small sample size does not reflect this.	Interviews conducted with two coffee roaster businesses located in Christchurch.
<b>Staff</b> (across the Trade Aid Movement)	Included for education tours only, not other key aspects	Our staff are very important stakeholders who carry out a wide variety of roles across the different Trade Aid entities. Staff feedback was only included in Output 8 of these accounts which we consider to be a limitation in these accounts and will seek to increase this feedback in the future.	Themes were analysed from feedback received from 31 staff and volunteers who have participated in Trade Aid education tours over the last 5 year period.
<b>Volunteers</b> (across the Trade Aid Movement)	Included for education tours only, not other key aspects	Our volunteers are very important stakeholders, and carry out a wide variety of roles across the different Trade Aid entities. Volunteer feedback was only included in Output 8 of these accounts which we consider to be a limitation in these accounts and will seek to increase this feedback in the future.	

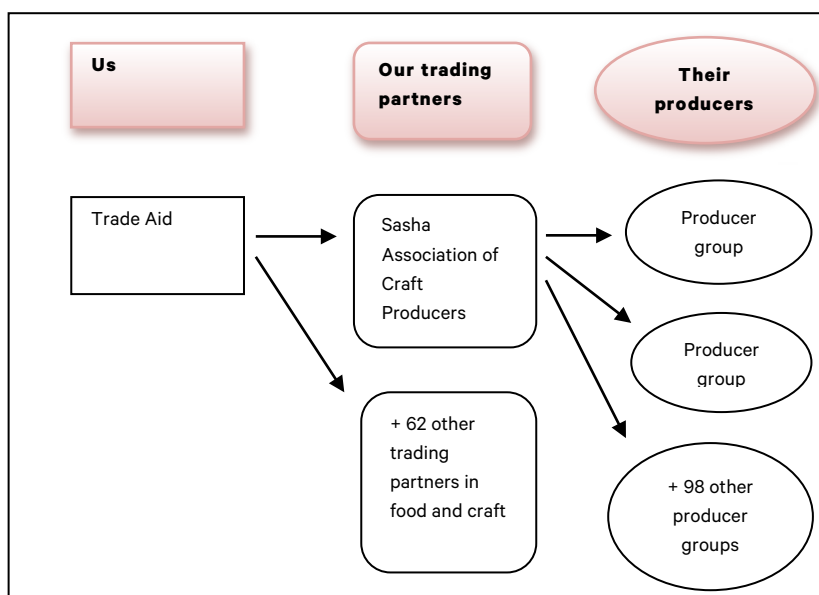
## Methodology

### Trading Partner surveys and Producer interviews

Trading partners and their producers are very important stakeholders in these Social Accounts. Of the thirteen Outcomes, eleven are related to these groups. Of these eleven, eight outcomes are measured at a producer level, and the other three at a trading partner level. See below for an illustration of the difference between trading partners and producers.

Trading partner related outcomes (Outcomes 3, 4, 6): measured via emailed surveys to a wide range of our partners.

Producer related outcomes (Outcomes 5 and 7 – 13): face-to-face interviews were carried out with 30 producers associated with six producer groups supported by one of our trading partners, Sasha Association of Craft Producers (Sasha), based in India.



**In these Accounts and future accounts, the criteria for working with trading partners to carry out producer interviews include:**

- partners having the capacity to engage in additional work outside of their production work
- partners we believe have robust processes in place to ensure the ten fair trade principles are represented throughout their supply chains (this is important if we are to test the theory that fair trade leads to change for producers)
- partners who are interested in conducting this work and see value in the results for their own learning
- long-term trading partners of Trade Aid (relative to the sample of partners we have each year who fit all of these criteria). This is necessary to test the theory of Trade Aid trading behaviour leading to change for producers associated with our trading partners
- partners for whom we are a substantial customer (for some of our larger trading partners we are less than 1% of their total production). In 2017 the decision was made to interview producers associated with one trading partner only. This has the benefit of:
  - allowing us to pilot the new methodology and to change and perfect the process as we went, and it took several iterations to achieve a relatively robust process
  - standardising data across all interviews carried out due to the consistent process
  - providing deep qualitative information on a small budget (the trade-off being a narrower sample).

**For the first year we chose to work with Sasha, a craft trading partner based in Kolkata, India. Sasha was selected because they fit the criteria in the following ways:**

- they have an established and well respected Development Agency called Sarba Shanti Ayog separate to their trading company, which makes them an excellent candidate to conduct the process well, and provide feedback on improvements that can be made in following years
- they are an accredited WFTO member, which guarantees good practice against the ten fair trade principles throughout their supply chain
- they are our fourth largest craft partner in terms of our order level
- we have 32 years of partnership together
- Trade Aid makes up nearly 7% of their current exports (Sasha has many small buyers, and in the past when our order was around 10% of their production we were regularly their largest buyer)
- They have participated in two prior impact assessments so they are familiar with the background to this outcomes' framework.

#### **Sasha's Producer group selection:**

From a total of 27 groups working with Sasha who produce product for Trade Aid a short list of 12 groups was identified based on the following criteria:

- number of years of association with Sasha (> seven years)
- sound understanding and/or commitment to fair trade
- are covered under Sasha's Fair Trade Guarantee Scheme commitments
- hold a critical position in the Sasha supply chain
- producer for Trade Aid.

**From these 12 groups the final sample of six groups was selected on the basis of highest annual turnover for Trade Aid orders. The six selected producer groups were:**

- |                     |                         |
|---------------------|-------------------------|
| 1. KSEWS            | 4. Karma Shilpa         |
| 2. Brindaban Prints | 5. Chhandabrati Weavers |
| 3. Prachesta        | 6. UGLS.                |

#### **Individual producer selection:**

The scope of this study was set at five producers from each of the six groups, 30 producers in total. These 30 interviews included the group leader from each group and four selected artisans from each group. These artisans were selected by the group leader as they represented a range of skill levels, length of association, gender (where possible), locality and income.

#### **Interview process:**

Once the five producers from the producer group were identified, staff from the Development Agency conducted face-to-face interviews with the producers, recording answers in English on their own answer sheets. The questions included closed-ended questions to provide quantitative data, and open-ended questions to provide detail to the data.

The set of interview questions can be viewed in [Appendix G](#).

### Data collection process for interviews:

	Outcomes	Levels of Assessment	Tools used	Sample Size
1	Stable production levels and sustained operational capability at producer workshops.	<ul style="list-style-type: none"> <li>Sasha records</li> <li>Producer group leaders only</li> </ul>	<ul style="list-style-type: none"> <li>Sasha production records. Orders to the 6 groups averaged out over the last 5 years to record the average annual change.</li> <li>Interviews — closed and open questioning.</li> </ul>	6 producer groups order records from Sasha.  6 group leaders.
2	Producers' business and production skills are enhanced.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.
3	Reliable and consistent income received by producers.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.
4	Producers are able to pay for the basics of life.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.
5	Producers' children are educated.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.
6	Women are confident, participating decision makers.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.
7	Producers have access to low interest loans or finance.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.
8	Long-term economic sustainability for producers.	Producer group leaders and/or artisans	<ul style="list-style-type: none"> <li>Interviews — closed and open questioning.</li> </ul>	30 people.

The methodology and online format of the 2017 Social Accounts makes it easier to update data and results more easily and more cheaply than in the past. It is our intention each year to conduct further producer interviews associated with a range of trading partners, and over time we will build up a broad selection of good quality producer interviews. Over time the data collected with similar methodology, and in a consistent format, will enable us to make generalities across the data, as well as identify differences between each set.

The intention of our Social Accounts in 2017 was that they were multi-use. We sought descriptive interviews with producers that could bring to life the data we were collecting. Therefore, as part of our producer results you will read a selection of answers from a single producer which have been collated together, thus giving the answers better context and providing the reader a better understanding of the individual producer situation.

To view the results of these interviews view [Outcomes 5, and 7–13](#).

## Analysis from Sasha on the results of the interviews they conducted with their producers

There are certain aspects that we realize do not reflect or are unable to put forth due to various constraints in the methodology-time, scope, financial resources etc. We would like to mention here those aspects, that may or may not be part of the actual report, but as a record/reference, required to put the work we do in its perspective.

**1) The challenge of markets-** It has been challenging for many organizations like us in the past 2/3 years to secure a consistent export market and order situation for ourselves and the producers due to global economic downturn, decline in portfolio and value of orders from our buyers, mostly long-term and large Fair Trade partners, including Trade Aid, etc. This has substantially impacted our turnovers, as evident from the data provided. In such a scenario, producer off take has decreased, in varying degrees at Sasha, which has, as a result impacted the turnovers, profitability and growth of the producers, evident from the Financial Accounts this year.

The Social Accounts need to be seen in this context as well. We have been working overtime to explore and expand to newer markets, buyers, products etc. despite. And hope to have better prospects in the coming year or two.

**2) Equally Challenging domestic situation-** A conservative and cash-strapped customer base, a complex implementation process of policies like demonetisation and Goods & Services Tax has set behind the otherwise promising domestic market in India for craft-based enterprises like us. While we are fortunate to have a well developed domestic channel that can, to an extent offset the decline in export market, a domestic slowdown was the last thing we needed. Producers, otherwise having a decent business in domestic through Sasha, also have been impacted. We are extremely focused in the next two years to deepen and strengthen our domestic presence to stabilize producer businesses and their sustainability.

**3) Incomes or Earning of our women producers/artisans-** Our past assessments and ongoing observations of the women's groups- across crafts, whether working partly from home and partly from common worksheds or from worksheds only, show that their earnings are directly proportional to the time they allocate for the productive work, which is again directly linked to their productivity. Women devote 5-6 hours maximum to the production work. This is in addition to the care-based work they do at homes and the vast variety of unpaid work they do at the household and the community levels. Women who are able to earn better than others, devote more time than others, without any respite from the care-based or unpaid household chores. Even if we provide them with increased orders, it is a demand on their time, invariably at the expense of their time at homes/communities and at the expense of their health owing to the dual responsibility and burden that they shoulder.

Our convergence is on the issue of providing opportunities to women, in gainful engagement in economically productive work, that also creates practical ways and means for empowerment, leadership, confidence and exposure. Our endeavour, include Fair Trade's objective is to achieve sustainable incomes for home based working women, together with fair wages and independence, by being market oriented, who otherwise would be unable to have the opportunity to use their skills, venture out and earn; and to economically empower women to improve their standard of living, access to health services, social security, better nutrition, control over their benefits and awareness.

The above, we understand can not be a part of the Social audit report, but can be a part of the narrative, where we as Fair Trade organizations are deeply committed to improving the situation of the marginalized producers and their quality of lives.

Sujata Goswami  
Executive Director  
Sarba Shanti Ayog

## Surveys to trading partners

### 1. Product Development Survey

This survey aimed to provide results associated with the following outcomes:

- increased understanding by partners of global market trends and needs
- increased production of saleable products for the New Zealand market.

The Craft Purchasing Team and Product Development survey was sent using an electronic survey tool (SurveyMonkey) to all Trade Aid craft partners (with the exception of two non-English speaking partners) in order to gather their opinions on working with our craft team and the outcomes they have seen from this partnership. The survey covered communication with the craft team, the annual Trend book, specific trend information, and product development.

Of Trade Aid's 35 English speaking craft partners, 27 participated in the survey, providing both quantitative and qualitative feedback. This survey is conducted annually, and progress against each target is tracked year-to-year.

To view the results of this survey, visit [Outcomes 3 and 4](#).

To view the raw data and questionnaire, visit the [Appendix F](#).

### 2. Capacity Building Survey

This survey aimed to provide results associated with the following outcome:

- Greater trading capability of partners and producers.

Since 2001 we have been channelling funds to a selection of our trading partners for capacity building activities. These funds were the product of a relationship between Trade Aid and the New Zealand government. In 2017 we do not have the ability to continue providing these funds to our partners; however, we are planning to build in this capability to our operations in the future. To know what impact these funds have had, and to seek ideas on how to improve this process in the future we surveyed our trading partners to find out.

Using an electronic survey tool (SurveyMonkey) we sent the survey to 30 English speaking partners and 7 Spanish speaking partners (all partners who receive Capacity Building Funds).

The survey asked closed-ended and open-ended questions, focusing both on the success of prior funding, limitations of prior funding and thoughts for the future.

Respondents to the English survey were 20 out of 30, and 4 out of 7 from the Spanish survey.

To view the results of this survey, visit [Outcome 8](#). To view the raw data and questionnaire, visit the [Appendix H](#).

## NZ Public — education interviews

These surveys aimed to provide results associated with the following outcome:

- increased awareness of trade justice by the public.

The stakeholders for the education section of the Accounts in 2017 are users of one of our in-store education tools referred to as The Kiosks. These are touchscreens set up in each Trade Aid shop that act as a portal to the world of our producers. A customer can scan a product and view text, images and videos about the makers of the product, or they can choose to watch video clips about a variety of trade justice issues.

It was our intention to understand what customers might be learning or 'taking away' with them after using our kiosks in-store.

Sampling methodology:

All Trade Aid shop managers were asked to select customers and ask them if they would be happy to participate in this study by using the kiosks and then answering a selection of written questions. The survey was estimated to take ten minutes for a customer to engage with. The total number of customers who engaged with this process across all shops was 15. The process involved customers self-selecting two video clips on the kiosk, one trade justice related, one featuring information on a trading partner, and then answering specific questions related to what they had watched. Adding their name and contact details was optional.

Limitations of this study:

- it was conducted for the first time just before the Social Accounts were collated so there was little time for changing our process and perfecting our method; this will form part of our learning for updated future social accounts
- limited time was given to managers whose busy schedules restricted the number of responses we received
- we are aware of the potential bias towards a favourable response given the situation of the study in a Trade Aid shop, where respondents are identified on the form, and where they may know the shop manager or other retail staff. Suggestions for how to reduce this possible bias in customer answers will be considered for future studies
- the small sample size of this study is a limitation in attempting to measure the impact from the kiosk experience. As a result, this study is indicative rather than providing evidence of impact and we plan to work with a larger sample of customer feedback in future accounts. This small sample has been useful for providing us a pilot from which to conduct a larger study in the future. Suggestions for improvements will be sought from the Trade Aid managers who conducted the interviews, and an improved process can be run for a longer time period and with a better notice period for the managers, who already have a very busy intensive day in-store.

We have always found it difficult to know how to measure our education efforts effectively, but we believe it is important to try. These Social Accounts are a great vehicle for including these education stakeholders in our work, and providing an opportunity to improve our method over time.

The summary of what we learned from these surveys can be found in [Outcome 1](#).

## NZ Business — industry interviews

These interviews aimed to provide results associated with the following outcome:

- increased participation in equitable trade by businesses.

A new initiative in 2017 is gathering information from business customers who we view as partners in increasing the amount of fair trade product available in the marketplace. These face-to-face interviews were conducted by a Trade Aid staff member and sought open and honest information from our customers about how well they thought we were demonstrating and inspiring them with our equitable trade (a key Charter objective).

We chose local Christchurch business owners for this first trial of interviews, but in following years we would like to broaden our sampling to include other regions. It was cost effective for us to start with only local businesses, and it allowed us the opportunity of returning for a second interview to collect missed information if necessary. It also enabled us to send a locally known photographer to take a photo of them at a later date once our design requirements for these 'new look' online Accounts had been decided.

We selected 'roaster customers' for these interviews because green coffee bean sales make up 52% of our total wholesale sales (1,100 tonnes of coffee annually). We chose two businesses as our sample size for this outcome.

Our two coffee roaster customers were selected because they are both:

- 100% Trade Aid fair trade coffee roasters
- substantial customers in terms of the volume they purchase
- long-term customers of ours.

Limitations of this study:

- the sample size is small
- the information gained may be more complimentary than if an independent interviewer conducted it. To combat this, the pre-amble to the subject before the interview emphasised honesty and Trade Aid's desire to learn from their perspective.

The summary of what we learned from these interviews can be found in [Outcome 2](#).

## Limitations

### Addressing the limitations from the 2012 Social Accounting process:

In 2012 there were three key limitations identified:

#### **1. The framework as set against the Trade Aid Charter:**

In 2012, the Charter was used as the framework for the Accounts. This highlighted aspects of the Charter that weren't compatible with this type of reporting. It was agreed that future social accounting frameworks would be a better fit for the accounts.

In 2017, the framework is not based on the Charter format. We opted for a well-known evaluation method called the Theory of Change, which was identified by EY (Trade Aid's accountants) as an appropriate framework for Trade Aid. It is centred on identifying an outcomes' framework, which Trade Aid had already developed as a result of other partner monitoring projects over previous years. This was then further refined to what we believe is now a 'good fit' for our social accounting reporting.

#### **2. A smaller than previous partner organisation voice:**

In 2012, five Trade Aid trading partners from across India and Nepal gathered together in a focus group process for our social accounting. In 2008, the sample was both a focus group and a survey of a wider set of trading partners. In both cases no producer voice was included.

In 2017, eight of the thirteen outcomes required producer level evaluation, so face-to-face interviews were conducted with 30 artisans across six producer groups belonging to one trading partner. This level of evaluation is an extra level deeper than that of the 2012 Accounts. In 2017, three of the thirteen outcomes are measured at a trading partner level, and these involved two different electronic surveys being sent to 35 craft partners and 30 food and craft partners respectively.

#### **3. A lack of public voice in evaluating education efforts:**

In 2012, education stakeholders were taken as Trade Aid educators, who in turn engage in activities with customers and the public. Because of this, only Trade Aid educators were surveyed as stakeholders of our education programme. This was identified as a gap.

In 2017, both internal Trade Aid educators and Trade Aid shop customers have been surveyed for their perspective on our education programme. We acknowledge the public voice remains limited, and we will seek to continually increase this in following years.

## Limitations in 2017:

### New framework:

- This is the first time we have used the Theory of Change framework so we don't yet know what we don't know. From our initial evaluation we believe it is an appropriate framework to evaluate our work under and following this 2017 pilot it is our intention to update our Accounts more regularly than we have in the past. In this way we would expect Accounts in following years to demonstrate improvements in process.

### Stakeholders:

- Our evaluation across all of our stakeholder groups is on the low end for sample sizes. The two main reasons for this were a low budget and wanting to trial our new methodology and process on smaller manageable samples before widening the sample size (and thus the cost) in following years. A focus on qualitative data in these accounts also had us leaning towards lower sample sizes but with deeper information gathering, and in the future we are keen to maintain this balance between quantitative data and providing individual stakeholder profiles which we feel bring the data to life.
- Our main stakeholders have been identified as those directly impacted by our Charter objectives (trading partners, producers, customers and businesses), and thus these stakeholders were linked to desired outcomes in our outcomes' framework. In following years we recognise the need to evaluate a wider set of stakeholders than these including larger samples of staff, volunteers and a wider range of stakeholders involved with our education and business activities.
- There are a total of 13 short, mid and long term outcomes, of which 11 relate to partners and producers, one relates to business customers and one to education initiatives. Education is a key purpose of Trade Aid's work and to date we have not placed a focus on identifying education outcomes that are measurable in the short, mid and long term. In 2017 the only education outcome is a short term outcome and thus is not indicative of a long term change in behaviour. Future accounts will address education outcomes in a deeper more meaningful way.
- For cost and convenience reasons, a number of stakeholder surveys and interviews were conducted by Trade Aid staff, Shop staff, and (in the case of producers) staff associated with Trade Aid partners. Even though the value of honest feedback, and options for anonymity were often offered, we are aware of the potential for bias.

### Budget and resources:

- Time and staff resources are always factors in putting together these Accounts; we acknowledge all aspects of these Accounts could be improved with more time and more money. One of the Trade Aid values is 'learning' and we are really keen for this new framework to provide us with an opportunity to create something that will help us constantly and cost-effectively monitor the impact of what we do, so we can continue to learn and improve.

### Values:

- The primary focus on Outcomes means that several deeply held values of Trade Aid were not explored in this set of Social Accounts. These include the following policy areas identified by the wider Trade Aid Movement:
  - Equity
  - Environment
  - Treaty of Waitangi
  - Volunteers.

We plan to review how best to incorporate these, if possible, over a number of more regular social accounts.

## Activities

### 1. We choose partners according to Trade Aid criteria

Trade Aid works with 63 partners in 27 different countries, deliberately selected for their ability to bring change to their producer communities. All 63 of these partners fit the Trade Aid criteria for partnership.

If conducted fairly, we believe that trade can improve the lives of small producers. What we now understand by ‘conducted fairly’ has changed with time and learning. When Trade Aid was formed in 1973, we thought all trade would produce positive benefits for producers; however, it soon became obvious this was not the case. With the experience we gained over the first few decades of trading, we came to understand that the benefits we sought for producers would only be realised if we formed the right partnerships. These partnerships should be with organisations that had appropriate structures and principles in place to put maximum value back to producers through their supply chains.

Trade Aid forms partnerships with the organisations that represent producers, not with the individual producers directly. These organisations represent a wide range of different forms: from co-operatives where the staff of the organisation are the producers themselves, through to urban not-for-profit marketing companies providing exporting services and product design support for rural producers. In all cases, regardless of its structure, the organisation (termed ‘The Producer Group’ in the criteria) must meet the Trade Aid criteria for partnership.

- To view a map of Trade Aid partners visit: <https://www.tradeaid.org.nz/our-story/made-by-people/>.
- To view a list of all partners view [Appendix B](#)

#### The Process

Trade Aid’s Development Committee approves all new partnerships. Trade Aid staff present information on the applying producer group against each area of the criteria for the Committee to consider. The Development Committee is made up of independent, dedicated members who have knowledge and expertise in a range of international community development areas. For a list of the Committee members see [Appendix A](#).

Between 2010 and 2011 a review was conducted by the Committee across all partners to consider alignment with the Trade Aid criteria. As a result of this, a few partnerships came to an end, and a stronger understanding of the strengths and weaknesses of the remaining partners was gained. A similar review will be conducted in the future.

The Committee members are joined in their monthly meetings by Trade Aid staff who provide appropriate and relevant information for the range of decisions that are made concerning partnerships.

In the same way, if there is a reason to end a trading relationship with a producer group, this information is presented to the Committee members for their approval, or for their wisdom in handling the situation.

#### Trade Aid Producer Criteria (2000)

Trade Aid works to develop partnerships through fair trade, with groups and organisations striving for self-reliance and for social and economic justice.

Producer groups must be able to demonstrate that they are achieving or working towards:

- group membership for those who suffer poverty and who are disadvantaged or under-privileged
- a sustainable structure with the capacity to develop independence and self-reliance for its members
- participation by producers in decisions which will affect them directly
- a fair financial return for producers in terms of their local context

- benefits for producers in such areas as health, education, saving schemes and housing
- safe working conditions
- equal opportunities for women in decision-making and as beneficiaries of the enterprise
- a commitment to not using bonded labour and a responsible approach to the involvement of children in production
- environmentally sustainable use of raw materials and production methods
- products that are saleable or can be adapted for sale in Aotearoa/New Zealand
- a willingness to engage in open and frank discussion on the aims, practices and performance of either partner.

Highest priority will be given to groups that:

- practise collective decision-making and full participation in goal setting and evaluation
- have a system of profit sharing
- ensure significant leadership by women within the organisation
- have the potential to bring about change within the group and in the wider community
- offer their members an opportunity to progress into other income-generating activity through education, loan schemes etc.
- are initiated by and for indigenous peoples
- preserve or revive their cultural heritage
- Trade Aid will include amongst its active partners at least one producer group that has potential, but is not at this stage commercially viable.



Mrs. Hing Vanna is an elementary school teacher and weaver for Cambodian Handicraft Association, "I weave in my spare time in between teaching and looking after my children. I have a boy who is four years old and a girl who is one."

## 2. We visit our partners to learn and share information

Over the last three years we have met face to face with 51 of our 63 partners. Twenty-seven of these partners were met with more than once. These meetings included:

- travelling to visit 32 partners in their own environments, enabling us to talk with staff, visit production workshops and meet the producers
- catching up with 28 trading partners at a variety of conferences around the world (some of these partners we also visited in their own country)
- two trading partners visiting New Zealand and speaking to a range of Trade Aid and public audiences around the country
- two of our trading partners have been members of the WFTO Executive Board over the last three years, and have thus met frequently with our CEO, also a Board member.

Trade Aid's aim is to visit with all our partners on a regular basis. We define regular on a case-by-case basis for each partner depending on their current position of strength or evidence of presenting issues, their geographic location, and whether they are regularly monitored against any approved certifications. For most partners however, regularly means at least one visit by a buyer or development staff member every 3 – 6 years. Meeting with 81% of our partners in the last three years puts us on track to visit all partners within the 3 – 6 year cycle.

Trade Aid began visiting back in the 1970s initially in search of new partnerships, but also to learn from, and about, those we had already begun to trade with, to meet the people involved and to select product in the absence of catalogues or the Internet.

In 2017, visiting trading partners remains important to Trade Aid for a number of reasons:

- we commit to long-term relationships so we can learn about our partners over 20, 30, 40+ year relationships; we form friendships with the staff who we communicate with regularly; understand the struggles they go through over time; visit them in their country to facilitate a better understanding of their cultural and economic context, all helping us to connect with and to advocate for them
- we are able to engage more strongly in our purpose of educating about trade justice if we have a better understanding of the organisations and producers who benefit from our trade
- in our experience, visits are when staff feel most connected to the producers we are working with, and this is when we are able to add the most value. Improvements to the way we trade come about mostly through discussions we've had during visits when we see an opportunity for changing the way we behave or for creating new initiatives to fill a gap. Creating the Next Generation Coffee Fund (see [Output 7](#)) is an example of an initiative that would not have occurred without a visit to the producers, and an understanding of the serious situation they faced
- we get a chance to see the ten fair trade principles in action, enabling us to have confidence in our supply chain and promoting this behaviour in our engagement work.

### 3. We build relationships with our partners

Partnership is the key to Trade Aid's work. We commit to working together and building relationships with our trading partners to create the change we know fair trade relationships can bring.

In 2017 our average length of partnership across our 63 partners is 24 years for craft partnerships and ten years for food partnerships. We have been working with six of our craft partners for over 40 years, including three since our first year of inception! (See [Appendix B](#) for full list of partnership years).

Our craft partnerships are longer on average because these were the first partnerships we created and the main first products we sold during the 1970s and '80s. With a wide range of craft products covered early on in our history, we began focusing on our food range from the late 1990s to widen our fair trade offerings and increase our education reach through regularly consumed products such as food.

We have always seen fair trade as being the tool by which the lives of artisans and small farmers could be transformed — not just economically, but socially and politically as well. However, crucial to achieving this change is a high quality of relationship with the organisations that support the producers and farmers. It is this relationship that defines our brand of fair trade, going far beyond the purchase of goods under fair conditions.

Our understanding of partnership is laid out in a set of guidelines called, 'Trade Aid Partnership Guidelines'. These guidelines help Trade Aid staff to make good decisions when communicating and engaging with our partners. These guidelines have been included into a comprehensive booklet called, 'Partnership with Trade Aid', which includes additional information about who we are and how we work. This booklet is sent out to all Trade Aid partners at the commencement of a relationship so they know what they can expect when engaging in a relationship with us.

#### **Ending trading relationships:**

Building long-term relationships is a strongly kept value of ours. However, it is not enough on its own for us to maintain relationships that are no longer bearing the fruit they once were. In 2017 we had reason to discontinue relationships with two craft partners and one food partner which, despite their long-term trading relationships, were no longer demonstrating the ability to engage in a sustainable trading relationship with the potential to create change for its producers. These are always very difficult decisions to make, which fall to Trade Aid's [Development Committee](#). The Committee assesses whether Trade Aid has taken all practicable steps in attempting to improve the value of the relationship and that our behaviour adheres to our written partnership guidelines.

To read Trade Aid's Partnership Guidelines, see [Appendix D](#).

## 4. We work together with our partners to solve problems and build capacity

We aim to build long-term relationships and to get to know our partner organisations. We want to add value to these relationships to the best of our ability. Some of the ways we have done this in recent years and in 2017 include:

- Product Development for craft partners
- providing Capacity Building Funding for food and craft partners
- Next Generation Coffee Fund for coffee partners.

In 2017 we supported the development of 250 new products; distributed \$2.5m of Capacity Building Funding since 2001; and sourced nearly \$200,000 of investment for small coffee farmers from the NZ coffee industry since 2010.

### Product Development for Craft Partners

In 2017, we developed 250 new products with 26 of our craft partners. Of these partners, 20 went on and developed additional new products of their own designs based on Trade Aid product development.

Trade Aid's Product Development Programme is a huge asset to both us and our partners because it:

- improves and fills gaps in the Trade Aid range, while simultaneously extending the product ranges of our trading partners that they can then use to build their own sales and attract new customers. Product development supports our partners to create products that stay relevant and saleable in a Western market without losing their traditional artistry
- develops our partners' creativity with the provision of Trend books (both broad and product category specific). Trend books help build up our partners' knowledge of current consumer preferences, inspiring them to be more creative and to develop new designs that are saleable in a Western marketplace. In doing so the books help to build the scope of their businesses
- fosters creative collaboration, partnership and mentoring. A great barrier to creativity is a lack of self-confidence, so Trade Aid's product development encourages and builds constructive, tactful relationships with our producers
- is all about cross-cultural collaboration, creative encouragement and appreciation of traditional artistry.

And every year we ask our partners about the effectiveness of our product development programme, so check out their responses in Short-term [Outcomes 3 and 4](#).

### Providing Capacity Building Funding for food and craft partners

Over the last fifteen years, (2001 – 2016) Trade Aid has channelled more than two and a half million dollars of capacity building funding through to our trading partners (NZ\$2,538,640). This funding was provided by New Zealand's Ministry of Foreign Affairs (MFAT) and administered by Trade Aid for the benefit of our trading partners.

The aim of this programme has been to provide small grants to partner organisations for capacity building activities that will increase the capacity and capability of their organisations to produce and sell marketable products. The approval of partner proposals and reporting against the criteria are overseen by Trade Aid's Development Committee, with just over half of Trade Aid's partners receiving these funds each year.

Popular uses by our trading partners of these funds are marketing initiatives including travelling to trade fairs and building websites, training artisans in product design, improving production processes and upgrading production tools and machinery. All these small initiatives can make big differences to improving quality and increasing production volumes.

And it's been effective. Read what our partners had to say about this programme in Medium-term [Outcome 8](#).

Unfortunately this MFAT funded programme came to an end in June 2016, and a successor initiative owned by Trade Aid has yet to be designed and implemented. Fair Trade Principle 8 centres on buying organisations such as Trade Aid working together with producer organisations to build up their trading capability. In complete agreement with this principle, Trade Aid believes that having the ability to engage in capacity building initiatives with our partner organisations is key to how we can add maximum value into our supply chains. It is our plan to create a fund that will allow us to resume capacity building projects with our partners as soon as possible.

### **Next Generation Coffee Fund for coffee partners**

The New Zealand Coffee Industry are the contributors to a Trade Aid run fund that fills a critical need currently facing coffee farmers around the world.

With aging trees and crops prone to new widespread diseases as a result of climate change, coffee farmers around the world are experiencing low yields and are in urgent need of replacing aging and diseased crops. Most farmers however, cannot afford to remove even the lowest yielding trees without a loan to cover the period before the new trees start to bear fruit. This is the role that these funds play, enabling farmers to renovate their coffee plots and experience the benefit of increased yields in future years.

The Fund, set up by Trade Aid in 2010, provides capital to coffee co-operatives with revolving loan structures in place that can provide loans to their coffee farmers. Revolving credit means that the number of farmers receiving loans will be ever-increasing because as the loans are paid back the capital is passed onto other members of the co-operative as a new loan.

Despite the Fund starting with a bang in its first few years of operation, contributions in recent years have slowed. The most recent contribution of NZ\$4,446 was lucky to be paid out in December 2016 due to a change of regulation making the practicalities of sending funds more difficult. As a result of this situation, contributions to the Fund are on hold until Trade Aid is able to set up a compliant regulatory mechanism that enables us to reinstate annual payments to partners.

For further information about the results of the Fund, view [Output 7](#).



Honorato Garcia, member of CENFROCAFE, and recipient of NGCF support

## 5. When placing orders we pre-pay a minimum of 50% of the order if requested

Pre-payments are payments to producers in advance of production if they request it. The amount paid reflects a percentage of the order that has been placed with them, and is no less than 50%. In the last financial year to June 2017, Trade Aid paid pre-payments to producer organisations of \$2,380,527.

Pre-payments for craft items to support their manufacture are not commonplace in commercial transactions, and are a unique and special aspect of fair trading relationships.

Pre-payments recognise the substantial capital required to invest in production processes and the high cost and difficulty of borrowing to cover this in developing countries, often from money lenders at high interest rates.

We believe pre-payments are good business. They go a small way towards balancing the inequality between buyer and producer. As a WFTO member, we adhere to Fair Trade Principle Three (Fair Trading Practices) which has an excerpt in it relating to pre-payments:

Fair Trade buyers, recognising the financial disadvantages producers and suppliers face, ensure orders are paid on receipt of documents. For Handicraft Fair Trade products, an interest free pre-payment of at least 50% is made on request. For Food Fair Trade products, pre-payment of at least 50% at a reasonable interest is made if requested. Interest rates that the suppliers pay must not be higher than the buyers' cost of borrowing from third parties. Charging interest is not required.

Trade Aid includes our own policy on pre-payments in our Partnership guidelines that our trading partners can rely on:

Payment for orders, pre-financing:

Trade Aid recognises that pre-financing is an important service we need to offer our trading partners. TA will offer to pay not less than 50% of the value of the order, interest free, to the supplier at a date of their choosing, or will arrange pre-financing through a third party.



Gourds stacked in a workshop in Huancayo, Peru, awaiting carving and handpainting by talented artisans.

## 6. We pay a fair price in a timely way

In 2017, Trade Aid paid a fair price, on time, as laid out in our purchasing guidelines and in accordance with WFTO Principle Four, for 100% of our purchases. Trade Aid was audited and approved against these processes in 2015, by an independent auditor as part of the WFTO Guarantee System.

Trade Aid pays the final balance for goods at the time the products are shipped. This ensures that trading partner organisations have certainty as to when they will receive payment, and it ensures that the time between producing the product and receiving compensation is not unreasonably long. This certainty of timing enables our trading partners to create responsible fiscal policies that support their trading business.

Trade Aid's behaviour around pricing is conducted according to our purchasing guidelines, as laid out in our Partnership Guidelines document:

### **Setting fair prices**

Price setting is usually left to suppliers' discretion. Having chosen trading partners that Trade Aid believes will most effectively help us to meet our development aims, we expect that, within a given supplier's local context, they will set their price for a given product at a level which will recognise market ceilings while delivering the maximum benefit to their producers. Trade Aid will advise partners when their prices are not compatible with our market and, if the partner chooses, will engage in discussion about this.

On occasion, after prices on the pro forma invoice have been confirmed and production has commenced, a severe currency fluctuation or sudden increase in the cost of production may cause the partner to ask for a price increase in order to pay producers a fair return as agreed. In this case Trade Aid will treat the request sympathetically, and will endeavour to pay the increased prices, or to come to a mutually acceptable compromise.

There will be rare occasions where Trade Aid will work with trading partners more actively to set, with open dialogue, a mutually agreeable price.

Within the confines of achieving an overall budgeted margin, Trade Aid will employ a policy of flexible margins to support partners who meet fully the criteria for partners, but whose product would not be saleable otherwise.

These purchasing guidelines are in line with WFTO Principle Four (Fair Payment) and have been approved by the WFTO as part of Trade Aid's accreditation process.

### **WFTO Principle four: Fair Payment**

A fair price is one that has been mutually agreed by all through dialogue and participation, which provides fair pay to the producers and can also be sustained by the market. Where Fair Trade pricing structures exist, these are used as a minimum. Fair pay means provision of socially acceptable remuneration (in the local context) considered by producers themselves to be fair and which takes into account the principle of equal pay for equal work by women and men. Fair Trade marketing and importing organisations support capacity building as required to producers, to enable them to set a fair price.

## 7. We warehouse our products in Christchurch

Trade Aid Importers operates a 2600m<sup>2</sup> warehouse in Dallington, east Christchurch to receipt, store and dispatch stock to customers around New Zealand and internationally. The warehouse includes an indoor and outdoor Ministry for Primary Industries approved transitional facility for devanning containers and a temperature controlled room for storing product.

As at June 30 2017, the Trade Aid warehouse carried 2,391 different types of craft products, 136 different food products, 25 different chocolate products and 41 different lines of green coffee beans.

Orders are picked, packed and dispatched from the warehouse to our network of retail stores and our wide range of wholesale customers daily.

Our warehouse has a staff of seven who are supported in the inwards goods area by a group of ten volunteers. These dedicated volunteers collectively put in a total of 81 hours a week to help unpack, sort, count and conduct quality control processes on our inward goods.



Stuart McCallister, warehouse volunteer in Christchurch.

## 8. We have our own packing unit in Christchurch

Wherever possible, Trade Aid purchases product from producers ready for sale; this allows the producers to add more value to the end product. Not all our trading partners have these facilities however, so Trade Aid operates a food packing unit, located in our Christchurch warehouse in Dallington to repackage bulk product into retail units.

Our packing unit has facilities to grind, weigh and pack coffee beans; weigh and pack cane sugar, loose rooibos tea, our drinking chocolate range, dates and raisins. These facilities allow us to process and package 23 different products in our unit.

On a daily basis the packaging unit is responsible for grinding our freshly roasted fair trade organic coffee beans for sale under the Trade Aid brand. Last year we packaged 17,271kg of freshly roasted fair trade organic coffee as part of our work packaging these 23 different lines of product.

A few examples of food products that arrive already packed by our partners who run their own packing units include coconut milk, rice, spices, tea, and olive oil.

Partnering with another local social enterprise, Trade Aid uses Kilmarnock Enterprises which has specialised facilities where allergens can be packaged, so they package our nuts, couscous and quinoa for us.



Roasted coffee beans being packed in the Trade Aid packing unit.

## 9. We manufacture Sweet Justice in our own chocolate factory in Christchurch

In June 2017, Trade Aid's Sweet Justice factory produced our 700,000th fair trade and organic certified chocolate bar. And we're expecting our millionth bar off the line in early 2018. Throughout the year our Sweet Justice chocolate factory produced 46,555kg of chocolate.

Our Organic Certified chocolate factory was set up in Sydenham Christchurch in 2014 so we could manufacture all our chocolate locally, using the finest ingredients sourced as directly as possible from our trading partners around the world. In creating a shorter supply chain, more value goes back to the producers who grow the product, including providing better opportunities for the producers to further process and add value to their raw ingredients, capturing further value within their own supply chains.

Manufacturing our own chocolate enhances our ability to develop new and successful ranges and products for New Zealand and export markets, increasing the value of trade we have with our trading partners.

We already import a large range of fair trade food products from our partners all around the world, and we saw building a chocolate factory as a great way to add further value to products such as dried fruits, nuts and spices, by adding chocolate to them. In 2017 the Sweet Justice factory makes chocolate bars, chocolate drops and coated products such as chocolate coated almonds, cashews and raisins.



A range of chocolate coated raisins, cashews and almonds produced in Trade Aid's Sweet Justice Chocolate Factory.

## 10. We plan promotions and marketing around our partners' fair trade products

Trade Aid plans promotions and marketing around our partner's fair trade products, based on our point of difference — our transparent and sustainable supply chains where every product comes with a story of change for its producer. And for four years running Trade Aid has been named by the NZ public as a leader in sustainability in Colmar Brunton's Better Futures Reports (2013 – 2016).

Every year Colmar Brunton creates its Better Futures Report, with the latest being released in late 2016. The Report aims to provide key insights into consumer perspectives on sustainability and how this has changed over time. In 2016 the study surveyed 1000 nationally representative people and their attitudes and behaviour towards socially, environmentally and economically responsible brands.

Over the years the survey has included both a recall question and a prompt question. The recall question in 2016 was, "... thinking about all the brands you know of, both within New Zealand and around the world, which brands would you say are leaders in the area of sustainability?"

Trade Aid was one of eight brands named, and of interest is that only 15% of respondents were able to name any brands in this unprompted section of the study. Trade Aid was also recalled in the three previous years' studies.

The prompt question then goes on to ask respondents, "How much do you agree that each of the following businesses are leaders in any area of sustainability?" and gives a list of 13 businesses. Of note in 2016 was that Trade Aid was not included on the prompt list despite being included for the previous three years (each brand on the list of thirteen is a member of the Sustainable Business Council, which Trade Aid is not).

As a result of these two questions Trade Aid was named third equal in the 2016 report. In contrast in the 2015 study when Trade Aid was on the prompt list it was ranked number 1 out of 20 brands.

### How did we get our message of 'change' out to the public in 2017?

#### Social media:

- We have a presence on Facebook, Twitter, YouTube and Instagram. View Output 3 (hyperlink) for Trade Aid's social media results.

#### E-news:

- A monthly E-newsletter sent out to a subscriber list of 12,478 people. Each of the twelve issues a year contains products and the stories of change for their producers.

#### Sponsorship and prizes:

- Trade Aid provides gift packs, products for goodie bags and social media prizes throughout the year to gain the attention of the wider public and promote the unique-ness of our products and their fair trade qualities.

#### Our website:

- In 2017 we launched our new website that better promotes our beautiful products and easily links them to their makers. Being fully responsive it allows people on different sized devices to explore the site getting our message and products out to a wider audience.

#### Media:

- With every new product and Lookbook produced, samples and PR Packs are sent out to key media for placement in magazines, newspapers and online.

**In-store:**

- World Fair Trade Day: celebrating the WFTO international theme of being an agent for change by knowing about the supply chains of your products.
- Promotional trials focused on various single categories including: fundraising chocolate; jute bags; baskets; tea; and jewellery.
- Annual national sale highlighting special stock.
- Chocolate parties at different Trade Aid sites during the year.

**Business to business promotions:**

- Shopping evenings and gift hampers focused on our partners' products, promoted to businesses and organisations.



## 11. We plan and implement education activities to meet our purpose of raising the level of knowledge of trade justice

Trade Aid's purpose is to:

- Improve producers' lives through our trading relationships and to raise the level of knowledge of trade justice.

One of our three key Charter objectives aimed at raising the level of knowledge of trade justice is:

- To educate about trade justice.

Thus education is a key priority in Trade Aid's work and our education programme is delivered through fourteen different mechanisms to encourage Trade Aid staff and volunteers and the New Zealand public to educate ourselves about trade justice.

Our education programme reaches both internal and external stakeholders:

- Trade Aid Importers staff based in Christchurch
- Trade Aid Movement people: shop staff and volunteers, trustees, The Trade Aid Importers' Board, The Trade Aid Development Committee and Committee members of The Trade Aid New Zealand Incorporated Society
- Within New Zealand: shop customers, general public, schools and tertiary institutions
- Internationally: readers via the Trade Aid website or direct enquiries.

Our education programme is delivered through the following initiatives:

### For the public:

#### 1. Resources for schools

Trade Aid's curriculum-based resources about trade justice have been designed based on teachers' feedback and have been produced in collaboration with Victoria University (NZ) educational specialists. These resources take a concept and issues-based critical thinking approach to considering people's participation in trade relationships, and the challenges of economic disparity. The resource suite is provided in a fully digital format and gives a complete informational package for teachers and students. [Read comments](#) from teachers who have reviewed our resources ahead of their release in October 2017.

#### 2. Presentations

Trade Aid staff and volunteers hold presentations about Trade Aid's work with audiences throughout New Zealand, including to community and business groups, schools and tertiary institutions. Trade Aid educators also present a range of educational information and products for sale at community events. For our results this year check out [Output 4](#).

#### 3. In store kiosks

These innovative touchscreen portals in each of our stores enable our customers to scan any product in store and can be linked to the producers behind the product, including photos, text and videos. Customers can also browse a wide range of videos based around issues of trade justice. As part of our education outcomes we surveyed a group of customers who engaged with our kiosks, read their feedback in [Outcome 1](#).

#### 4. Publications

Trade Aid produces printed booklets on key trade justice topics such as the environment, gender issues, partnerships and child labour. These are available in hard copy through our stores and in an e-format via our website.

## 5. Website

Featuring educational content about fair trade, Trade Aid and our story, our model of trade, our partners, producers and the change they experience through fair trade, and of course their beautiful products. Check out [www.tradeaid.org.nz](http://www.tradeaid.org.nz) for our new website launched in 2017.

## 6. YouTube channel

The Trade Aid channel features short videos about key fair trade issues, interviews and trading partner and producer information. Read more about our online education in [Output 3](#).

## 7. Social media

Articles of educational interest are regularly posted via Trade Aid's Facebook page. Read more about our online education in [Output 3](#).

### For the Trade Aid Movement:

#### 1. Kete of Knowledge

This is our internal training programme designed to teach staff and volunteers about Trade Aid's unique form of business and wider issues of trade justice. Read more about this in [Activity 12](#).

#### 2. Resources for presentations

To support our teams of educators around New Zealand, innovative and up-to-date presentation tools and educational materials are developed to equip presenters.

#### 3. Education Tours

Education Tours which cater for Trade Aid staff and volunteers around the Movement have typically been organised every 12 to 18 months providing a firsthand, motivating and educational experience. The main aim of these trips is to enhance the understanding, and therefore passion, that the Trade Aid Movement collectively holds for our shared vision and purpose, by seeing the impact of fair trade first hand. The learning from these trips is designed to be shared across the Trade Aid Movement and the New Zealand public upon the participants' return. Read about the impact of these tours in [Output 8](#).

#### 4. Trade Aid Library

Trade Aid has an online 'Library' which is a rich depository of all trading partner and producer information including trip reports, photos, articles, interviews, presentations and education resources for the Trade Aid Movement to access.

#### 5. Conference presentations

Education workshops and presentations are regular and key features of our regional and national Trade Aid conferences that are held annually.

#### 6. Korero

This internal three-monthly Trade Aid newsletter includes educational material of interest to the wider Trade Aid Movement.

#### 7. Facebook group

Our educators throughout the country are linked via a Facebook educators' page, to share ideas and provide collegiality amongst educators.



Free Trade Aid Education publications and an organic spice promotion in the Christchurch Trade Aid shop.

## 12. We train our staff and volunteers on trade justice issues

The Kete of Knowledge is a two stage internal training programme for staff and volunteers within Trade Aid. It's name comes from a Maori legend which describes Ko te kete aronui — knowledge to help mankind. This ancient legend signifies life as a journey of striving for knowledge, education, and enlightenment and to become better people.

In 2017, a total of 68% of our staff and volunteers have completed the basic required level (Kete 1) and 23% have completed the advanced level (Kete 2). This gives us plenty of training left to do as it is our target to have 100% of our staff and volunteers trained in the basic level of the Kete, and for all of those working in senior positions, or with regular contact with the public or the media to complete the advanced level.

Completing the Kete training increases our staff and volunteers' knowledge of our organisation through their increased understanding of all we do and the confidence to share this knowledge with others. Trade Aid is different from other retailers and wholesalers in that we proudly acknowledge the story behind each one of our products. As such, we want our staff and volunteers to become interesting and engaging advocates for Trade Aid when dealing with our customers. Engaging others in trade justice will lead to a population that is more aware of the part they play in creating trade justice, to increased sales and to be enthusiastic lifelong supporters of Trade Aid. For our producers, this leads to changed lives and a changed world.

“Kete Two enables me to have a deeper understanding of the internal business system of Trade Aid and its different way of conducting business from traditional trade”

— Feedback from a Kete training participant in 2017.



Trade Aid staff members Ewan, Justin and Lauren displaying Kete of Knowledge certificates awarded upon completion of Trade Aid's internal training programme.

### 13. We sell product through our own branded Trade Aid shops

There are 28 Trade Aid shops around New Zealand: from Whangarei in the north down to Dunedin in the south (as at June 2017), which account for 92% of Trade Aid’s wholesale craft sales out of our warehouse in Christchurch, but only 35% of Trade Aid’s total wholesale sales. We have six shops in Auckland, two in Wellington, and one in most other large towns and cities throughout the country. Te Awamutu is our smallest shop and Wellington City our largest.

Despite Trade Aid shops being the face of Trade Aid in New Zealand, the majority of our imported goods is sold outside of our shops; 65% of wholesale sales out of our warehouse in Christchurch are mostly food products sold to other retailers such as organic shops and supermarkets and green (unroasted) coffee beans to NZ coffee roasters.

The owners of the Trade Aid shops are individual charitable trusts that are the legal employers of the shops’ paid staff. Trustees are elected annually from the Shop Trust membership and are responsible for effective governance of the shop.

The Trade Aid shops are an integral part of the Trade Aid Movement and contracts between Trade Aid and the shops ensure our branding and messaging are consistent across the Movement, and that any profit recognised by individual shops gets returned to the Movement to offset lower performing shops, and in good years return a profit to the Movement for investment back into the business. Trade Aid NZ Inc. is the incorporated society which governs the Movement, it is a membership based incorporated society with charitable status and holds the shares of the trading company. Membership is open to shops and individuals; all Trade Aid shops are members. The executive committee members of the society are elected at an AGM and are responsible for ensuring the Movement meets the vision, purpose and objectives as set out in the Trade Aid Movement Charter.



The temporary Christchurch Trade Aid shop located in the Restart container mall.

## 14. We sell online at: [www.tradeaid.org.nz](http://www.tradeaid.org.nz)

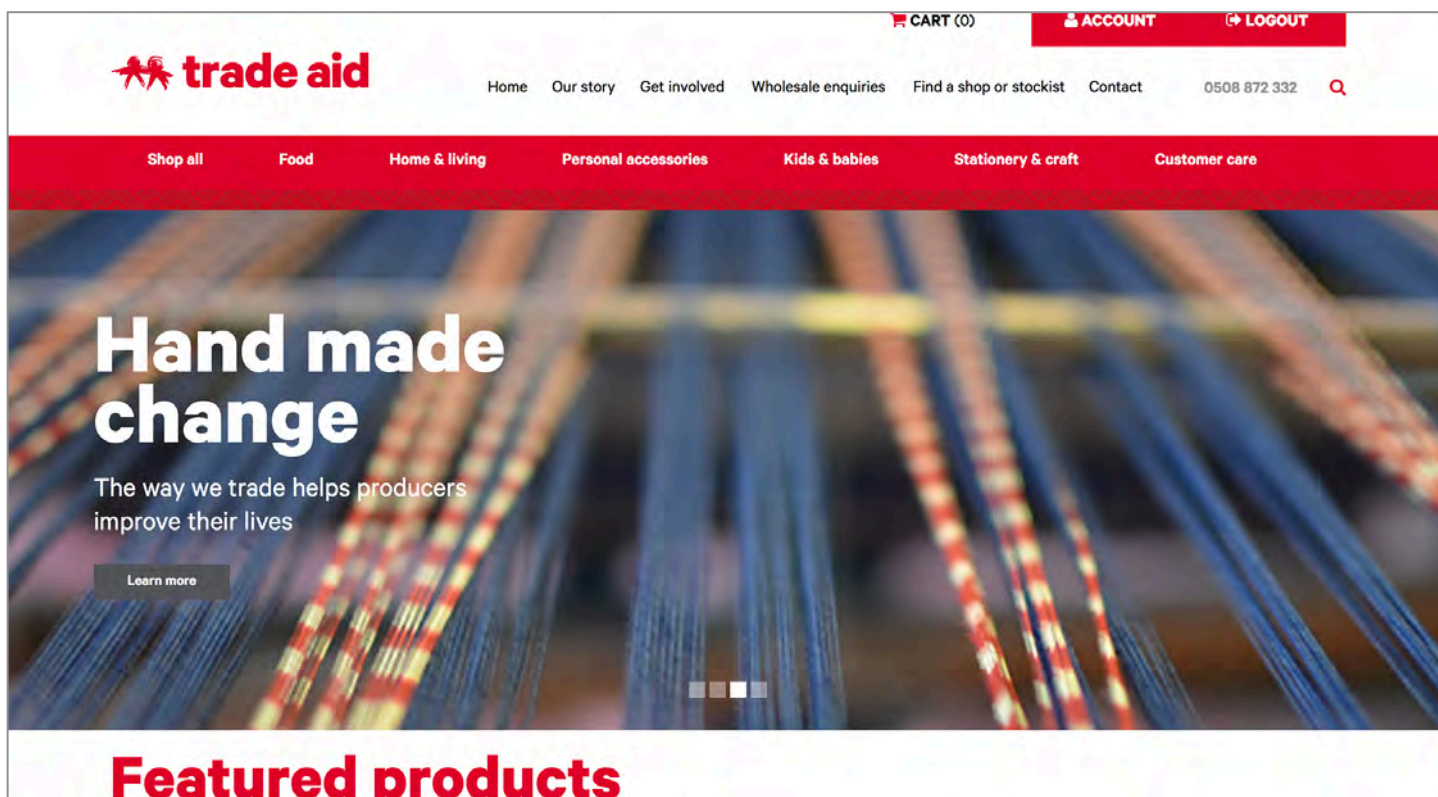
In June 2017 we launched our new retail website which provides better access to our partners' beautiful handmade and organic products, and the stories behind them.

Trade Aid web sales during the 2016–17 year were \$160,194, making 2% of our retail sales. Since 2010 we have been retailing our partners' products online and although we have seen sales steadily grow over this time, we expect this growth to be supercharged over the next few years as our new responsive website takes off. We are aiming for our online shop to represent 7% of our total retail sales, in line with general commercial expectations of online vs. bricks and mortar retailing.

Shopping at [www.tradeaid.org.nz](http://www.tradeaid.org.nz) is now easier for a wide range of customers to access due to the responsive element of the website allowing users of all sized devices easier navigation. Ethical consumers can learn more about our products with each item having at least three tabs of information where you can view the basic information about the product, learn about 'who made it', or read the product specifications or nutritional information.

Clicking on the 'who made it' tab takes you to the unique page for the producer group that makes the product. On this page you can watch video clips filmed at the producer's location, view a selection of photos or read about the purpose of the group.

Keeping up-to-date with Trade Aid blogs and fair trade news is also easier on the new website. The blogs, news, and other articles of interest are tagged with keywords so they can be filtered to display specific topics, or authors, of interest. The website also provides a streamlined sign up process making it easier to become a fair trade supporter and customer.

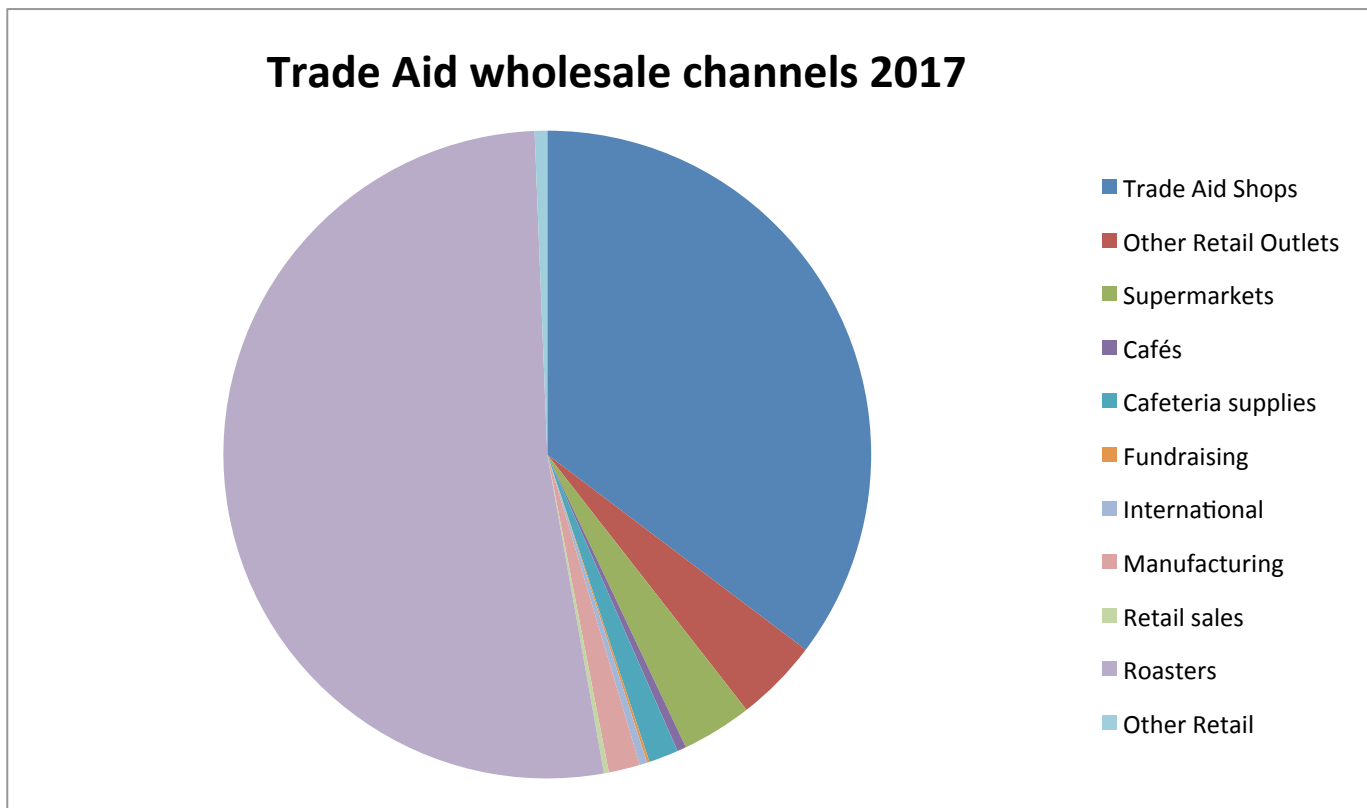


A screen-shot of the new Trade Aid website in 2017.

### 15. We wholesale product to others outside of the Trade Aid shops

To many people Trade Aid is best known for our network of retail stores throughout the country, however, the largest part of our business is actually wholesaling craft, food, green coffee beans (unroasted coffee) and chocolate products to other businesses in NZ. These sales make up 65% of our total wholesale sales.

Our Green Coffee bean business is particularly large; we sell 1350 tonnes of unroasted coffee beans a year to coffee roasters throughout NZ (52% of our total wholesale sales).



## 16. We audit our activities against fair trade principles through the WFTO Guarantee System

All our trading behaviour, in New Zealand and when engaging with our partners, must conform to the ten fair trade principles of the WFTO Guarantee System. Trade Aid was accredited by the World Fair Trade Organization’s (WFTO) Guarantee System in March 2015. The system is the first international fair trade system that verifies organisations’ compliance with all principles of fair trade, delivering the promise of fair trade compliance throughout the entire supply chain.

This is not a product certification system; it is more than that, because it is about process too. This accreditation means that when you buy products from Trade Aid you can be assured that fair trade is implemented not only throughout the production supply chain, but in the practices of our organisation too. Members that pass the process receive ‘Guaranteed Fair Trade Organisation’ status and may use the WFTO Label on their products.

WFTO and its members believe that trade should work for people and the environment, and not at their expense. The ten Principles of Fair Trade are the fundamental philosophies established by WFTO members to guide their practices. The WFTO prescribes these Principles to organisations as a way of fighting against trade injustices and discrimination. For an animated video of the ten fair trade principles watch: <https://www.tradeaid.org.nz/our-story/made-fair/>

The major aspects in the development of the Guarantee System were credibility, sustainability and robustness of the system and to achieve these three criteria The System has five major components: New Membership Admission Procedure, Self-Assessment Report, Monitoring Audit, Peer Visit, and the Fair Trade Accountability Watch (FTAW). The FTAW is a participative monitoring mechanism that allows the public to report compliance issues regarding Fair Trade Organisations.

You can read more about the Guarantee System at: <http://www.wfto.com/standard-and-guarantee-system>



## Outputs:

### 1. Increasing orders to our partners' year-on-year

At the heart of building long-term sustainable trading partnerships that lead to change for producers, lie regular and increasing orders year-on-year. To achieve this Trade Aid aims to maximise sales of fair trade products in order to strengthen our trading relationship across all our partners. So how did we do?

Over the last five years we have been able to increase our orders for 89% of our craft partners, 83% of our food partners and 75% of our coffee partners.

To monitor our progress in this area across our large number of trading partners (37 craft and 26 food), we chose to report on our average yearly increase in orders to each partner over a five-year period.

#### Why five years?

There are many reasons why orders to our partners fluctuate from one year to another, so these fluctuations in the short-term mean taking a one-year sample would not reflect the reality of our efforts to sustain orders over time. Some of the reasons for these fluctuations are out of our control, such as exchange rates changing, while others correct themselves after a year or two, such as large orders leading to us being temporarily overstocked and needing to reduce orders over the next one to two years to rebalance this. It has been five years since we last reported via social accounts so this seemed like a valid time period to select.

Because of this five-year time frame, our three newest partners are not represented in the numbers below because they have only had one or two years of orders during their trial partnership. The first few years of ordering are often irregular as we test the market with new products and it doesn't always represent the pattern of ordering we would expect to occur in the third and ongoing years of partnership.

#### Our result for craft partners:

In 2017 Trade Aid has 37 craft partners, 36 who are in the category of being long-term partners and one who is still in a trial phase and not represented in Figure 1. Of these 36 partners represented we have been able to increase our orders on average year-on-year for 32 of them.

Of note in Figure 1 is that one of our craft partners MERIP based in Micronesia experienced a 107% increase year-on-year. MERIP is a sponge farming producer group and our third newest partner. MERIP's order was low at the beginning of the five-year period and, as a result of some rebranding and new packaging work, their sales have doubled year-on-year.

Two craft partners' orders were maintained with no increase over this time, and for two partners their orders dropped by -4% and -6% on average year-on-year. We believe both of these decreases are explained by specific fluctuation periods rather than a long-term downward trend. One of these partners is a new partner that has only received four years of orders since the partnership began. The first two years of orders were placed when we were increasing our stock holdings so the two orders following these were smaller relatively but more in line with likely future order levels. We would expect to see small increases in orders placed with this partner over future years. The other partner's product had a few instances of runouts five years ago, and at this time we introduced three new varieties, so our order levels were a lot higher than they had been previously. Since this time our orders have not needed to be as high due to holding plenty of stock.

**Our result for food partners:**

In 2017 Trade Aid has 14 food partners (This does not include coffee partners who are covered further down the page) of which 12 are in the category of being long-term partners, and two are still in a trial phase and not represented in Figure 2. Of these 12 partners represented we have been able to increase our orders on average year-on-year for ten of them. Unfortunately, two partners experienced a decrease of 2% year-on-year because our sales of these products to customers have been static over this period and our order levels reflect this. It is our hope that we are able to increase our sales' level with current customers or find new customers for these products over the following years. See Figure 2 for food partner results.

Trade Aid's 14 food partners sell us rice, sugar, honey, cocoa, tea, spices, dried fruit, coconut milk and desiccated coconut, olive oil, nuts, sesame seeds, couscous and quinoa.

**Our result for coffee partners:**

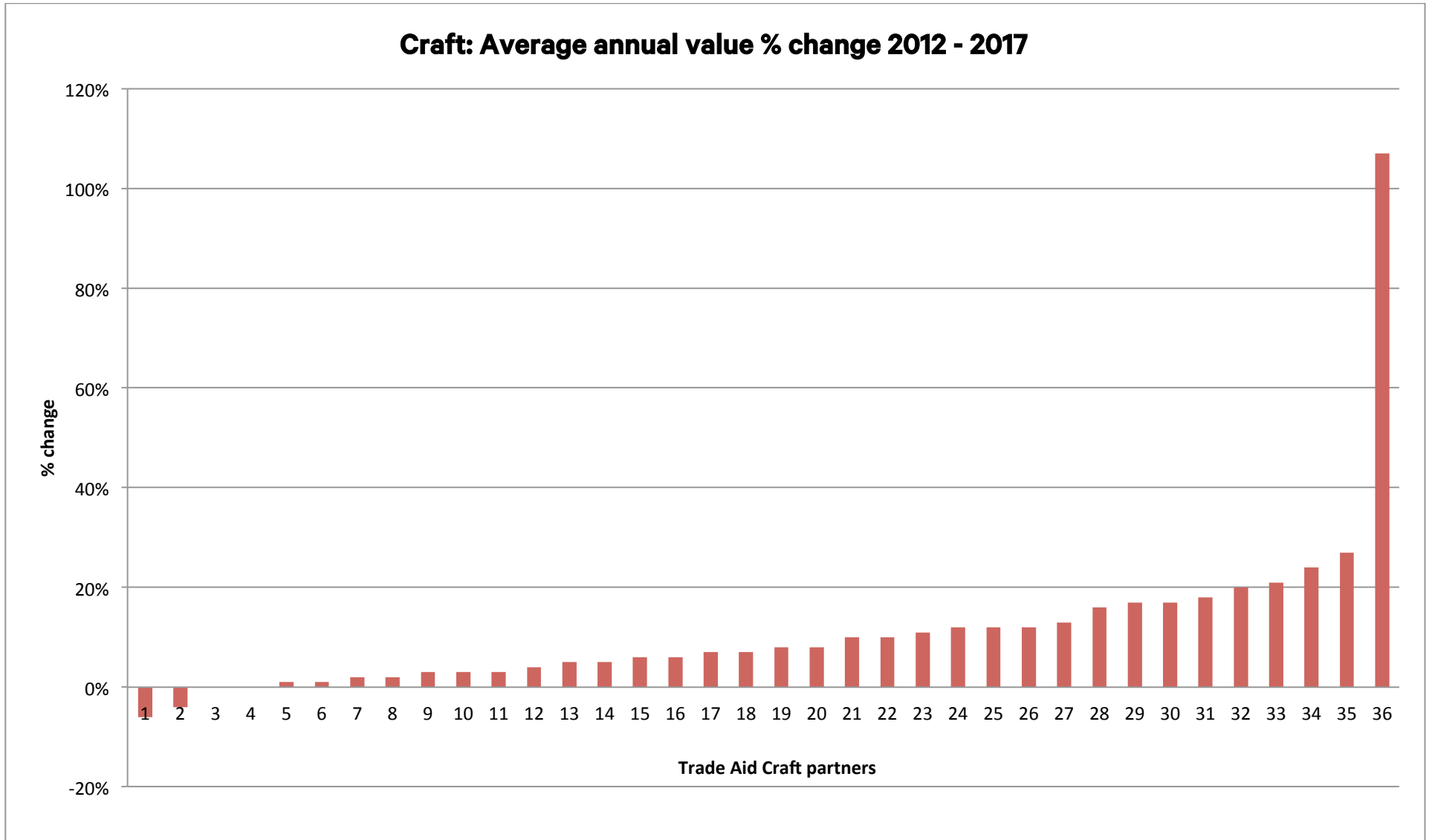
In 2017 Trade Aid has 12 long-term coffee partners that sell us unroasted coffee beans called 'green coffee'. Of these 12 partners we have been able to increase our orders on average year-on-year for nine of them. Of the three partners experiencing lower order levels from us, two of these have unfortunately experienced internal issues within their co-operatives and are not in a strong production or trade situation. This reduces our ability to control the volume of our purchasing due to quality production issues or volumes not being available for purchase. For the third partner experiencing lower orders we have unfortunately lost a small number of key roaster customers and thus our purchases are down.

View Figure 3 for coffee partner results.

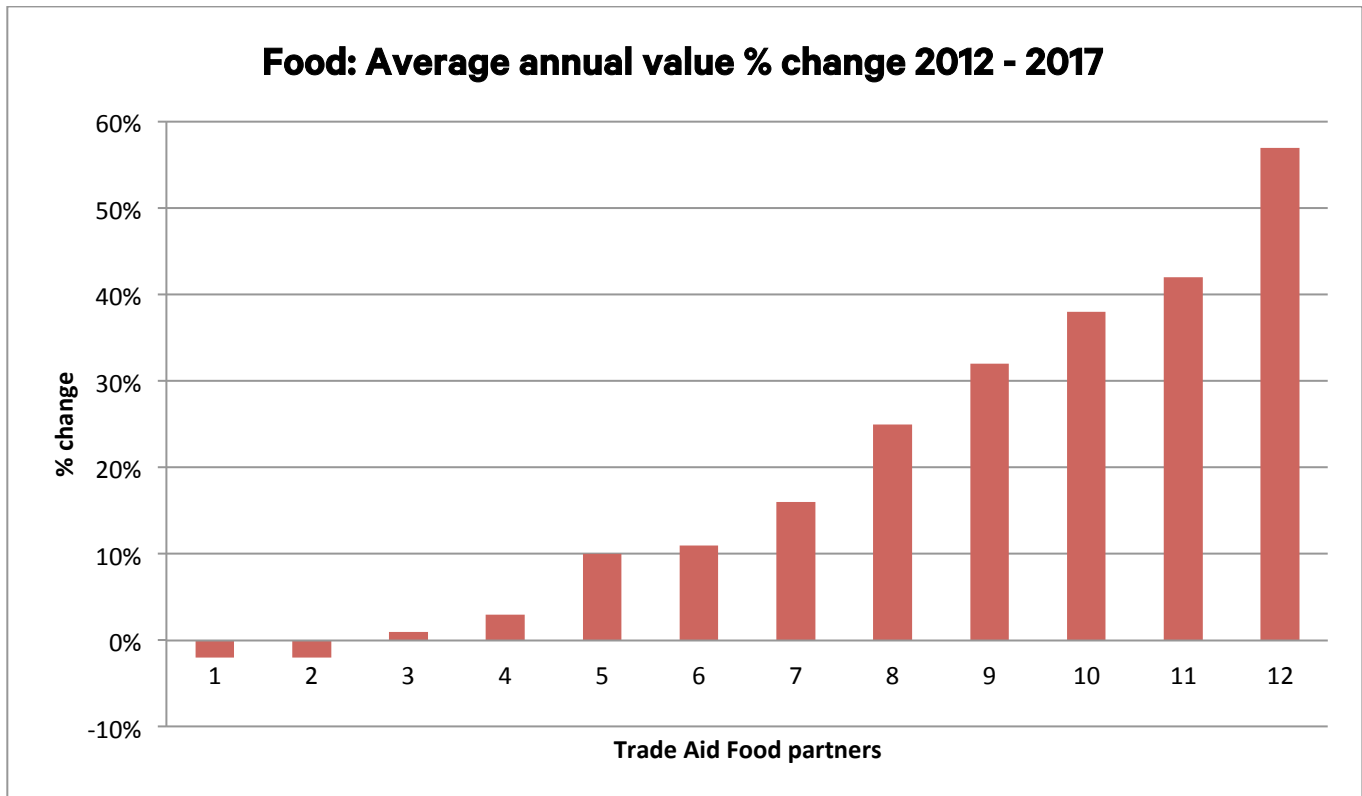
**What does it all mean?**

Our target is to increase sales on average over a five-year period for ALL of our long-term trading partners, so despite succeeding for most of our trading partners we did not achieve 100% success for all partners, so we have work ahead of us to achieve this in the future.

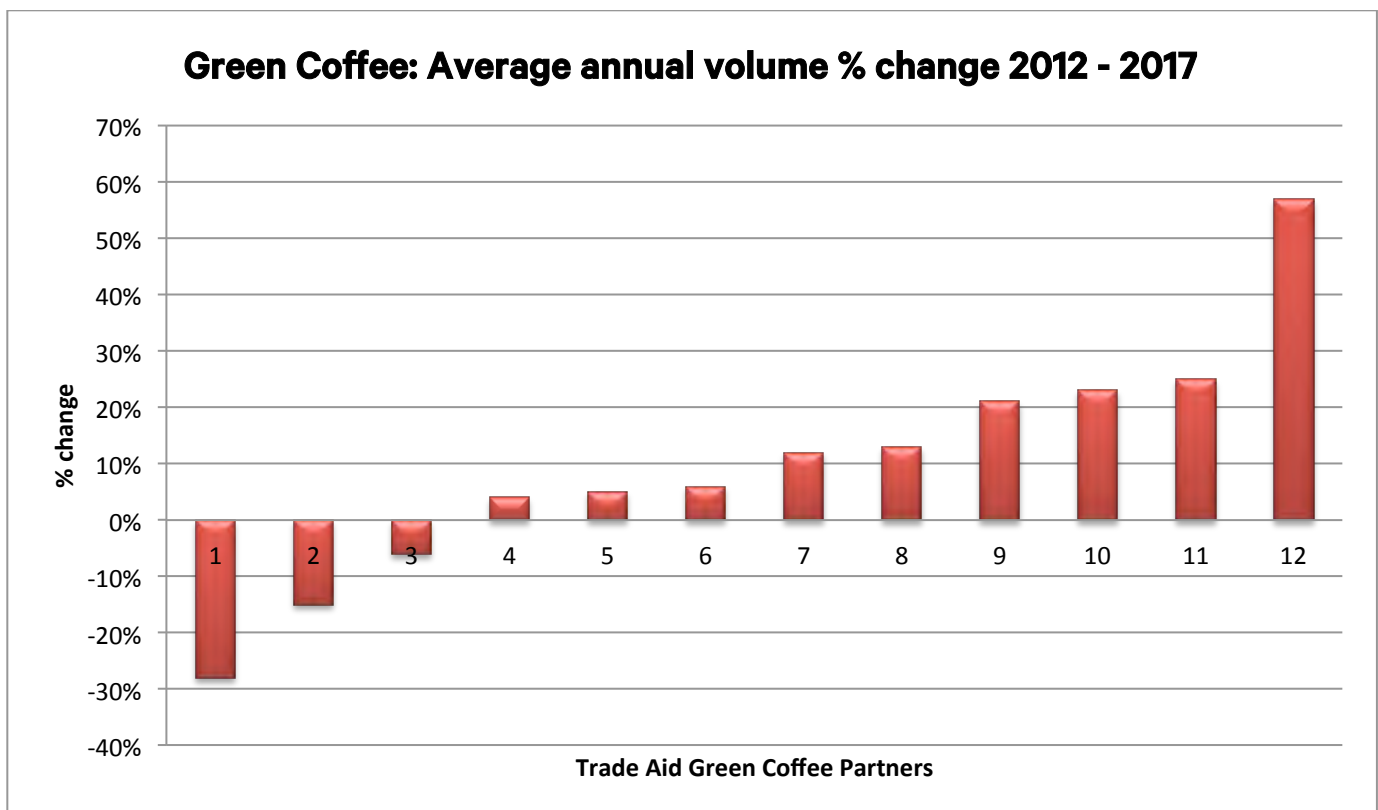
Craft partner order: Figure 1



Food partner order: Figure 2



Coffee partner order: Figure 3



## 2. Trade Justice Education in-store

Every Trade Aid shop around the country has an interactive kiosk in-store providing customers a portal into the world of our producers. An estimated 11,000 customers used our kiosks to learn about the people behind our products in the last 12 months, changing their shopping from a passive consumer experience to one in which they can feel they are involved in fair trade issues.

Why only estimated user numbers? Unfortunately, we have not been able to gather digital data on the number of users so an estimated number is the best we can do this year basing it on our shop managers' observations of their customers. During the second part of 2017 and into 2018 we will be tracking user data on our kiosks and we hope to improve on these usage statistics next year.

Our kiosks are a large touchscreen, with speakers and a scanner that customers can access information either directly using the touchscreen to select information they are interested in, or by scanning a product and being directed to information specifically about the group which made that product. The material on the kiosks consists of text, photos and video clips categorised into two sections: trading partner/producer information and trade justice issues.

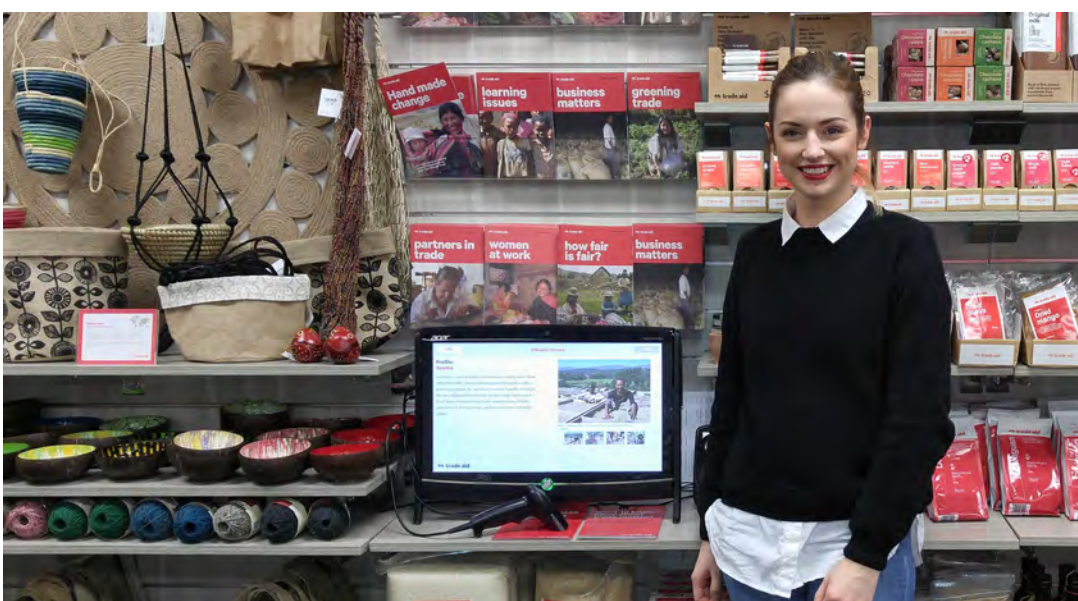
Trade Aid has long been aware of the challenge to create real connections between consumers and producers. This key feature of the fair trade model helps highlight the situation of small producers who suffer from invisibility within global supply chains. This touchscreen technology helps link our customers with the producers who make their products. It introduces the producers' world into the world of the consumer.

The kiosks were developed in late 2010 by a Trade Aid volunteer and University of Otago PhD student, Jason Taylor, who cobbled together some secondhand computer equipment and trialled the concept in the Dunedin Trade Aid shop. "It changes shopping from a passive consumer experience to one in which they can feel they are involved in fair trade issues," Taylor says.

To read about what a selection of our customers had to say about the 'kiosk experience' read [Outcome 1](#).

### Educational booklets for customers to take away

Sitting alongside the kiosks, and free to takeaway, is a series of educational booklets on key topics based on the Ten Principles of the World Fair Trade Organization, as well as a booklet called 'Hand Made Change' which is an introduction to Trade Aid's work.



Customer Cath Farr participated in our kiosk survey for the social accounts in Trade Aid Kirikiriroa, Hamilton.

### 3. Online education about Trade Justice

In addition to our newly launched website in 2017, Trade Aid engages with social media platforms Facebook, Twitter, Instagram and YouTube, and sends out e-newsletters to subscribers to build engaged fair trade communities. In the last year our focus was on increasing Facebook engagement and numbers of followers, and we succeeded in gaining a total of 11,886 Facebook followers, representing a 38% increase on the previous year.

Our upcoming year will focus on increasing e-newsletter engagement and Instagram followers, aided by our newly launched Trade Aid website. Our focus for our e-newsletter will be increasing engagement rather than increasing numbers as we have a healthy size list already but we acknowledge we can do better, particularly in terms of engagement, on our new platform.

#### What are we trying to achieve with our online presence? To:

- create an engaged community of people interested in fair trade, the underlying principles of fair trade, our products, our partners and/or activities
- educate our community about our products, partners and activities
- find and connect with new supporters who share a passion for fair trade
- create opportunities for people to interact with us and other likeminded people
- inspire people to take action
- build brand loyalty
- showcase our beautiful products
- share our 'stories of change'.

#### What is the interaction from these users online?

##### Facebook:

- Trade Aid has 11,886 Facebook followers (as of 30th June 2017), an increase of 3,268 in the last year.
- The number of people talking about, or engaging with, our Facebook page averages around 5,000 people per month.
- Our 'Reach' is the number of people who have seen content associated with our page. Trade Aid New Zealand's Facebook page reaches on average around 60,000 people per month.
- Posts about packaging and waste attract around ten times the engagement (likes, comments) as do other postings. The second most popular posting topic is Chocolate, attracting an average of 70 "Likes" and a handful of around a dozen "Comments". One Facebook composting discussion in 2016 attracted more than 300 "Comments", almost all promoting the way they compost at home.

##### Twitter:

- Trade Aid has 1260 Twitter followers.
- Over the last month of the last financial year (June 2017) our Twitter feed earned 7,800 impressions, this is the number of times people saw our tweets.
- Our most popular tweet from June 2017 was "Our trading model is making the world a better place for both producers and consumers and there are so many ways to get involved" this tweet was seen on twitter 1,477 times.

##### Instagram

- Our Instagram account currently has 2033 followers
- Instagram is a great place to showcase our beautiful products as it is a picture based platform.
- Instagram allows us to share pictures and small pieces of information about our products, partners and business.

## YouTube

- The Trade Aid YouTube channel contains 165 videos about key fair trade issues, interviews and producer information. In the last financial year these were viewed by New Zealand and International audiences 100,853 times, which is up 635% in views on the previous year which had 13,728 views.

## E-newsletter

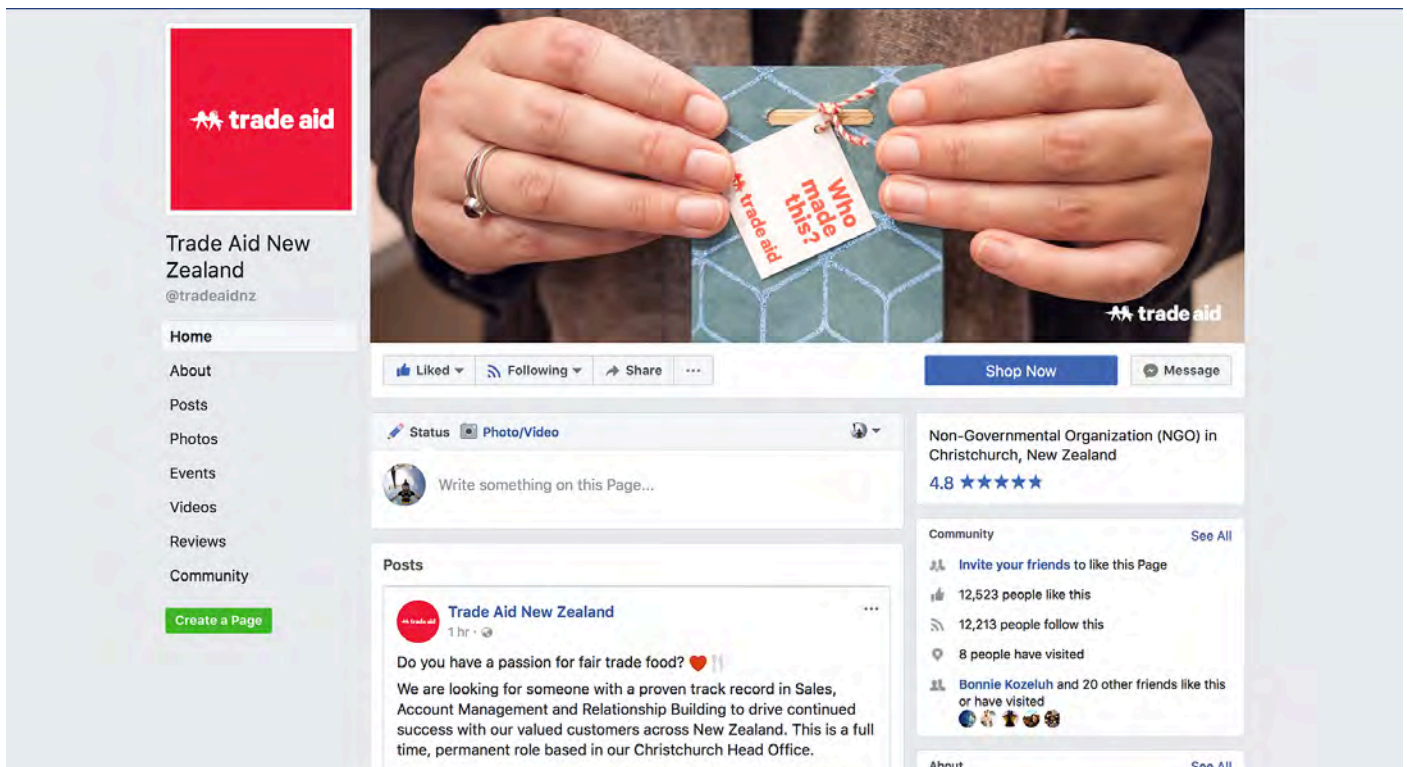
- Our e-newsletter currently goes to 12,478 subscribers.
- Our e-newsletter has an open rate (the amount of people who opened the e-newsletter) higher than the not-for-profit industry average. The industry average is 20.3% and our average open rate is 22.9%.
- Our e-newsletter has a click rate (the amount of people who clicked on links within the e-newsletter) higher than the not-for-profit industry average. The industry average is 2% and our average click rate is 2.6%.

## www.tradeaid.org.nz

- Over the last year, the Trade Aid website had an average of 10,000 visitors per month. But with a new and responsive website online from June 2017 we expect to see this increase as it becomes more accessible for mobile users to view information and purchase online.

## Do we have plans to improve?

In 2017 we launched our new, responsively designed website. Prior to launching this website we had identified many barriers associated with the accessibility of our products and stories. Now we have removed these barriers, we have plans to better integrate our website with our online community. Specifically on Facebook we will be focusing on encouraging our audience to further engage with our website. We will be focusing on increasing engagement of activities and stories within the new website. We will also be focusing on converting our social community to customers and creating better synergy between all our customer touchpoints. Customer touchpoints include our online shop, retail shops, social media channels and e-newsletters.



A screen-shot of our Facebook page in 2017.

#### 4. Trade Justice Education for communities

Trade Aid Educators presented at 498 events all over New Zealand in the last financial year. This is more than one a day for each day of the year and represents an increase of 12% on the previous year. Of these 498 events, 262 were talks where presenters gave a Trade Justice themed talk to a target audience and 236 were a range of other events such as market stalls and displays.

Each Trade Aid shop Trust is tasked with delivering educational talks and events within their local communities. Audiences for talks range from schools, through to community, business and faith groups. Events are either arranged independently by Trade Aid staff and volunteers, or Trade Aid is invited to become involved in established events.

Each shop Trust has volunteers who have a specific interest in education. These educators are resourced and supported by our Education person based at Trade Aid's office in Christchurch.

A new and key feature of our presentations over the next period are new tailor-made presentations released in June 2017, which focus on Trade Aid's three key messages: [Made Fair](#), [Made by People](#), [Made to Feel Good](#). These presentations consist of a series of three short videos with facilitation segments for educators to connect the key message of each video with the audiences' perspectives. Using these new video resources will help our presenters to deliver consistent and accurate Trade Aid messaging to the diverse range of audiences they present to.



Trade Aid educator Andrea Brewster presents at a Pecha Kucha event held at the Art Gallery in Christchurch in 2016.

## 5. Trade Justice Resources for schools

In the last year 447 Trade Aid publications and resources were distributed in hard copy to teachers. This is in addition to the numerous curriculum-based resources available for free download online, and supporting resources such as YouTube videos focusing on partner stories and trade justice issues.

A key feature of the education work at Trade Aid over the last year has been designing and trialling brand new curriculum-based online resources which we expect to be ready for release in October 2017.

This new resource suite supports teachers and students to explore the economic world, and trade in particular. It takes concept and issues-based approaches to considering people's participation in trade relationships, including challenges of economic disparity. The content and activities emphasise critical thinking and students' ability to assess media messages. Most importantly, the resources offer practical ideas for students' social action. The resources' inter-connected materials and learning experiences aim to develop deeper and more critical knowledge about issues concerning trade that affect individuals, communities, New Zealand and the world.

The resource was developed by Rachel Tallon of Right Place Resources, in response to requests from teachers working across the social sciences. The resource advisory panel included Marinda Matthew and Michelia Miles (Trade Aid) and Andrea Milligan, Victoria University of Wellington.

As part of the process for trialling our new resources before the public release in October 2017, we asked two teachers to review the resources for us and provide feedback. The following quotes represent the generally positive feedback they provided:

“I like the concept focus and the focus on critical thinking. In particular I like the inclusion of Socratic frameworks for learning and discussion. The contemporary nature of some of the topics is awesome too.”

- Sally.

“Overall a high quality resource pack with the ability to pick and choose a selection of resources to suit a learning programme. I like the focus on key concepts and the teacher support materials that support essential skills e.g. critical literacy and thinking. Many of the activities are fascinating. I like the viewing of the video clips too and then categorising the perspectives etc. included in them. There are some good resources here.”

- Tonya.

Trade Aid is looking forward to following up further with teachers who use the resource in the first year of its release, and using their feedback to further improve the resource. The resources are downloadable free from our [website](#) from October 2017, via a login feature which will enable us to follow up on teachers who choose to use the resources.

## 6. Trade Justice Education for business

Our e-newsletter focusing on coffee industry information is sent to 600 people and our most recent one had an open rate of 36.3%, which we're pleased to say is above the industry average.

Trade Aid targets trade justice information for specific customer audiences, and our green bean customers are a large subset of these. Nearly 90% of the total value of our food purchases went into buying green coffee beans in 2016–17, and a large majority of these green beans get sent around the country and roasted by New Zealand coffee roasters.

Coffee roasters have a very specific interest in all things coffee, and Trade Aid's food team aims to supply them with information that encourages continued and increased engagement with fair trade. Pick of the Crop began as a hard copy newsletter in 2005 that went by snail mail around the country, but in 2016 was brought into the digital age and is now an e-newsletter with a distribution list that has increased substantially to a total of 600 coffee crazed individuals. It contains news and stories from visits to coffee producer communities, global market information, trending or potential issues in the coffee industry, and has in the past been used to advertise coffee tour opportunities.

Our latest e-newsletter in June 2017 was sent to 600 people and had the following open and click rates:

- Open rate: 36.3% (not-for-profit industry average<sup>2</sup> is 20.4%)
- Click rate: 1% (not-for-profit industry average<sup>3</sup> 2%).

This latest e-newsletter was disappointingly the only one we got out to the coffee industry in the financial year, but we're going to do better next year!

Despite this lack of regular communication, we received several pieces of unsolicited feedback by email from coffee roasters following this release, which we think is really encouraging:

"It's awesome what you do. I have always enjoyed reading all the good you do.

Enjoyed the recent info regarding the support for this coffee in Columbia"

- Nigel Pink, Pinks Elixir Ltd.

"I really enjoyed this newsletter, and I think we have spoken briefly before about what is a 'sustainable price' and the Kickapoo model (which I think is a great start). Just for the record I'd be keen to continue the conversation on this topic."

- Mike Murphy, Kokako.

"Was a real pleasure to read pick of the crop this morning. The format is looking good, and content as always is great. love your work"

- Rene, Peoples Coffee.

(And then in response to us asking permission to use his feedback, Rene replied: "Yes, happy for this to be used, it was (is) very genuine, the NZ coffee landscape would be very different if Justin was not doing what he does, and how he does it, and TAI of course !!

.....Love your work Justin, it's a regular inspiration to me. ").

For further feedback from the coffee industry, read our interviews with two coffee roasters in [Outcome 2](#)

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<sup>2</sup> [www.mailchimp.com](http://www.mailchimp.com)

<sup>3</sup> [www.mailchimp.com](http://www.mailchimp.com)

## 7. Trade Justice Investment opportunities for the coffee industry

As a result of investment by New Zealand coffee roasters in the Next Generation Coffee Fund, two co-operatives in Guatemala and Peru have received the equivalent of NZ\$100,513, and NZ\$96,711 respectively, to invest in the future of their members' coffee plots.

Members of The New Zealand Coffee Industry are the contributors to the Trade Aid-run fund that fills a critical need currently facing coffee farmers around the world. With aging trees and crops prone to new widespread diseases as a result of climate change, coffee farmers around the world are experiencing low yields and are in urgent need of replacing aging and diseased crops. Most farmers however, cannot afford to remove even the lowest yielding trees without a loan to cover the period before the new trees start to bear fruit. This is the role that these funds play, enabling farmers to renovate their coffee plots and experience the benefit of increased yields in future years.

The Fund, set up by Trade Aid in 2010, provides capital to coffee co-operatives with revolving loan structures in place that can provide loans to their coffee farmers. Revolving credit means that the number of farmers receiving loans will be ever-increasing, because as the loans are paid back the capital is passed on to other members of the co-operative as a new loan.

As at December 2016 the following number of individual loans to farmers had been paid:

- 113 loans have been paid out to farmers in Guatemala
- 101 loans have been paid out to farmers in Peru.

However, despite the Fund starting with a bang in its first few years of operation, contributions in recent years have slowed. The most recent contribution of NZ\$4,446 was lucky to be paid out in December 2016 due to a change of regulations making the practicalities of sending funds more difficult. As a result of this situation contributions to the Fund are on hold until Trade Aid is able to set up a compliant regulatory mechanism that enables us to reinstate annual payments to partners.

Trade Aid has seen the impact of this Fund in the field and knows it's a great use of funds and a good thing for farmers.

CENFROCAFE, one of the recipient co-operatives, provides farmers with loans at a rate of approx NZ\$3250 per hectare. These farmers are typically repaying these loans within two years; all loans paid out from the first four years of funding have already been repaid in full. These same funds are then in turn paid out to other farmers who are also seeking to renovate their coffee trees; the grant contribution received by CENFROCAFE from the Next Generation Coffee Fund in its first year of operation (2010) has already been recycled three times.

## 8. New Zealanders visit Trade Aid craft and food producers around the world

There is nothing like seeing it with your own eyes, and when it comes to trade justice Trade Aid knows the impact that visiting producers around the world has on our understanding of how important trade justice really is. As a result, Trade Aid runs Education Tours for those within the Trade Aid whanau to visit food and craft producers, and provides New Zealand coffee roasters the opportunity to visit our coffee partners on a regular basis.

Since 2012, 31 Trade Aid staff and volunteers and 12 coffee industry-related people from five coffee companies have accompanied Trade Aid staff on visits to our coffee partners and their producers across a wide range of countries.

Education Tours which cater for Trade Aid staff and volunteers around the Movement have typically been organised every 12 to 18 months providing a firsthand, motivating and educational experience. The main aim of these trips is to enhance the understanding, and therefore passion, that the Trade Aid Movement collectively holds for our shared vision and purpose, by seeing the impact of fair trade firsthand. The learning from these trips is designed to be shared across the Trade Aid Movement and the New Zealand public upon the participants' return.

Coffee partner tours are run as and when appropriate according to food staff travel schedules and according to indicated interest from the New Zealand coffee industry. Coffee related travel and meeting the people producing the coffee they roast motivates and stimulates coffee roasters to maintain their engagement in transparent supply chains; and an understanding of what constitutes a fair price and its importance to small farmers (or as one of the Peoples Coffee roasters put it, "an injection of 'ahhh' in our daily 'why are we still doing this', which only a trip can sort out.>").

Some of the many benefits identified by participants via feedback surveys upon return from these travels include:

- pride in being part of a global group of people working to make the world a better place
- challenging stereotypes and beliefs about poverty
- seeing the story behind the products and gaining an appreciation for the skills of producers
- seeing CHANGE occurring firsthand.

"The trip certainly reminded me that our producers literally do hand make our products and this makes me appreciate them and the producers even more. It was a privilege to sit alongside them and watch the work their magic." (Ali 2016).

"It was infinitely rewarding to see the benefits to producers; that they are able to stay in their villages, continue local artisanal skills and that their children can go into education, shortcutting what would otherwise be an immense struggle to break the poverty cycle." (Eleanor 2016).

## 9. Successful World Fair Trade Organization Accreditation

Trade Aid received approved Guaranteed Status on 12 March 2015 following a Self-Assessment Report and Independent Audit. This is a new accreditation system and the first time we have been approved through the system despite being members of the World Fair Trade Organization (formally IFAT) since 1997.

### Summary of Findings WFTO Monitoring audit (Dec 2014)

“Notable Achievements and Best Practice of FTO:

In almost every area examined, Trade Aid Importers appears to have exemplary Fair Trade policies and practices consistent with or superior to WFTO standards - especially in being focused on ensuring maximum benefit to the producers and their communities. Perhaps just as importantly TAI impresses as an organisation committed to continuous reflection, learning and improvement. It is highly transparent and candid. In most concrete terms this is evidenced by the ongoing regular programme of independently audited social accounts (most recently for the 2012 financial year), and less formally is built into numerous systems and processes, and the general culture of transparency and non-defensiveness of the organisation.

The two areas required for improvement before our next Self Assessment Report were:

1. While all craft partner terminations were subject to the termination process in TAI's Partnership Policy, however TAI identified that its practice in food can and occasionally does lead them outside their currently worded Partnership Policy, as evidenced with the trading partner COCLA.

Action to be taken: Trade Aid needs to talk about how we might differentiate wording between handcraft and food trading partners, examining the kinds of compromising scenarios that our food partner-related wording might better reflect, and confirm any appropriate differentiated wording through this review

2. Not all unverified suppliers monitored under TAI's Internal Monitoring System are routinely visited every 3 years, and not all follow-up of identified weaknesses in compliance are adequately documented

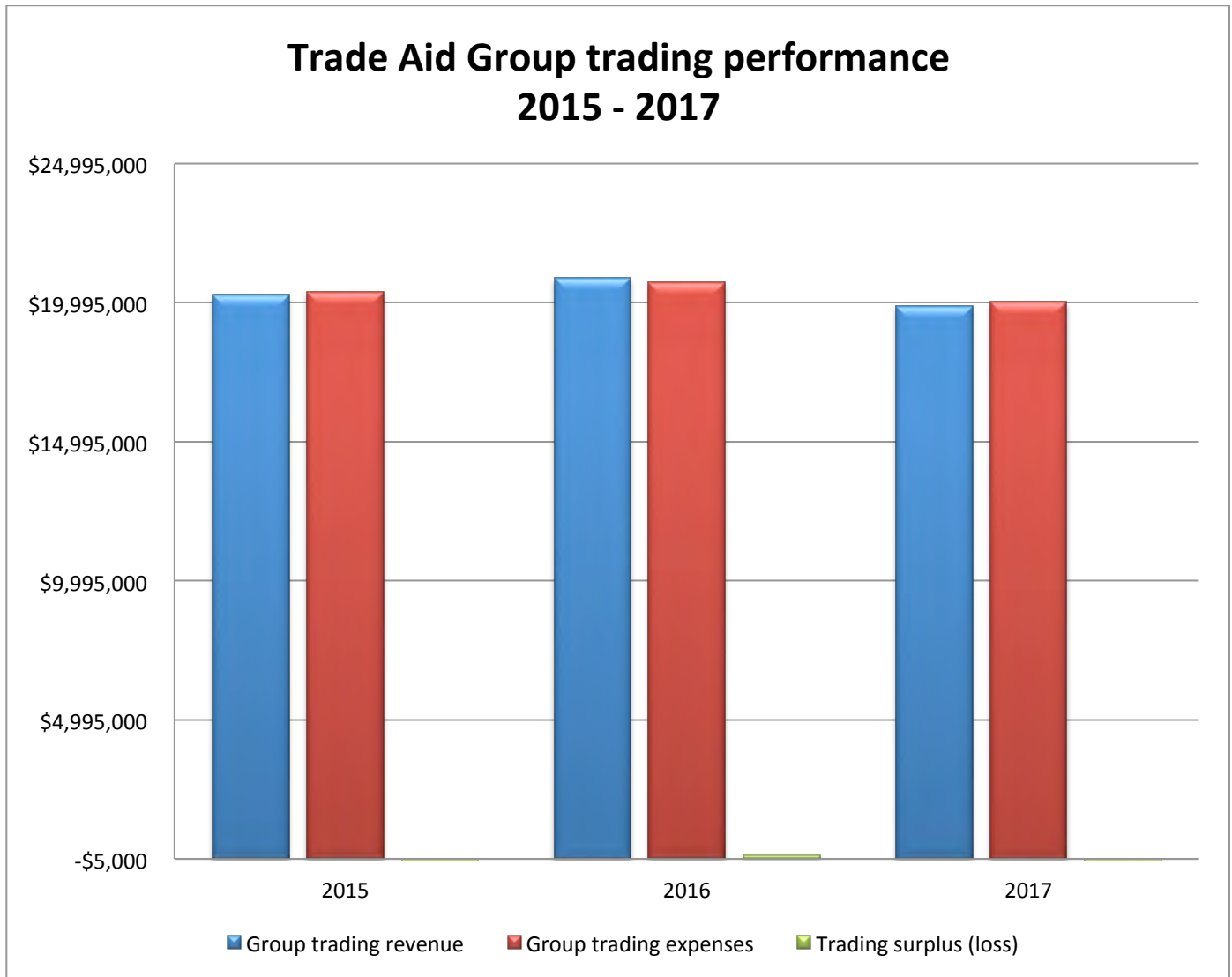
Action to be taken: Monitor the frequency TAI is able to visit unverified suppliers and their outcomes, to ensure it meets the regularity requirements of WFTO for site visits and can demonstrate follow up on areas identified for improvement, in all cases.”

For further information on the WFTO Guarantee System see description in [Activity 16](#).

## 10. A financially stable organisation

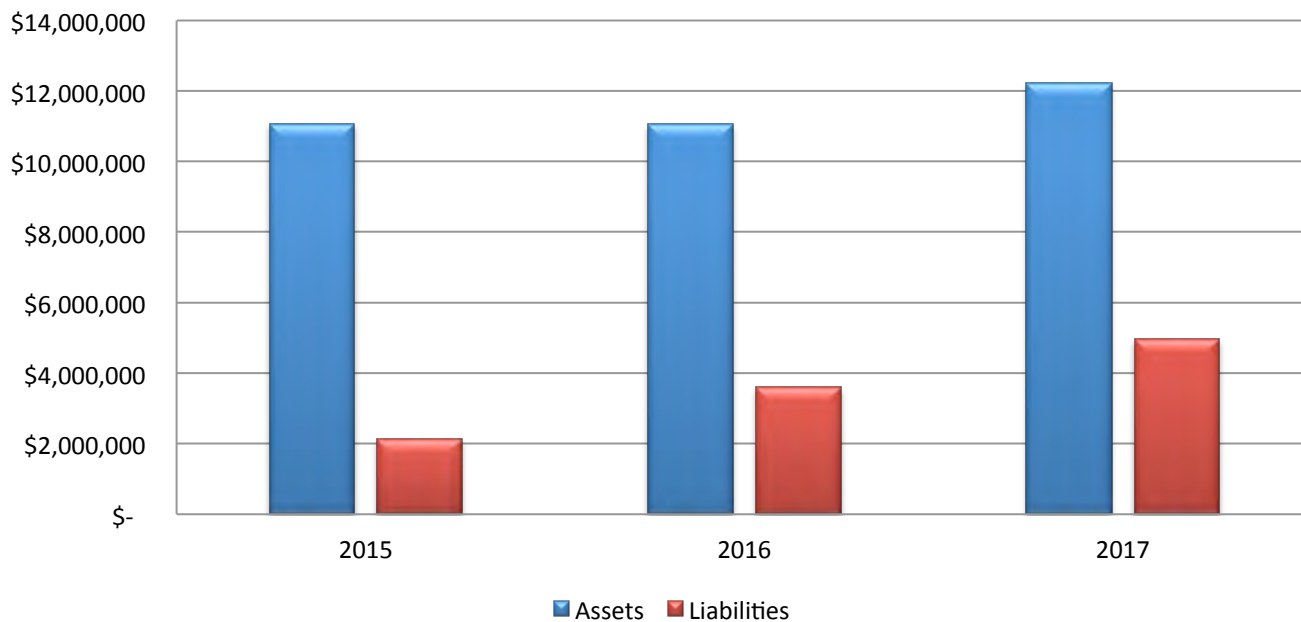
Overall the Trade Aid Group has been trading at close to break even for the last three years. We have a strong balance sheet with approximately \$7m of net assets.

Further details can be found in our financial statements available on request or on the charities commission website.



Trade Aid Group trading performance			
	2015	2016	2017
Group trading revenue	\$ 20,298	\$ 20,874	\$ 19,896
Group trading expenses	\$ 20,389	\$ 20,725	\$ 20,024
Trading surplus (loss)	-\$ 91	\$ 149	-\$ 128

### Trade Aid Group assets and liabilities 2015 - 2017



#### Trade Aid Group assets and liabilities

	2015	2016	2017
Assets	\$ 11,067	\$ 11,058	\$ 12,240
Liabilities	\$ 2,124	\$ 3,606	\$ 4,976

## Short-term Outcomes

### 1. Increased awareness of trade justice by the public

“The more I watched, the more I was interested. Very glad I did.”

- Earl Otene (Tauranga) surveyed user of our in-store kiosks.

From our 14 education initiatives described in [Activity 11](#) that make up our education programme, we selected our in-store kiosks as our vehicle for measuring increased awareness of trade justice by the public.

Our kiosks are a portal into the world of the producers of our products, enabling customers to interactively engage in a product’s supply chain. The kiosks use a touchscreen computer and scanner so when scanning the barcode of any product customers are taken to information about that particular producer group. Further more general information is also available including a variety of issues-based video clips from the home screen menu.

The Kiosks were selected for this survey a number of reasons:

- The kiosks are our primary vehicle in-store for educating about trade justice and we believe using digital technology will be the focus of our future education efforts as compared to our hard copy publications available free in-store to takeaway.
- We consider our kiosks to reach both dedicated Trade Aid customers and many people who enter for the first time and know very little about Trade Aid. From previous research we believe a maximum of 40% of people who enter our stores have been in before, thus at least 60% of customers are walking in for the first time. As a result of this, our survey of people in-store reaches both our long-term customers and the general public.
- It can be difficult measuring the impact of education activities on consumers, and we saw the kiosks as one of the easier activities to survey customers about and gain important qualitative feedback.
- We are genuinely interested in improving our kiosks so that they have maximum impact. We have focused our human resources and education budget heavily on upgrading and improving the usability of the kiosks over the last few years, and future improvements and resources need to be based on feedback about their use and impact.

During July and August 2017, requests were put out to shop managers around the country to ask a selection of customers if they would like to take part. Customers were selected based upon a convenience sample by the manager. From these requests, we collected responses from a total of 15 people who used our kiosks and gave us feedback on their impact according to written questions posed to them.

#### What did we find?

We were most interested in the overall impact from their engagement with the kiosks, although the more specific questions about learning from the individually chosen videos will be really useful in gauging what type of information to include in the future.

The following two questions sum up the overall change we would like to see from customer engagement with the kiosks:

#### Q: Has learning more about Trade Aid today changed the way you feel about your power as a consumer?

- 14 out of 15 customers answered ‘yes’, or used positive language. Six of these customers used words that indicated the experience was more of a reminder of information they already knew, rather than a change.

“Yes – we often complain about dollar differences in our products yet we don’t notice the impact it makes to the producers, most importantly the workers behind the production line.” (Nina, Dunedin).

**Q: As a result of using our kiosk, has this made you want to learn more about fair trade? Please explain:**

- 13 out of 15 customers answered 'yes', or used positive language.

“Yes there is so much more to it than I thought.” (Cath, Kirikiriroa).

**Conclusions:**

In seeking to answer whether Trade Aid has been successful in increasing the level of awareness of trade justice amongst the public, we don't believe this small sample size is sufficient to draw a conclusion on this. From the results above, we believe the kiosks have the ability to draw customers further into the world of supply chains and gain a deeper understanding of their part in creating positive or negative impacts for producers. This small sample has been useful for providing us with a pilot from which to conduct a larger study in the future. Suggestions for improvements will be sought from the Trade Aid managers who conducted the interviews, and an improved process can be run for a longer time period and with a better notice period for the managers, who already have a very busy intensive day in-store.

Education is a key purpose of Trade Aid's work and we place a lot of time and energy on education across a wide range of ages, community and business groups, customers and the general public. However, the new framework used for these accounts has helped highlight that this high level of education activity is not matched by suitably strong processes for measuring the outcomes from this work. This lack has been identified as an area requiring improvement and plans are currently underway to identify further, robust ways to measure our education outcomes across the short through long term in future accounts.

## 2. Increased participation in equitable trade by businesses

One of Trade Aid's three Charter objectives is:

- To demonstrate and inspire others with our equitable trading practice

We believe that by demonstrating and inspiring others, we will encourage increased participation within fair trade. So, to believe that we are contributing to an increase in participation within equitable trade, we wanted to find out what the businesses we engage with think of our efforts to demonstrate equitable trade, and whether or not we inspire them with our work. As a pilot study in this new look set of Social Accounts, we chose a small sample of two coffee roaster customers, [Switch Espresso](#) and [Common Good](#) (Addington Coffee Co-op), out of many, and interviewed them in July 2017 to find out.



### Results:

Trade Aid found these interviews extremely useful, and arguably, the most important learning from them has been the lack of time and resources put into maintaining these very important customer relationships.

Based upon these interviews we believe we did inspire these businesses to engage with us in fair trade back when they entered a relationship with us, and both participants made it very clear that Trade Aid demonstrates ethical trading behaviour, and that they have complete faith and trust in Trade Aid to maintain authentic and positive supply chains. This trust in Trade Aid serves to reduce the responsibility both owners feel towards maintaining this part of the business.

As a result of these interviews, Trade Aid has already made some internal changes to its food team, including creating a new staff role with a focus on building and maintaining key relationships with customers such as these.

Read over the page for summaries of our interviews with Hamish Evans and Adrian Palmer.

## 1. Switch Espresso

### Trade Aid Interview with Hamish Evans, owner of Switch Espresso.

#### On Switch and fair trade:

When I was doing my research, because of my interest in sustainability, or my education in sustainability, I looked into fair trade. And I also thought it would be a good point of difference within the coffee industry because it's very competitive. We were the first 100% certified coffee roaster in the South Island and the name Switch was based on doing something different. I'm a snowboarder, it's about going Switch, it's more challenging, it's more fun, it's harder, it's quite rewarding. That is where the name came from.

#### On why he's involved in fair trade:

I think the feel good aspect of people getting a fair deal. We're not abusing their services or their positions, I like the idea. It's always sounded right to me that you pay them a good amount and they grow a better product. It seems [common sense]. I was trying to create a business that supported my family so it worked in my mind that my suppliers would be doing that too.

My goal was always to make purchasing fair trade just normal. So initially it was our point of difference but we quite quickly lost that point of difference because everyone adopted not 100% fair trade but a blend of fair trade and then that became their marketing. 90% of their marketing was, 'we've got a fair trade blend'.

But that was fine for us, because our goal was to treat fair trade - two words - like normal. And you'll notice now our branding doesn't focus much on fair trade, although we've never purchased from any other coffee supplier, we're 100% organic and fair trade.

#### On Trade Aid demonstrating or inspiring:

I was confident with Trade Aid's ethics and values and methodology so I was confident that our coffee supply chain was legitimate.

Yes I'm really confident, especially with Justin [Trade Aid's food manager], he's the person I have the main relationship with and knowing that his ethics and values I 100% trust. It's quite strongly based on one person to be honest which might be scary for you guys, and probably a good thing for you to know.

And to be honest the last 6 years have been about survival in Christchurch for me, getting through the earthquakes, a huge amount of refits and expansion. For me to know that I can be confident with my supplier and their code of ethics so that I don't have to worry about it, that was my....

I just have such a trust in Trade Aid and its ethics; I just almost don't have to worry about it. My relationship with Trade Aid adds value to my company.

The two bits of information I get from Trade Aid is Pick of the Crop, I don't always read it. I probably only read it 20% of the time. And then the price changes in Justin's quarterly emails. So I'm very disconnected.

I do feel quite a disconnect from the producer. We've had one visit from a Papua New Guinea grower in 2007/8 right when we were new. It is interesting because I do feel quite a disconnect from the whole story, the whole supplier/producer third world, world that they come from. I just see coffee turn up in sacks and we roast it.

#### On the suggestion of reconnecting through travel to visit the producers of his coffee beans:

That might come back on my radar. Specifically to Central America.

...And one of these trips could well be in the future. I love getting out of my comfort zone, I love travelling.

## 2. Common Good (Addington Coffee Co-op)

**Trade Aid Interview with Adrian Palmer, one of the group of owners of Common Good.**

### **On Common Good and fair trade:**

The Coffee Coop is part of a bigger business called Common Good, which really exists to do business for people. We set it up as part of what we thought was a way to do business that benefits people right through the supply chain. And also further than that too so that it can be reinvested to make the world a wee bit of a better place. It's about doing business not charity work, but it's more than that, the normal outputs of a business are profit for shareholders and for us that's one of the key differences, that while we own our own business our profit is not used for shareholders, its used for reinvesting in growing good around the world, in small ways.

We're a socially responsible business... We actually look at the value chain and go what's the best for the planet, the best for people and best for you as the customer. Those are the three things we'd be about.

### **On why he's involved in fair trade:**

We always wanted to use an ethical coffee, and with Trade Aid there was trust around that. We trusted the process, we trusted Justin, we knew his passion and zeal for what he was about and he'd put in the hard yards to get that off the ground. We had a good relationship with People's café in Wellington and when we started the café they were a guiding light for us in how to do that and it was obviously in following in their footsteps in their supply chain as well. And you guys were in Christchurch as well...

I think on the ethical side we see some calls being made where suppliers have been pulled which has been damaging to the product availability but on the values side has stuck to the principles and I think that's shown real tenacity in that. Trust is a big thing, I think with any supplier, certifications are important as you go wider and larger, but at the end of the day if we can't trust our suppliers then our customers can't trust us.

If you just buy a bag of coffee from the supermarket, like any product, you don't know the story behind it, and our story is about the people behind it.

The fair trade coffee is definitely important but it's not the key thing about our business. Someone may think that because we're a cafe, but I don't think that is something we'd hold on to dear life to. The philosophy would be what is best for people, for planet and us. But we think fair trade through Trade Aid is working well for us, but we haven't built our business around that.

Another thing that we're keen on is community transformation, ultimately that's what we think is important and for us, our role in that is that we can help create jobs and sometimes that's indirectly through purchasing our coffee.

### **On Trade Aid demonstrating or inspiring:**

Especially in the early days when we were still figuring out who we were, having another business, which, while different in many ways, has paved the way for being a different kind of business. Has it demonstrated? Inspired? Yes, I remember reading some of the early stories of coffee importation and hearing from Justin. There's some hard yards have gone in there so that's inspiring you know. I suppose having the guts to stand out from the crowd and do things differently in what is quite a niche market is good. I reckon ten years ago the landscape was different as well.

We've learnt a lot through our relationship with Trade Aid over the years. Not saying that we couldn't probably learn more and have a better understanding of what happens but yes definitely more than walking into the retail store on Cashel St.

We've learnt a little about the structure of the coffee industry, the way coffee is procured, even the way the economics behind it works and the way the growing coops operate and how they distribute some of their profit, we've learnt... where do I start? We've learnt a lot about the whole supply chain of coffee. Also the realities of doing business with an agricultural product which is often grown with fewer resources than it should have, which results in variable quality and supply availability.

We grew from the start with Trade Aid on our coffee supply, and we've worked through the ups and downs of that over the years. We are maybe in a stage where we take it for granted, I don't feel like either of us has invested in growing it together in the last few years as we could have.

We obviously care about the trips overseas and hear the stories back from some of that as well. We'd love to have a fair relationship around that, I think it's very easy to get lost in the fact that we need some coffee - it arrives and we roast it, and I think we do lose the working together on that.



Adrian Palmer of Common Good behind the coffee roastery counter at Addington Coffee Co-op in Christchurch.

### 3. Increased understanding by partners of global market trends and needs

“[Your] Trend Book is always helpful in developing the new products. It also gives us the opportunity to explore in the field in which we have never worked.”

- Aspiration International, India.

Enhancing our trading partners’ ability to develop product for New Zealand and global markets requires first that they have an understanding of how trends change across different markets, over time, and how to use trends to develop their own unique products that represent their own skills, resources and cultural inputs.

The main activities carried out in the last year that we believe have lead to an increased understanding of New Zealand and global trends for partners are:

- providing partners with an annual Trend book featuring key aesthetics, colour palettes, forms and patterns for the New Zealand market
- specific trend information on specific categories of products including both qualitative feedback and quantitative sales feedback.

As a result of the work the Trade Aid craft team has put into trend related product development with our 37 craft partners:

- 34 respondents find the provided trend information very or extremely helpful as an indication of current NZ market trends
- 32 respondents find the provided trend information very or extremely helpful as an indication of colour trends
- 32 respondents designed new products in the past year based on the Trend book received from Trade Aid
- 28 respondents designed new products in the past year based on the additional trend information received from Trade Aid.

#### **And a few of our favourite comments from partners feeding back in our Product Development survey:**

“We feel we are always included. TA has one of the best system and culture to include producer organizations.”

- Mahaguthi, Nepal.

“We have effectively used the trend book to inform our new developments which have received impressive responses.”

- Undugu, Kenya.

For further comments and the full results of the Product Development Survey see [Appendix F](#).

#### 4. Increased production of saleable products for the New Zealand market

“We had worked with Trade Aid on the project of developing new designs for ceramic groups in Vietnam and we feel very positive of that. Our designer and artisans learnt a lot from the design and product development process. We hope you can continue programs like this in the future, not just with ceramic material, but also with other types of material and products. Thank you so much for your support!”

- Craftlink, Vietnam.

For our craft partners, Trade Aid’s product development work is key to their ability to continue to provide us with products that are on trend so that they continue to sell each year in our network of stores. Creating sustainable trading relationships is only possible if together we can continuously produce new and beautiful products that fit our customers’ needs.

What production has occurred as a result of the work the Trade Aid craft team has put into product development with our 37 craft partners over the last year?

- 250 new products were developed with trading partners outside of those produced during special product development projects. Trade Aid works with the same partners each year so the cumulative impact of this number of new products each year is of large value to our partners. For example, in the last three years 698 new products have been developed, and many of these will continue to be high performing products sold several years after development. Perhaps most importantly, with each new product developed our partners’ skills and understanding of design and trends continue to grow, increasing their self-reliance and capacity to trade
- 33 respondents felt that the product development fit very or extremely well with the skill base of their producers and utilised the materials they have available. It is really important for us to know that in developing new products that we are working with the skill sets the producers have, and that we are encouraging use of locally sustainable materials
- 31 respondents found the product ideas worked on with Trade Aid in the past year very or extremely helpful in developing new products
- 28 respondents developed additional new products of their own designs based on product development done with Trade Aid, and 22 respondents sold designs developed in collaboration with Trade Aid to other buyers. This is fairly unique to Trade Aid that we don’t copyright designs, instead being keen to see our product development work leveraged by enabling producers to test our products in their other domestic and international markets.

#### And what did our partners have to say?

“Yes! Communication with Craft Team always encourages collaboration. We always get the Crafts Teams valuable feedback and suggestions pertaining to all our products and the new products for development.”

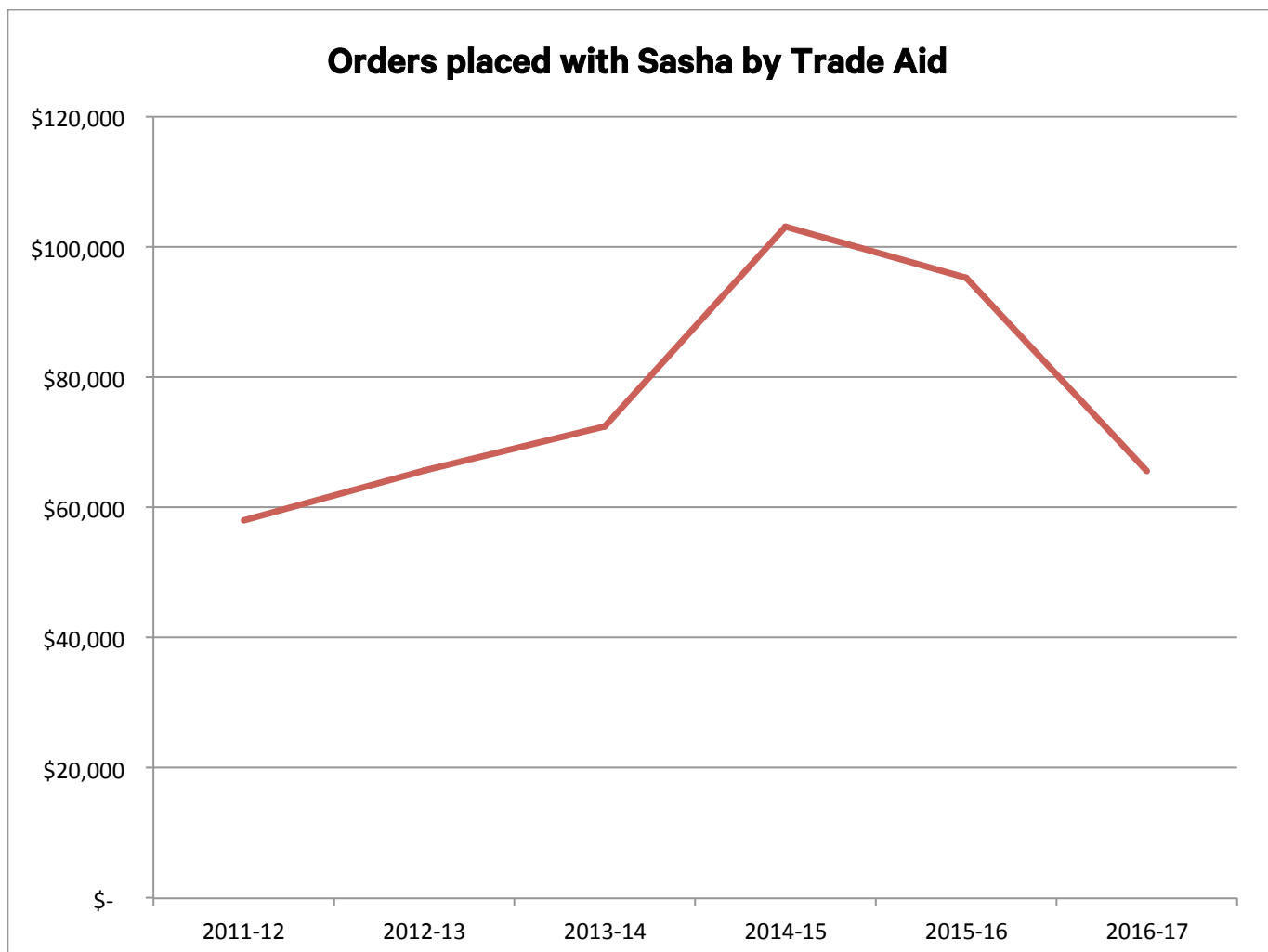
- Aspiration International, India.

For further comments and the full results of the Product Development Survey see [Appendix F](#).

## 5. Stable production levels and sustained operational capability at producer workshops

### Trade Aid orders to Sasha 2011/12 – 2016/17:

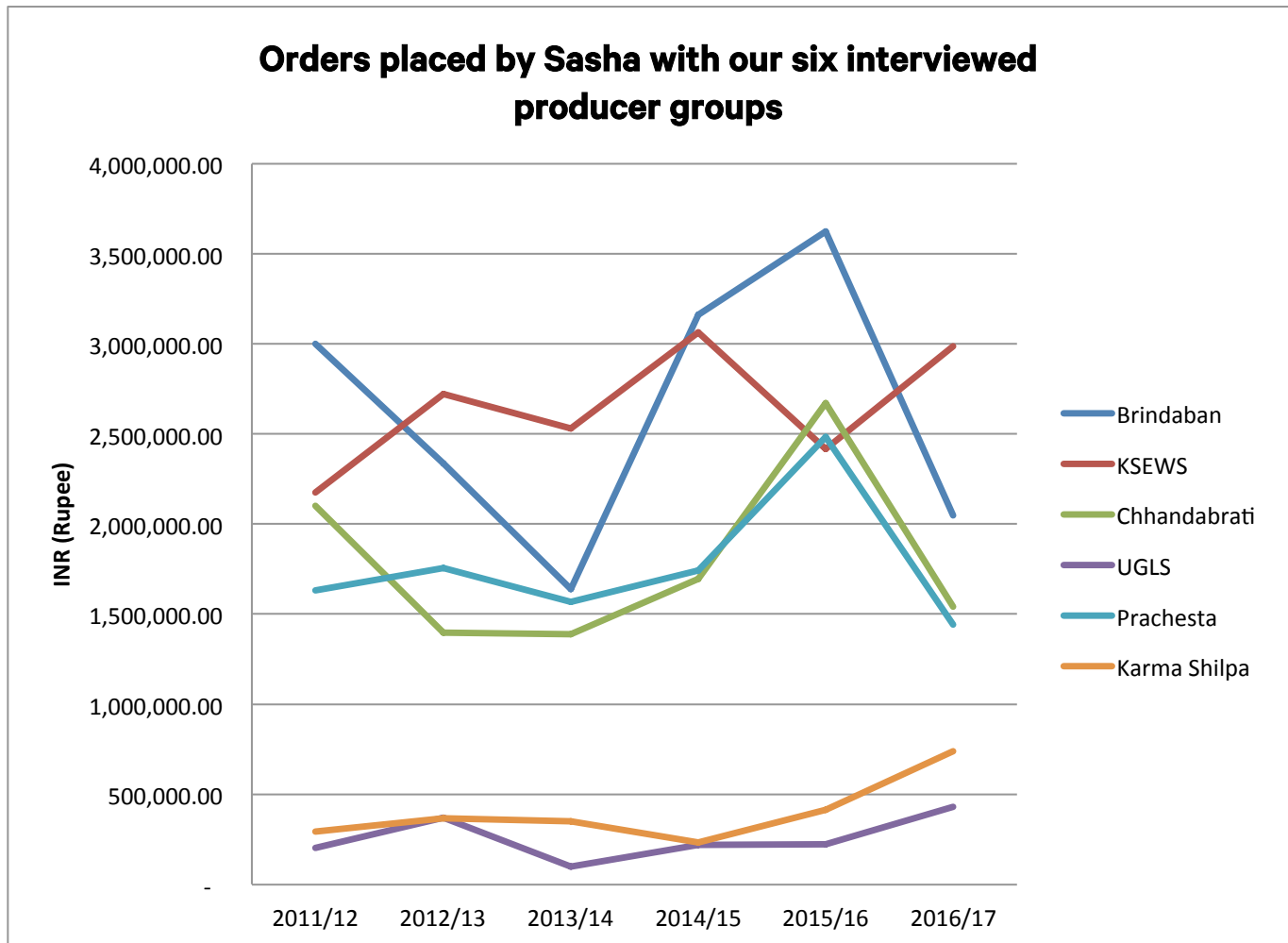
Despite Trade Aid’s orders over the five-year period increasing on average, our orders peaked in 2014–15 and have decreased over the last two orders. Despite our best efforts to place year-on-year orders to our partners that are equal to or greater than previous orders, fluctuations still occur. For Sasha, this has resulted because we found ourselves in an under stocked situation where larger than normal orders were placed to bring levels up to a sustainable level, however, these high order levels were not able to be sustained in the following years once our stock levels increased. Sasha sales have also been hampered by the fact that we have had to close a few un-performing stores in the first half of this year due to retail in New Zealand facing hard times, and the USD exchange rate dropping so the cost of the products we bring into New Zealand increased in retail price.



### Sasha orders to producer groups:

Of the six groups selected for the study, only two of them are completely dependent on orders from Sasha, while the other groups sell to customers in their local and domestic markets. However, for all groups, Sasha is the only exporter they work with. Trade Aid is just one of many fair trade buyers who place orders with producer groups associated with Sasha, accounting for just over 6% of their total production in the last financial year, which means there is not a direct correlation between Trade Aid total orders and producer group total orders.

Sasha records show that 2016 was a year of two halves for our six producer groups selected for this social accounting study. The graph below shows the annual orders from Sasha for each of the six producer groups. Three of these groups have experienced significant downturns in the last year after reaching highs in 2015–16. The other three have each increased in the last year, with the two groups with the lowest order levels more than doubling their orders in the most recent year.



## Mid-term Outcomes

### 6. Greater trading capability of partners and producers

“The Trade Aid Capacity Building fund has been instrumental in improving competencies in producers, staffs and the organization.”

- Mahaguthi, Nepal.

There are many inputs that lead to our trading partners and their producers increasing their trading capability, so for these Accounts we have selected to evaluate the results of our Capacity Building Funding programme as one measure of this.

Over the last fifteen years (2001 – 2016), Trade Aid has channelled more than two and a half million dollars (NZ\$2,538,640) of capacity building funding through to our trading partners. This funding was provided by New Zealand’s Ministry of Foreign Affairs (MFAT) and administered by Trade Aid for the benefit of our trading partners.

The aim of this programme has been to provide small grants to partner organisations for capacity building activities that will increase the capacity and capability of their organisations to produce and sell marketable products. The approval of partner proposals and reporting against the criteria is overseen by Trade Aid’s Development Committee, with just over half of Trade Aid’s partners receiving these funds annually.

A survey was sent to 37 partner organisations, and 24 partners engaged with this online survey. The replies received were very comprehensive and answered three questions—the main one being how successful they believed our programme had been at improving the capacity and capability of their organisations to produce and sell marketable products.

From this, 23 out of 24 responding trading partners believe our capacity building programme has been very, or quite, successful at improving the capacity and capability of their organisations to produce and sell marketable products. These were the top two responses out of a scale of four. One partner selected 'a little successful'.

The extensive narratives provided by the partners to back up their rating above provided mostly examples of what they had purchased or achieved with the funds. These are very extensive and can be read in [Appendix H](#).

The funds have been used both to improve and increase the scope of work they are currently engaged in, but it has also provided start up capital for activities they weren’t involved in, but that support or complement their production: such as entering new markets, or training and funding new production processes for new categories of product.

Increasing capability and capacity has included both plant and people investment. Numerous trainings have supported new ventures or strengthened current work. Many partners now have better machinery, better IT systems and are better connected through attending international market fairs with better designed products.

Unfortunately this MFAT funded programme came to an end in June 2016, and its successor initiative has yet to be implemented. Fair Trade Principle 8 centres on buying organisations such as Trade Aid, working together with producer organisations to build up their trading capability. In complete agreement with this principle, Trade Aid believes that having the ability to engage in capacity building initiatives with our partner organisations is key to how we can add maximum value into our supply chains. It is our hope to resume capacity building funding to our partners in a new form as soon as possible.

Read the comments and replies to all three questions in [Appendix H](#).

## 7. Reliable and consistent income received by producers

“I may not fulfill all kind of requirements of the family but being a salaried artisan, I am able to plan based on it.”

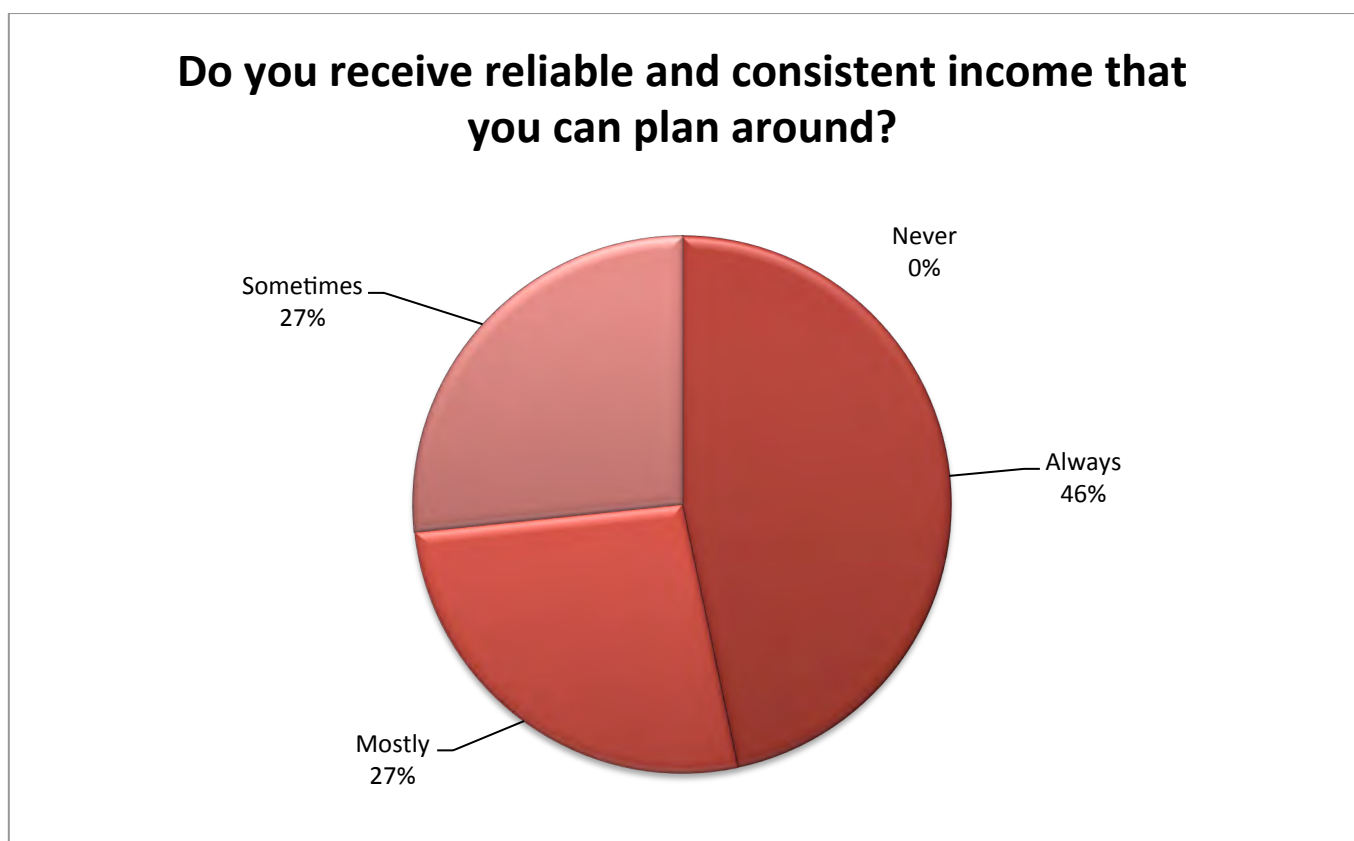
- Himadri Bera, producer with Brindaban Prints.

When producers were asked if they receive regular income they can plan around, 22–30 producers agree they ‘always’ or ‘mostly’ do. The remaining eight producers were on the other side of the scale responding ‘sometimes’ they receive regular income they can plan around.

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha.<sup>4</sup>

We know from the other data collected that this irregular income throughout the year is likely a result of lower than optimal orders placed with producer groups by fair trade and commercial buyers, and thus many workshops are not working to their capacity and have to pay workers on a piece rate basis, as and when there is work.

It is worth noting that the wording of this question may have resulted in non-standardised answers. Some producers appear to have rated this question low due to the fact that their income is not enough to fulfil all their plans, rather than referring to the regularity of the income and their ability to plan on the amount regardless of its level.



Out of the 30 producers taking part in these interviews, only four rely solely on their income from their fair trade production unit; however, 13 producers consider themselves the primary earners in the family. Other sources of income included their spouses, other family members and agriculture.

<sup>4</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

One of the producers interviewed was Himadri Bera, from Brindaban Prints. Read his story here:



My name is Himadri Bera, I am 37 years old. I am married with a 9 year old son and I am the sole provider for my family, which includes providing for my parents. I have been working at Brindaban Prints for 10 years and I like the regular income and the fact that my work is close to home.

I started working at 17 years old after graduating from high school so I have learnt all my skills from the on the job training and my skills and knowledge have increased substantially.

My income is insufficient for my family but I can just manage with it. I can pay for the basics of life which means providing for my family's daily needs, education for my son who is in class three and savings for medical and emergency puposes. I also have a small amount of savings which is possible after fulfilling the needs of the family.

I have access to finance through taking advances for small requirements from the group leader; I have taken a loan for the renovation of my house, which I am paying gradually on monthly basis. I may not fulfill all kind of requirements of the family but being a salaried artisan, I am able to plan based on it.

My increased ability to find other work through the skills and self esteem I have gained through this work increases my economic sustainability. But I think economic sustainability needs good income and savings for future. Currently, I am worried about it as order has been decreasing gradually and therefore future economic sustainability is not possible with this small income and there is no additional benefit in my unit to secure the future.



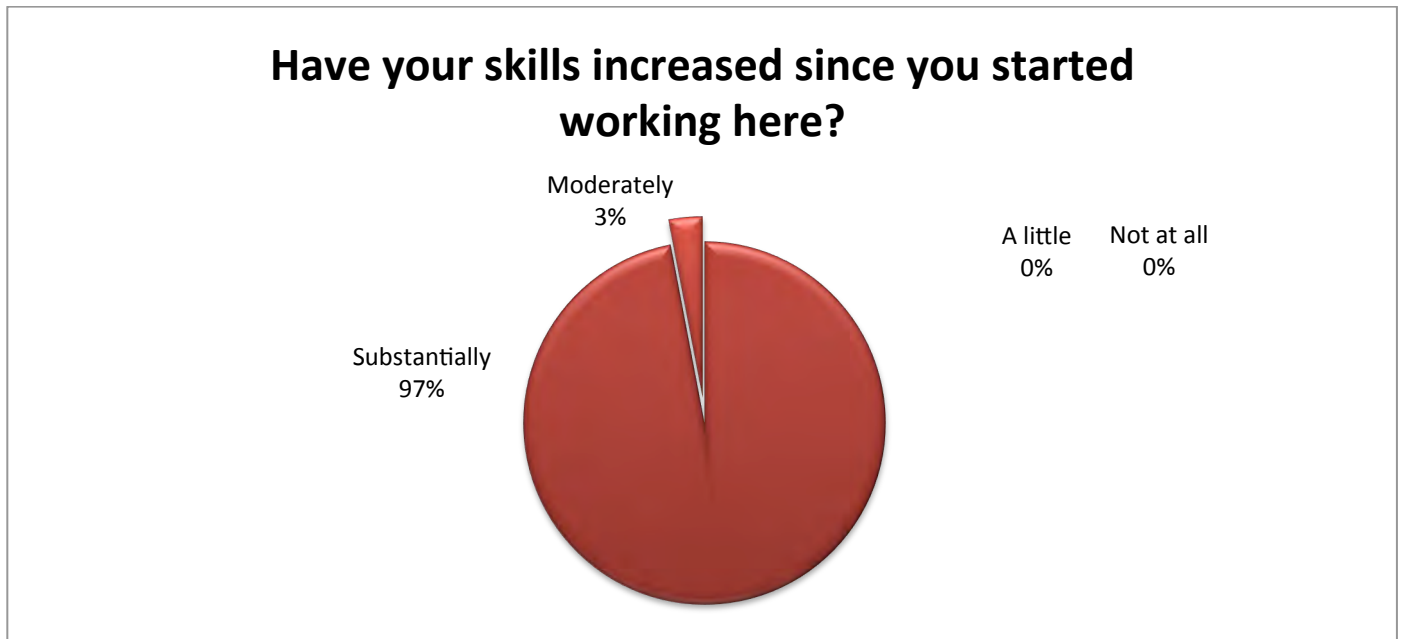
## 8. Producers' business and production skills are enhanced

“I run my own unit with the help of Sasha. Fair Trade has made me an entrepreneur.”

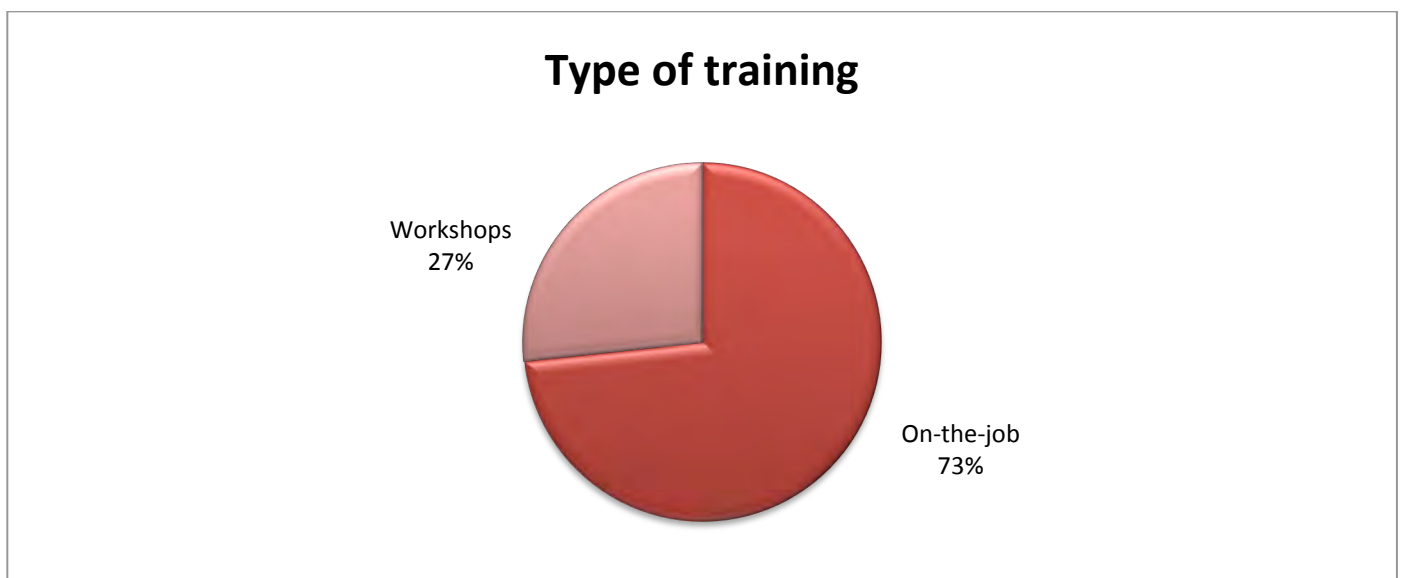
- Dhritiman Ghosh, group leader of Brindaban Prints.

When producers were asked if their skills had increased since working in their fair trade producer group, 29–30 felt their skills had increased ‘substantially’. One producer felt their skills had increased ‘moderately’.

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha.<sup>5</sup>



When asked to explain the types of training the producers had received to support their answers above, eight responded that they attended workshops and training organised by Sasha. The remaining majority 22 producers said they receive on-the-job training, as designs vary from order to order, and this opens up an opportunity for artisans to learn something new which enhances their knowledge, as well as their skills, and included in this were Sasha's regular intervention for improving their skills.



<sup>5</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

One of the producers interviewed was Dhritiman Ghosh, from Brindaban Prints. Read his interview here:



My name is Dhritiman Ghosh, I am the group leader of a business called Brindaban Prints where I have worked for 25 years. I am 42 years old, married with one child. My daughter is 7 years old. What I like best about working in a fair trade producer group is that it has made me able to make myself financially independent and support other local people by providing income. Also I get the opportunity along with my staff to enhance my knowledge. Fair trade has made me an entrepreneur while supporting me mentally and financially.

My group is made up of highly skilled artisans and we have a high production capacity and good infrastructure. We need more orders to utilize our production capacity. I have grown up seeing this work as my father and paternal uncle both were involved in this; I received trainings on vegetable dye and visited various printing HUBS in India after we became associated with SASHA; in fact variations in export orders have helped me in learning printing and designs.

I mostly receive regular income that I can plan around but income fluctuates with irregularity of orders. Therefore, it has become difficult recently to pay minimum wages to all the artisans and overhead cost of the unit. As infrastructure is huge, hence more order is required per month to run the unit properly.

I can always afford the basics of life, food, shelter, clothing, proper education for my child, medical expenses etc for me and my family. I have savings that will help me in my emergency situations and I feel financially secure. I have a daughter who is 7 years old; she is currently studying in class two.

I have access to low interest loans or finance. I have accessed low interest loans from Sasha for infrastructure development and working capital and also accessed loans from nationalized bank for my business.

Yes I believe that my engagement with fair trade provides me moderate long term economic sustainability because I can save substantially above what is needed for daily living, I can access finance at low interest rates, and my ability to find other work through what I have learnt in this work is substantial. It also sets up the next generation to earn a decent wage and this provides sustainability for the future of our family. So I am happy with my present status but I am not getting orders as the capacity of my unit, hence I am worried as overhead and labour charges are growing with the time.



## Long-term Outcomes

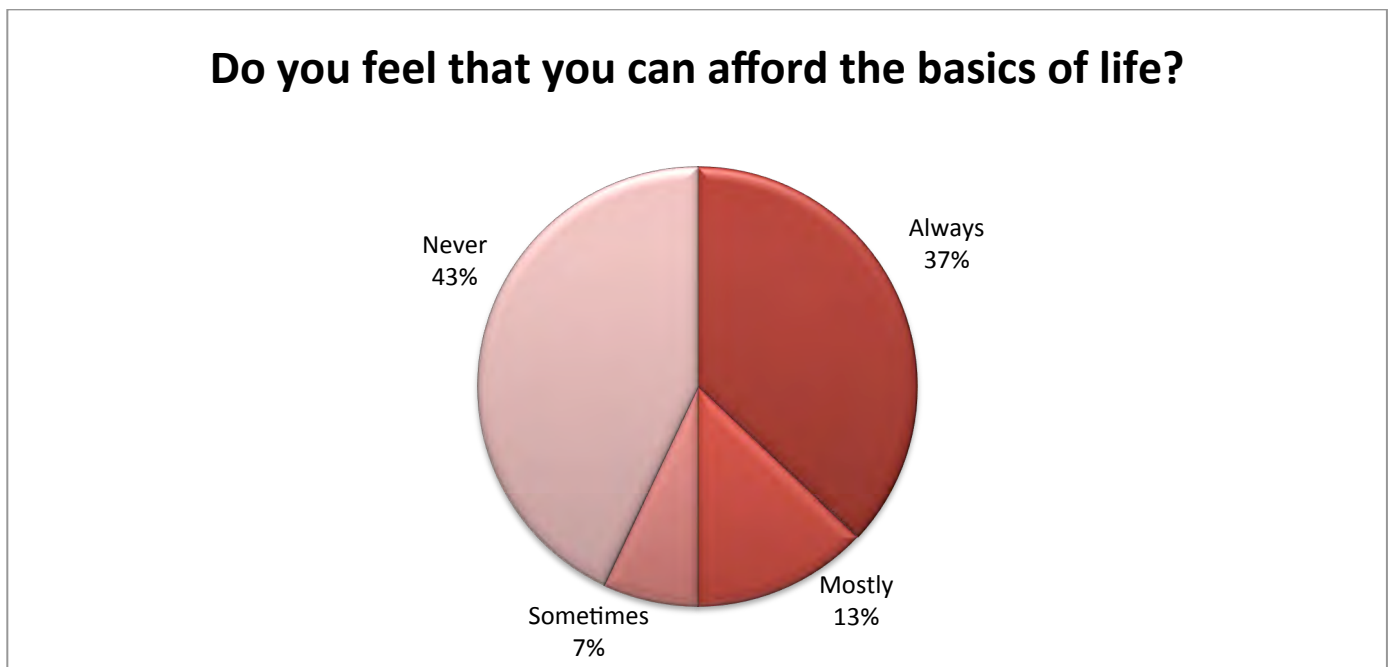
### 9. Producers are able to pay for the basics of life

In addition to the everyday needs of themselves and their families, producers were asked if they were saving for situations outside of the everyday—for emergencies, their futures and their children’s weddings.

Despite the low incomes of the producers, 29 out of 30 are able to save from their monthly income, and only one was not able to save money due to insufficient income. The majority of producers explained that they were mostly saving to provide for themselves in their old age and for emergencies. A smaller proportion, five producers, said they were saving for their children’s education and marriage.

When producers were asked if they were able to afford the basics of life (whatever that meant to them individually) half responded positively, being able to ‘always’ or ‘mostly’ afford the basics of life with their income; and the other half felt they could ‘never’ or only ‘sometimes’ afford the basics of life.

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha.<sup>6</sup>



All six group leaders answered ‘always’ to being able to afford the basics of life, but for 20 of the 24 producers (who in the main receive piece rates where income levels depend on the volume of orders), they require incomes from spouses or other members of their families, or agricultural income, to top up their wages to be able to afford the basics of life.

Only three producers rely solely on their income from their fair trade production unit (two were group leaders, one a producer) and all three can ‘always’ afford the basics of life. Of the 30 producers, 13 consider themselves the primary earners in the family despite not relying solely on their fair trade income.

#### What do we take from this?

With the exception of the remarkable savings rate of producers, it is difficult to know how to interpret the ‘basics of life’ results. Fair trade promises a fair wage in return for hours worked, but many producers are part time or piece rate workers

<sup>6</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

so there is no expectation that a producer who works only a few hours a week (whether through their own choice, or through lack of orders) will be able to provide for a family from only this wage. There is evidence from across the topics that producers were interviewed on that many of these producers would like to work more hours if there were more orders from buyers. So, the conclusion for Trade Aid must be to increase our sales so that we can provide more orders to the talented artisans we work with.

For future accounts it will be important for us to understand in more detail what information we are seeking in this outcome and what questions might successfully illicit this information.

**One of the producers interviewed was Bharati Mondal from KSEWS. Read her interview here:**



My name is Bharati Mondal, I am 58 years old and I work in a garment and embroidery production unit. I have been working with KSEWS, supported by Sasha, for 20 years.

I am very happy working in a fair trade producer group as it is very safe and I get my wages on time. All my co-workers are like my family.

My skills have increased since I started working here, I have received on the job training and special training when needed from Sasha.

I do receive my regular income but it is not sufficient enough to fulfil my plans. My income is not consistent when orders fluctuate. I can only fulfil my basics of life with my husband's support, and income from agriculture. I have savings through my group and I am saving for my old age.

I have three daughters who all went to school and have now finished. My eldest daughter is 35, she studied until class 10, my second daughter is 27 years old and studied until high school. My youngest daughter is 21 years old and she is a graduate. All of them are married.

Working in a womens' group my suggestions are always accepted by my co-workers. However my opinion is also always respected at home, I am the decision maker.

I have taken low interest loans twice from the society I am working in. One was when I had to build my house, and the other to pay for one of my daughters' weddings.

I believe only regular orders can only give me long term economic sustainability but saving above and beyond what is needed for daily living and having access to loans helps. Also I have substantially increased my ability to find other work through my experience and increased confidence from this work.



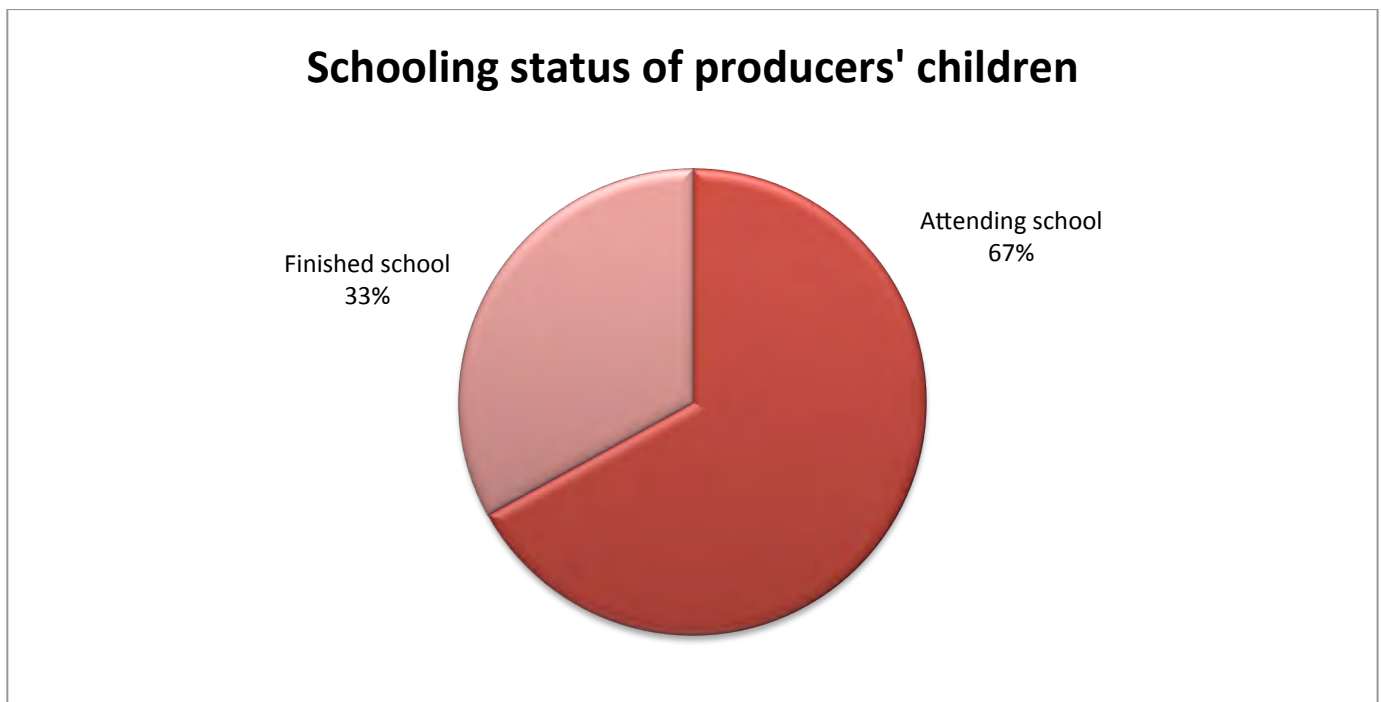
## 10. Producers' children are educated

“There was a time when I used to earn more money than now to educate my son properly. My son was just a school-going boy when I joined this unit therefore it was my priority to provide him better education for his future. It was difficult but somehow I managed with my little income which was my goal for earning. Now he is settled and independent in his life and taking care of me and my husband.”

- Meera Halder, producer with Karmo Shilpo.

Of our 30 interview participants, 26 have children. Of these 26 producers they all reported that their children are currently attending school (18 producers) or have already finished school (eight producers).

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha<sup>7</sup>.



In India, 'The Right of Children to Free and Compulsory Education Act' exists to provide free primary schooling for all children. However, there are other reasons that prevent children from going to school or dropping out such as a lack of awareness of the importance of education, lack of access to schools or colleges (distance from home, especially for girls whose parents are more protective of them), the opportunity cost of educating a child versus the child earning an income, early marriages in the case of girls, migration and lack of job opportunities after completing school, the high cost of higher education, and the poor quality of primary education, are just some of these.

According to one report<sup>8</sup>, India wide enrolment for the age group 6–14 has been 96% or above since 2009, so our 100% result is perhaps not surprising. However, the same report puts actual attendance at school at closer to 50–60% of enrolled students within the rural areas of West Bengal (the location of our interviewees). So, despite high levels of enrolments, success within education is more likely to relate to the value placed on education. Sasha says that within the groups they work with—and as a result of their work—parents are aware of the importance of education and also investing in education, there is access to schools and colleges and extra income to support education.

<sup>7</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

<sup>8</sup> The eleventh Annual Status of Education Report (ASER 2016) by PRATHAM.

One of the producers interviewed was Meera Halder, from Karmo Shilpo. Read her interview here:



My name is Meera Halder, I am 53 years old and I have been working with Karmo Shilpo since its inception 15 years ago. I attended school until grade 12 and I am married with one son.

The best things for me about working in my fair trade producer group is the dignity I get from being part of a producer group, the safe workplace and receiving my wages on time. My skills have increased substantially since I started here, I initially had tailoring training but working here I got the opportunity for on job training to fine tune my skills for working in export markets.

There was a time while I used to earn more money than now to educate my son properly. My son was just a school-going boy when I joined this unit therefore it was my priority to provide him better education for his future. It was difficult but somehow I managed with my little income which was my goal for earning. Now he is settled and independent in his life and taking care of me and my husband. My son is now 26 years old and he got married few years back. He is currently working in a private company.

Due to my poor health I can't provide much time to my work anymore, hence I earn less than before. Now that my son has become economically stable to maintain the family I earn for managing my own expenses only. Affording only my own expenses is quite manageable for me but to afford the basics of life for my family with this little income would be a nightmare.

Despite my low earnings I always receive regular income that I can plan around. I have had savings, a little amount but I spent it all with my spouse for the construction of our new house.

I am not discriminated against as a woman, I am the oldest member of this unit therefore my opinion always takes priority for my group leader and other colleagues. My opinion also gets importance in my home in the same way. At home I am the decision maker.

I have access to low interest loans if I choose to, but I have never accessed one as I am always scared to be defaulter.

I believe my engagement with fair trade only gives me a small amount of long term economic sustainability. I work in piece rates so with the current irregularity of orders, and my health status I am worried for the future. I saved a little amount of money but I have spent it all for the construction of our house and the education of my child, so economic sustainability is a big question to me.



## 11. Women are confident, participating decision makers

I have been working with this group for the last 20 years. This is a place where I share my joy and sorrow with my co-artisans. My self esteem has increased and as a woman I feel empowered and confident. I get respect in the unit but also in the community people respect me. At home my decision has value.

- Kajal Khandra, producer with Chhandabrati Society.

Among the 20 female producers interviewed, all feel their opinions are sought and respected in their workplaces. This result is not surprising given that most of the women are either from all women groups, or where the group is mixed, the majority of staff are female with only a few men. Many women made mention of the fact that their age and years of experience played a large role in the respect others had in their decisions.

Among the 20 female producers interviewed, 19 feel their opinions are sought and respected in their home life. According to Sasha this result is most likely higher than if sampling a control group of women not involved in fair trade production. Only one woman responded that other senior and male members of her household were the decision makers saying, “I feel more liberated at my workplace rather than my place.” This woman has the unique situation amongst the other producers of being one of a family group of 13, and at 32 years old she is relatively young and has only been working for four years; her earnings amounting to only 6% of the family income. Her income is not viewed as essential to the family unit and she said, “I joined here to learn and earn in my spare time. I have no pressure from my family for earning.”

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha.<sup>9</sup>

**One of the producers interviewed was Kajal Khanra, from Chhandabrati Society. Read her interview here:**



My name is Kajal Khandra and I work in a fair trade producer group called Chhandabrati Society, supported by Sasha Association for Craft Producers. I am married with three children and I live in a rural area so alongside the fair trade embroidery work I also earn an income from agriculture.

I have been working with this group for the last 20 years. This is a place where I share my joy and sorrow with my co-artisans. My self esteem has increased and as a woman I feel empowered and confident. I get respect in the unit but also in the community people respect me. At home my decision has value.

My skills have increased substantially since starting here through on the job training and targeted training through Sasha.

Mostly, I receive reliable and consistent income but it is not sufficient to fulfil my plans just from this income. Can I fulfil my basics of life with only my fair trade income? No, I have to depend on other sources of income like the agriculture and my husband’s income.

I am saving for my old age and I save money through my self help group on a monthly basis. I have taken loans from my self help group for emergency work at home.

I have two daughters and a son. My son is the youngest at 17 years and he only studied his education up until class 8 and then he dropped out. My eldest daughter is now 23 years and she studied at University until she got married and my younger daughter is still studying at University doing her Bachelor of Arts 3rd year, she is 20 years old.

<sup>9</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

I believe that this work in fair trade provides me moderate long term economic sustainability. Along term association with a fair trade organisation has helped me to retain economic sustainability, but this is now difficult because we are facing fewer orders from Sasha. Saving above and beyond what is needed for daily living and having access to loans helps moderately with sustainability and I have substantially increased my ability to find other work through my experience and increased confidence from this work.



## 12. Producers have access to low interest loans or finance

“I live in a rural area so I have taken a low interest loan from my group leader so that I could fill up a small pond to build my house.”

- Sumitra Halder, producer with Prachesta.

All producers interviewed have access to low interest loans, and 19 of them have taken up the opportunity from a variety of sources including group savings' accounts, local banks, self-help groups and co-operatives.

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha.<sup>10</sup>

Accessibility to low interest loans is really important to producers and many have taken them to build or renovate their houses, others for building toilets, to cover their children's weddings, for emergency purposes at home, for agricultural inputs, and children's education.

**One of the producers interviewed was Sumitra Halder from Prachesta. Read her interview here:**



My name is Sumitra Halder, I am 40 years old and I have been working with Prachesta for 15 years. I really enjoy the friendly atmosphere of my workplace and that it is a safe working environment.

I have no formal education but my skills have increased substantially since working here through on the job training and targeted training by our fair trade partner Sasha.

I mostly receive regular income that I can plan around, and this fulfils my needs and those of my daughter however, we could never afford the basics of life without my husband's income. I have savings which are for my daughter's education and marriage. She is now 20 years old and she is just completing her graduation.

I am not discriminated against because of my gender, the people with whom I work respect my suggestions whenever required, and at home I am consulted on any decisions to be made on major issues.

I live in a rural area so I have taken a low interest loan from my group leader so that I could fill up a small pond to build my house.

I am more employable now because of my increased skills and confidence which helps provide a little economic sustainability. I feel working in a fair trade unit can give me long term economic sustainability if i can get regular orders.



<sup>10</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

### 13. Long-term economic sustainability for producers

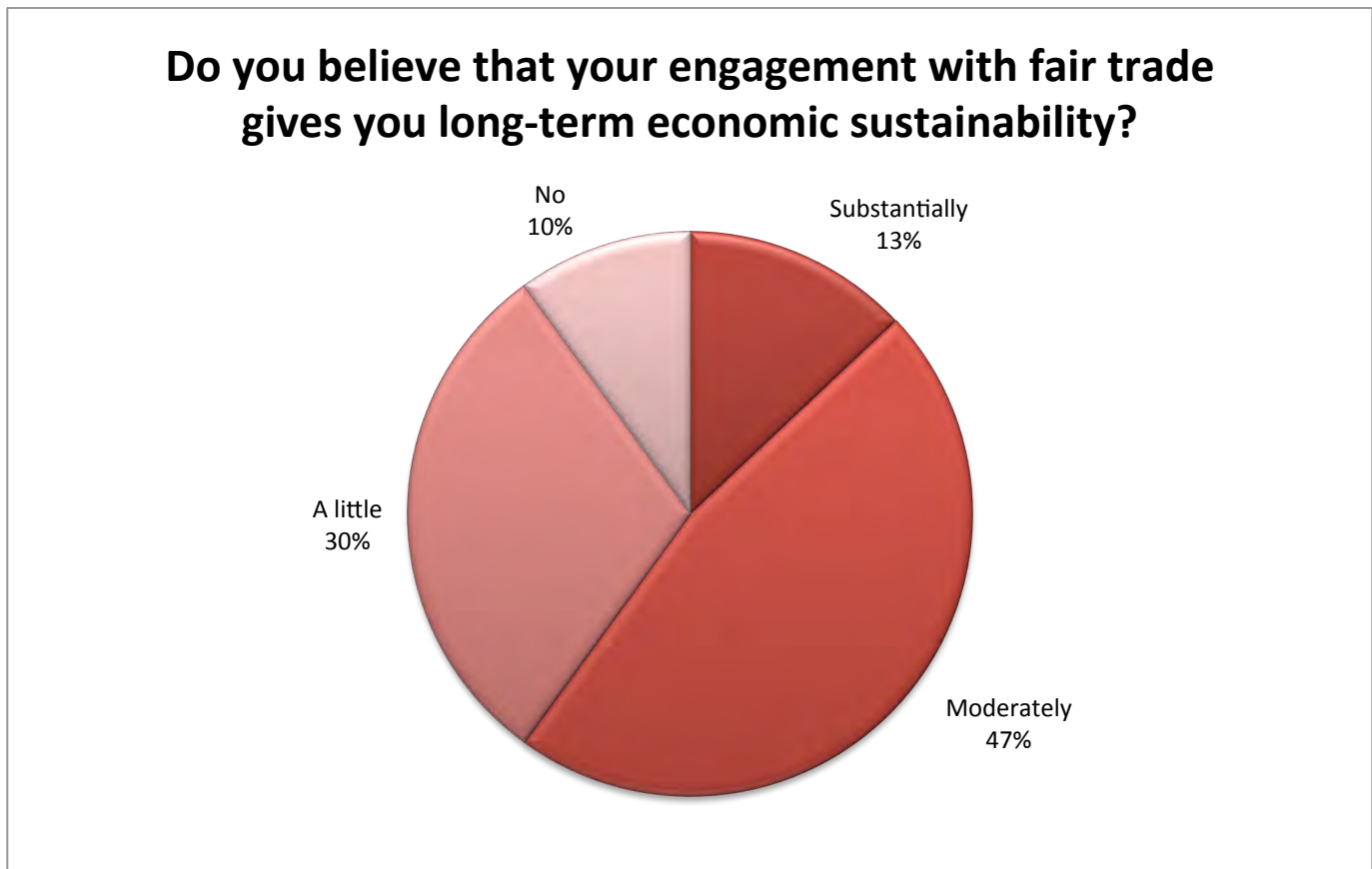
“Now I am economically empowered from the support of this unit.”

- Jharna Dua, producer with Kolaghat Socio Economic Welfare Society (KSEWS).

Producers were asked, "Do you believe that your engagement with fair trade gives you long-term economic sustainability?" Of the 30 producers interviewed, 18 responded 'substantially' or 'moderately', and the remaining 12 producers responded 'a little' or 'no'.

These data were collected from a set of 30 interviews with producers associated with our trading partner Sasha.<sup>11</sup>

Despite a majority of producers answering positively to the question ('substantially' or 'moderately'), when asked for the reasons behind their responses, all but two of the producers felt that the low and fluctuating orders of the last few years was not a sustainable situation for the long-term future. The other two producers felt their long-term economic sustainability was possible with the current rate of orders.



<sup>11</sup> For an interpretation of these results written by Sasha read pg 18 in the introduction section.

One of the producers interviewed was Jharna Dua from KSEWS. Read her interview here:



My name is Jharna Dua, I am 52 years old and I am a single woman. I have been working at KSEWS for 27 years. This unit is very safe and it is like a family. Now I am economically empowered from the support of this unit.

I only received formal education to class two and my skills have increased substantially through belonging to this group. I receive on the job training and training from Sasha as well.

My income is mostly reliable to plan around, however it is difficult to fulfil my plans as my income is very low. However I can always afford to fulfil the basics of life joining my unit's income together with earnings from my agriculture land and I am saving through my unit for my future with a provident fund. I have not required any loans so I have not taken them.

As a woman my decisions are respected. At home there is only me so I have to make all the decisions. At my workplace I am respected for my many years of experience.

Fair trade provides me with a little long term economic sustainability, I have definitely more secure in my employment due to my high level of skill and confidence in my work, however it is really difficult for me to retain economic sustainability without getting more orders from fair trade organisations.



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## Appendix A: Development Committee members

Non-Trade Aid staff members:

1. Lyn Jackson, Chair TAI Board, Trade Aid NZ (TANZ) Committee member, Retired
2. Pene Ferguson, Environmental Safeguards Specialist at World Bank
3. Mike Lyne, Associate Professor in International Rural Development Lincoln University
4. Jacqui Benter-Lynch, Organisational Development Advisor at Canterbury District Health Board.
5. Vi Cottrell, Trade Aid co-founder, TAI Board member, retired

Trade Aid staff members:

6. Michelia Miles, Development and Education Manager
7. Marinda Matthew, Education
8. Geoff White, Chief Executive Officer
9. Justin Purser, Food Manager.

## Appendix B: List of Trade Aid partners and Countries as at June 2017:

Countries = 27

Food partners = 26

Craft partners = 37

**Total partners = 63**

Partner Name	Country	Type
CJW - CORR - The Jute Works	Bangladesh	Craft
Prokritee	Bangladesh	Craft
Dhaka Handicrafts	Bangladesh	Craft
Saidpur Enterprises	Bangladesh	Craft
Valerian Handicrafts	Bangladesh	Craft
YWCA CRAFT CENTRE	Bangladesh	Craft
CHA - Cambodian Handicraft Association for Landmine and Polio Disabled	Cambodia	Craft
ANEI	Colombia	Food
APCO - Asociacion de Pequeños Caficultores de Ocamonte	Colombia	Food
CENCOIC - Central Cooperativa Indígena del Cauca	Colombia	Food
CONACADO - Confederacion Nacional de Cacao-cultores Dominicanos	Dominican Republic	Food
Oromia Coffee Farmers Cooperative Union	Ethiopia	Food
Sidama Coffee Farmers Cooperative Union	Ethiopia	Food
UPAVIM	Guatemala	Craft
Guaya'b Asociacion Civil	Guatemala	Food
ASOBAGRI - Asociacion Barillense de Agricultores	Guatemala	Food
Aspiration International	India	Craft
Tara Projects	India	Craft
EMA - Equitable Marketing Association	India	Craft
Sasha Association for Craft Producers	India	Craft
Palam Rural Centre	India	Craft
St Marys Mahila Shikshan Kendra	India	Craft
Craft Promotion Organisation	India	Craft
Godavari Delta Women Lace Artisans Co-operative Ltd	India	Craft
SIPA - Federation of South India Producer Associations	India	Craft
Silence	India	Craft
KKM Handweaving	India	Craft
Tea Promoters India	India	Food
Fair Trade Alliance Kerala	India	Food
Pekerti Nusantara	Indonesia	Craft
ZDPM - Zanana Dastkari Production Markaz	Kashmir	Craft
Undugu Society of Kenya	Kenya	Craft
Bombolulu	Kenya	Craft
Hyacinth Crafts	Kenya	Craft

UPA - Union Progresista Artesanal	Mexico	Craft
ISMAM - Indigenas de la Sierra Madre de Motozintla	Mexico	Food
MERIP - Marine and Research Institute of Pohnpei	Micronesia	Craft
Mahaguthi - Craft with a Conscience	Nepal	Craft
ACP - Association for Craft Producers	Nepal	Craft
Te Roroa Honey	New Zealand	Food
PRODECOOP - Promotora de Desarrollo Cooperativo de las Segovias	Nicaragua	Food
PARC - Palestinian Agricultural Relief Committees Fair Trade Department	Palestine	Food
Manduvira - Cooperativa Manduvira Ltd.	Paraguay	Food
Manos Amigas	Peru	Craft
CENFROCAFE - Cooperativa de Servicios Múltiples Cenfrocafe Peru	Peru	Food
Norandino	Peru	Food
Coopain Cabana	Peru	Food
CCAP - Community Crafts Association of the Philippines	Philippines	Craft
Preda Fair Trade	Philippines	Food
SOPACDI (Solidarite Paysanne pour la Promotion des Actions Cafe et Developpement Integral)	Rwanda	Food
Heiveld Co-operative Ltd.	South Africa	Food
Eksteenskuil Agriculture Co-operative	South Africa	Food
Gospel House Handicrafts	Sri Lanka	Craft
PODIE - People's Organisation for Development Import and Export	Sri Lanka	Food
Kwanza Collection Company Ltd	Tanzania	Craft
Kagera Co-operative Union	Tanzania	Food
Y-Development Cooperation Co. Ltd.	Thailand	Craft
Thai Tribal Crafts	Thailand	Craft
Green Net	Thailand	Food
NAWOU - National Association of Women Organisations of Uganda	Uganda	Craft
Gumutindo Coffee Co-operative Enterprise Ltd	Uganda	Food
Palm Project	Vanuatu	Craft
Craft Link	Vietnam	Craft

## Appendix C: List of trading partners and corresponding number of partnership years as at June 2017

Craft relationships average = 24 years

Food relationships average = 10 years

Craft partners		Food partners	
Partner Name	No. of years of partnership	Partner Name	No. of years of partnership
CJW - CORR - The Jute Works	44	Preda Fair Trade	26
St Marys Mahila Shikshan Kendra	44	ISMAM - Indigenas de la Sierra Madre de Motozintla	22
KKM Handweaving	44	PRODECOOP - Promotora de Desarrollo Cooperativo de las Segovias	18
CCAP - Community Crafts Association of the Philippines	42	Oromia Coffee Farmers Cooperative Union	15
Bombolulu	42	PODIE - People's Organisation for Development Import and Export	13
Tara Projects	41	Kagera Co-operative Union	13
Palam Rural Centre	39	Guaya'b Asociacion Civil	12
Undugu Society of Kenya	39	Green Net	12
Godavari Delta Women Lace Artisans Co-operative Ltd	34	PARC - Palestinian Agricultural Relief Committees Fair Trade Department	12
Valerian Handicrafts	33	CENFROCAFE - Cooperativa de Servicios Múltiples Cenfrocafe Peru	11
Sasha Association for Craft Producers	32	CENCOIC - Central Cooperativa Indígena del Cauca	11
ZDPM - Zanana Dastkari Production Markaz	31	Heiveld Co-operative Ltd.	11
Dhaka Handicrafts	30	Eksteenskuil Agriculture Co-operative	10
SIPA - Federation of South India Producer Associations	27	Manduvira - Cooperativa Manduvira Ltd.	9
Silence	27	ANEI	8
Aspiration International	26	Sidama Coffee Farmers Cooperative Union	8
Gospel House Handicrafts	23	CONACADO - Confederacion Nacional de Cacao-cultores Dominicanos	8
Y-Development Cooperation Co. Ltd.	22	APCO - Asociacion de Pequeños Caficultores de Ocamonte	8
Pekerti Nusantara	20	Gumutindo Coffee Co-operative Enterprise Ltd	8
CHA - Cambodian Handicraft Association for Landmine and Polio Disabled	20	ASOBAGRI - Asociacion Barillense de Agricultores	4
EMA - Equitable Marketing Association	19	Norandino	4

Craft partners cont.		Food partners cont.	
Partner Name	No. of years of partnership	Partner Name	No. of years of partnership
Prokritee	19	SOPACDI (Solidarite Paysanne pour la Promotion des Actions Cafe et Developpement Integral)	3
ACP - Association for Craft Producers	19	Tea Promoters India	3
Saidpur Enterprises	19	Fair Trade Alliance Kerala	3
Craft Promotion Organisation	19	Te Roroa Honey	2
Thai Tribal Crafts	19	Coopain Cabana	1
YWCA CRAFT CENTRE	19		
Mahaguthi - Craft with a Conscience	18		
Craft Link	15		
Kwanza Collection Company Ltd	14		
NAWOU - National Association of Women Organisations of Uganda	14		
Hyacinth Crafts	13		
UPAVIM	11		
UPA - Union Progresista Artesanal	11		
MERIP - Marine and Research Institute of Pohnpei	9		
Manos Amigas	3		
Palm Project	2		

## Appendix D: Trade Aid's Partnership Guidelines:

# Partnership policy

## Partnership is the key to Trade Aid's work

### Partnership Policy

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Trade Aid's understanding  
of partnership / 2

Principles and procedures in  
the development of strong,  
sustainable partnerships / 2

Maintenance of relationships / 3

### Purchasing Guidelines

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Placement of orders / 5

Payment for orders / 5

New product  
development / 6

Communication / 6



## Partnership Policy

Trade Aid's understanding of partnership / 2

Principles and procedures in the development of strong, sustainable partnerships / 2

Maintainence of relationships / 3

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# Partnership policy

## Partnership is the key to Trade Aid's work

Trade Aid has always seen fair trade as being the tool by which the lives of artisans and small farmers could be transformed — not just economically, but socially and politically as well. Crucial to this change is the quality of the partnership between Trade Aid and the organisations that support the producers and farmers. It is this relationship that defines our brand of fair trade, going far beyond the purchase of goods under fair conditions.

This document sets out our understanding of partnership and by implication our current interpretation of the objectives in the Charter, the principles and procedures employed in the development and maintenance of partnerships, and the purchasing policies in practice for both craft and food products.

### Trade Aid's understanding of partnership

Our partnerships include the following key aspects:

#### 1) Mutual respect and good communication

The artisans who make our handcrafts, and the farmers who grow the crops we import, have skills and understanding of their environment, as well as their own aspirations for their families and their organisations. Trade Aid's role is to offer markets and support to make their aspirations become reality, and to enable them to work in the ways that are most appropriate for them. We aim for open communication as partners, within which we can discuss the best way to serve the interests of the producers, in particular the most marginalised and disadvantaged.

#### 2) A long-term commitment

Partnership is not about profit; it is about the people we work with, and our commitment to them requires us to place regular and consistent orders to the best of our ability so that partners can plan for the future. While this is easy in good times, the test comes when external forces, economic, climatic, or changes in consumer demand for certain products impact

on the trading relationship.

#### 3) Support to improve efficiency and productivity

Feedback to partners about market trends, supplying important market-related information, alerting trading partners to potential new fair trading opportunities and assistance in developing new and saleable products are important aspects of our work. Trade Aid assists partners with funding to increase their skills, or strengthen their infrastructure to become stronger and more sustainable businesses able to assist their members to move from poverty towards self-reliance.

#### 4) Recognition that fair trade is a joint endeavour between partners

The term "partnership" implies an equal relationship, but the reality often is that TAI as the buyer enjoys a position of power. Conscious of this, TAI will consider ways to share decision making, risks and profits.

TAI recognises that its trading success depends not only on its own effectiveness, but also on the quality of products partners supply and it is current policy to share profits.

### Principles and procedures in the development of strong, sustainable partnerships

The partnerships referred to are between Trade Aid and umbrella organisations representing groups of producers, or directly with a producer co-operative or a private business.

A partnership is an on-going relationship from which the partner can expect regular orders from TAI, support to strengthen the business and development aspects of their work, open communication, adherence to the principles of fair trade and sharing of profits when this is possible. TAI in its turn can expect reciprocal communication, timely delivery of product according to specification, adherence to the principles of fair trade and sharing of information that can be used to market products and promote the fair trade message.

Partnerships are managed in the first instance by TAI staff, but policy oversight and active participation in the development and maintenance of relationships is the task of the Development Committee, as delegated by the TAI Board.

**Transitional partnerships**

In recognition that sourcing food products presents special circumstances which may change with time, suppliers may be taken on under a transition policy. Typically, this is when the volume of food purchased does not allow for direct shipment, and so the supply is through a third party until a direct partnership is possible.

**Selection of new partners**

Prospective new partners must be approved by the Development Committee according to the Trade Aid Producer Criteria. Initially they will be accepted on a trial basis for up to two years, to satisfy any doubts concerning market demand for their product or the capacity of the new partner to manage export orders.

It will not always be possible to accept new partners, as the first priority is to support present partners to a greater degree. From time to time gaps in product ranges, or regions requiring special attention will be identified with a view to establishing new partnerships.

In cases where orders are placed with food suppliers to fill gaps in supply, or for direct delivery to customers,

these suppliers will not be designated partners and TAI's obligations will not be the same as for the partners described in this document. The supplier will be clearly informed of the implications of this.

Please see the additional purchasing guidelines included at the end of this policy.

**Maintenance of relationships**

**Communications**

Transparency, trust and respect in all transactions and discussions are of great importance. Every effort will be made to understand the issues and constraints that affect partners' lives and work, and to be open to changes in approach to accommodate these. Where possible, face-to-face meetings with partners will be arranged on a regular basis to strengthen relationships. Staff concerned will develop and apply a policy to enable this to happen.

**Long-term trading relationships**

Trade Aid is committed to long-term trading relationships and will strive for continuity of orders at a sustained level so that partners can plan production. In the event that this is

not possible, partners will be informed early about expected departures from the normal timing and order levels.

**Product development for handcrafts**

In order to promote partners' independence and access to markets, and increased security for producers, Trade Aid works with handcraft partners' designers to develop products suitable for our markets, produces an annual Trend Book and provides feedback about product performance. In the case of smaller partners who have no designers and whose product is less saleable, the process of sending new designs and modifications is on-going. Newly developed samples can be used by partners to gain orders from other customers. Visits to different groupings of partners for the purpose of buying and developing products are made at least twice a year in normal circumstances.

**Capacity building**

Capacity building funds provided through the NZAid programme of the New Zealand Government are managed under the guidance of the Development Committee which allocates the funds annually and



Kebele, an elder of the Negele Gorbitu Co-operative, member of Oromia Coffee Farmers Co-operative Union with Trade Aid's Development Manager Michelia Miles.

processes proposals and reports. Funds are given to support a range of activities including training in a variety of subjects, purchase of equipment, improvement of workplaces, marketing initiatives and improvements to production capacity such as irrigation schemes or processing plants.

**Monitoring of partnerships**

Regular monitoring of partners to ensure adherence to fair trade principles and Trade Aid’s criteria at all levels of the organisation are carried out through correspondence and information gathering, as well as visits made specifically for this purpose. Protocols for such visits include, planning visits at a time that suits partners, getting agreement to terms of reference before the visit, and respecting the concept of boundaries which ensures that the monitoring takes place between the partner organisations. These protocols also focus on the processes in place to ensure that producer groups follow the fair trade standards concerning fair wages, reasonable working conditions, child labour, gender equality and protection of the environment.

Visits to producer groups are made to

back up the information provided by the partner and to gather information for use in education or promotional activities. The Checklist is used to guide the process and to give shape to the written report. Information gathered is entered into the profile of the partner on the database and is available in full to staff and development committee.

**Evaluation of partnerships**

During visits, information about the short- and longer-term effects of the partnership on producers is gathered, most often in anecdotal form. Since 2006, seven studies have been done by partners to establish baseline data to measure outcomes of our joint work at producer level with a view to being able to prove the usefulness of what we do, and improve the way we do it.

The process was designed so that partners should have ownership of the process, and the indicators should be ones that had meaning for the participants. The studies were funded by Trade Aid using NZAID funds. Future activities have yet to be confirmed by the Development Committee.

From time to time the Development Committee will conduct a review

of partners to confirm that the partnerships are those that we wish to have in place, and that the processes are robust.

Recognising that evaluation of partners’ work should be preceded by evaluation of our own organisation, TAI produces regular audited Social Accounts to measure the progress made against the Charter in meeting our objectives.

**Termination of partnerships**

Occasionally it is necessary to end a relationship for reasons that might include changes in the partner’s behaviour so that they no longer meet the criteria; complete lack of communication; collapse of the organisation; or the non-sustainability of the trade because of product unsuitability, price or the partner’s lack of response to product development attempts.

In this case, once the process outlined in the Purchasing Guidelines has been followed and has been unsuccessful, the Development Committee is informed, and the partnership is terminated.



Geoff White (Trade Aid CEO), Chris Knowles (from Trade Aid’s Board of Directors) and Ignacio Giménez (translator for Cooperativa Manduvera) on cooperative member Alba Zaracho’s sugar farm in Arroyos y Esteros, Paraguay.

**Partnership Policy**

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# Purchasing guidelines

## Placement of orders

### Reliability of regular orders

Trade Aid Importers (TAI) seeks to always place orders with trading partners in a reliable and sustainable manner. This involves placement of orders of an expected size at an expected time.

#### 1) Timing of orders

TAI will supply to trading partners an annual buying plan detailing the month in which our order is due to be placed. TAI will place orders within one month of this specified date, providing all information requested has been supplied, unless otherwise negotiated with the partner concerned.

#### 2) Size of orders

The overall purchase budget will be set by the Chief Executive Officer based on sales. While the aim is to give orders that are regular and consistent with plans, in reality New Zealand has a free floating exchange rate which can have a dramatic effect on the value of orders. If the variation between the value of the order placed and the budget exceeds 20%, a full explanation will be provided.

### Trial orders

New trading relationships will be treated on a trial basis for up to two years until demand for the product has been established. Trial orders differ from regular scheduled orders in that they may, should demand for the range prove to be insufficient to justify future orders, ultimately prove to be one-off orders. In such cases TAI will fully communicate the nature of these trial orders to the supplier involved before placing such orders.

See full guidelines around trial orders/ partnerships in the red box on page 19.

### Termination of trading partnerships

Where the buyers consider that there is not sufficient saleable product in a partner's range, a plan will be put in place to attempt to remedy this. The plan will include the following aspects: opportunities for developing

new products; consideration of margins; addressing quality concerns and marketing initiatives. A timeline will be established, and the partner informed of the steps to be taken. If the process has been followed without a positive resolution the matter will be referred to the development staff with a recommendation to terminate the trading relationship.

### Setting fair prices

Price setting is usually left to suppliers' discretion. Having chosen trading partners that TAI believes will most effectively help us to meet our development aims, we expect that, within a given supplier's local context, they will set their price for a given product at a level which will recognise market ceilings while delivering the maximum benefit to their producers. TAI will advise partners when their prices are not compatible with our market and, if the partner chooses, will engage in discussion about this.

On occasion, after prices on the pro forma invoice have been confirmed and production has commenced, a severe currency fluctuation or sudden increase in the cost of production may cause the partner to ask for a price increase in order to pay producers a fair return as agreed. In this case TAI will treat the request sympathetically, and will endeavour to pay the increased prices, or to come to a mutually acceptable compromise.

There will be rare occasions where TAI will work with trading partners more actively to set, with open dialogue, a mutually agreeable price.

Within the confines of achieving an overall budgeted margin, TAI will employ a policy of flexible margins to support partners who meet fully the criteria for partners, but whose product would not be saleable otherwise.

## Payment for orders

### Pre-financing

Trade Aid recognises that pre-financing is an important service we need to offer our trading partners. TAI will offer to pay not less than 50% of the value of the order, interest free, to the supplier at a date of their choosing, or will arrange pre-financing through a third party.

### Final payment on orders

Balance payments due on orders will be paid promptly by TAI on receipt of a final invoice prior to shipping (i.e. without requiring shipping documents).

### Credits — standard policy

Product delivered that is not to specification may be sold for whatever the purchasing team feels is its value, and the difference between the sale price and the landed cost of the product will be claimed from the supplier. The supplier will be informed at the earliest opportunity. Product invoiced and not supplied, or product which is unsalable for quality reasons will be adjusted against payment for the next order, or the supplier may be requested to replace the product with the next order without charge.

### New product development

Recognising the importance of product development to our trading partners, and that without regular new designs trading partners are prone to experience a drop-off in sales, TAI undertakes to supply trading partners with trend information, and new product development designs

and feedback. The priority for product development will be given to: supporting trading partners who struggle to add new products to their ranges; trading partners whom TAI has the greatest difficulty placing an upcoming order in line with our annual buying plan expectations, gaps TAI identifies in their ranges, and in bolstering existing ranges in order to maximise sales for both the trading partner and TAI. When trading partners request assistance, TAI will endeavour to respond, where this aligns with our available resources and capabilities.

TAI will cover the full costs of developing and producing new products they have requested.

Sales of any designs developed in conjunction with trading partners to other buyers is seen as a positive outcome, and actively encouraged.

### Other considerations:

- TAI will strive to add value at the point of origin wherever possible
- TAI will respect symbols of cultural identity where they are clearly identifiable, and will not order these from a cheaper source
- TAI will endeavour to ensure that

the major components of composite products are from a fair trade source

- TAI will endeavour to utilise materials available locally to the trading partner where possible.

### Communication

TAI recognises the need to meet several communication standards which relate specifically to the ordering process. These are:

- Clear signalling of the size and timing of upcoming orders (as detailed elsewhere in this document)
- A commitment to providing trading partners with the information necessary for them to achieve the highest standard of service possible — including feedback on quality and specific suggestions where possible on how to improve product quality, standard of packaging, accuracy of paperwork, accuracy of supplying correct quantities of product
- Responding to all correspondence from trading partners in a timely fashion (and always within five working days at the latest).

## Trial partnership guidelines:

Trade Aid Importers will always take on new suppliers in a trial partnership first, before allocating full partnership status. This applies to both food and craft suppliers.

- 1) A trial partnership is for a period of approximately two years, which is meant to allow two annual orders to be placed and trialled in the market. This is deemed sufficient to assess the sustainability of the relationship from a commercial and relationship/communication perspective.
- 2) Following the end of all two-year trial periods, the Development Committee will assess the relationship to date and confirm whether full partnership status should be allocated. It is expected that a visit will be conducted by a TAI staff member within this two-year period to ensure enough understanding of the partner by TAI staff to enter into a full partnership, however, this may not be deemed necessary if the group was visited prior to trial partner status being gained.
- 3) Once a full partnership has been approved by the Development Committee, the partner becomes eligible for additional partnership benefits such as rebates, capacity building funds and visits on a minimum five-year cycle.
- 4) Both trial and full partners are subject to the Trade Aid Partnership Policy for the duration of their partnership.
- 5) Both trial and full partners will receive promotion and marketing support.
- 6) At all stages of the process, TAI staff will clearly communicate the process and outcomes of decisions with the suppliers.

Appendix E: World Fair Trade Organization Accreditation Certificate

GUARANTEED - GUARANTEED - GUARANTEED - GUARANTEED - GUARANTEED



GUARANTEED  
FAIR TRADE  
ORGANIZATION

# CERTIFICATE

This certificate is issued to confirm that

Trade Aid Importers Ltd.

complies with the global Standard for Fair Trade Organisation, has been registered at the World Fair Trade Organization (WFTO) as a **Guaranteed Fair Trade Organisation** and is authorised to use the WFTO Product Label on their products.

301	<i>Registration number</i>
12 March 2015	<i>Date issued</i>
12 March 2019	<i>Valid until</i>

  
Natália Leal  
Chief Executive

  
Rudi Dalvai  
President

**TRADE FOR  
CHANGE**

## Appendix F: Product Development Survey

Measuring increased understanding by partners of global market trends and needs & Increased production of saleable products for the New Zealand market

Results/Outcomes	Indicators	Targets	Survey results and Data 2017	Survey results and Data 2016	Survey results and Data 2015
<b>Increased understanding by trading partners of global market needs and trends.</b>	1. Trade Aid partners feel informed about all relevant aspects of the purchasing process and feel able to dialogue and request feedback in areas affecting them.	85% of craft trading partners feel very or extremely informed about all relevant aspects of the purchasing process with Trade Aid.	100% of respondents stated they received an annual update at the start of 2017. <sup>12</sup>	80% of respondents stated they received an annual update at the start of 2016. <sup>13</sup>	93% of respondents stated they received this information.
		85% of craft trading partners feel very or extremely able to dialogue & request feedback.	93% of respondents feel very or extremely able to dialogue & request feedback.	93% of respondents feel very or extremely able to dialogue & request feedback.	92% of respondents feel very or extremely able to dialogue & request feedback.
		86% of respondents feel very or extremely informed about all relevant aspects of the purchasing process with Trade Aid.	82% of respondents feel very or extremely informed about all relevant aspects of the purchasing process with Trade Aid.	92% of respondents feel very or extremely informed about all relevant aspects of the purchasing process with Trade Aid.	
		14 trading partners are provided with in-country support.	0 partners were visited and provided with in-country support.	11 partners were visited and provided with in-country support.	14 partners were visited and provided with in-country support.

<sup>12</sup> Note: Annual information was sent to 100% of partners. The reason for difference in survey results could be accounted for by different staff receiving information and filling in survey, limited respondents to survey, or email not arriving due to technical issues.

<sup>13</sup> Note: Annual information was sent to 100% of partners. The reason for difference in survey results could be accounted for by different staff receiving information and filling in survey, limited respondents to survey, or email not arriving due to technical issues.

Results/Outcomes	Indicators	Targets	Survey results and Data 2017	Survey results and Data 2016	Survey results and Data 2015
	2. Communication from the craft team with trading partners is respectful, open and encourages collaboration.	<p>95% of trading partners find communication with Craft team to be very or extremely respectful and clear.</p> <p>95% of trading partners rate communication with the craft team to be very or extremely open &amp; encouraging of collaboration.</p>	<p>96% of respondents find communication with the craft team to be very or extremely respectful and clear.</p> <p>100% of respondents rate communication with the craft team to be very or extremely open &amp; encouraging of communication.</p>	<p>96% of respondents find communication with the craft team to be very or extremely respectful and clear.</p> <p>96% of respondents rate communication with the craft team to be very or extremely open &amp; encouraging of communication.</p>	<p>100% of respondents find communication with the craft team to be very or extremely respectful and clear.</p> <p>96% of respondents rate communication with the craft team to be very or extremely open &amp; encouraging of communication.</p>
	3. Trade Aid partners are aware of current product trends in the New Zealand market.	<p>80% of trading partners find the provided trend information very or extremely helpful as an indication of current NZ market trends.</p> <p>85% of trading partners find the provided trend information very or extremely helpful as an indication of colour trends.</p>	<p>92% or respondents find the provided trend information very or extremely helpful as an indication of current NZ market trends<sup>14</sup>.</p> <p>86% or respondents find the provided trend information very or extremely helpful as an indication of colour trends<sup>15</sup>.</p> <p>96% or respondents stated they received the</p>	<p>86% or respondents find the provided trend information very or extremely helpful as an indication of current NZ market trends<sup>16</sup>.</p> <p>91% or respondents find the provided trend information very or extremely helpful as an indication of colour trends<sup>17</sup>.</p> <p>93% or respondents stated they received the</p>	<p>88% of respondents find the provided trend information very or extremely helpful as an indication of current NZ market trends</p> <p>81% of respondents find the provided trend information very or extremely helpful as an indication of colour trends.</p> <p>92% of respondents stated they received</p>

<sup>14</sup> This figure is a combination of figures from Q.8 which asks participants to rate the helpfulness of the trend book as an indication of current NZ market trends and Q.13 which asks participants to rate the helpfulness of additional trend information provided as an indication of current NZ market trends.

<sup>15</sup> This figure is a combination of figures from Q.8 which asks participants to rate the helpfulness of the trend book as an indication of colour trends and Q.13 which asks participants to rate the helpfulness of additional trend information provided as an indication of colour trends.

<sup>16</sup> This figure is a combination of figures from Q.8 which asks participants to rate the helpfulness of the trend book as an indication of current NZ market trends and Q.13 which asks participants to rate the helpfulness of additional trend information provided as an indication of current NZ market trends.

<sup>17</sup> This figure is a combination of figures from Q.8 which asks participants to rate the helpfulness of the trend book as an indication of colour trends and Q.13 which asks participants to rate the helpfulness of additional trend information provided as an indication of colour trends.

Results/Outcomes	Indicators	Targets	Survey results and Data 2017	Survey results and Data 2016	Survey results and Data 2015
			<p>annual trend book</p> <p>58% of respondents received other trend information from Trade Aid in the past year.</p> <p>0 partners were visited and were provided with tailored trend information during these visits.</p>	<p>annual trend book</p> <p>80% of respondents received other trend information from Trade Aid in the past year.</p> <p>11 partners were visited and were provided with tailored trend information during these visits.</p>	<p>annual trend book</p> <p>60% of respondents received other trend information from Trade Aid in the past year.</p> <p>14 partners were visited and were provided with tailored trend information during these visits.</p>
	<p>4. Trade Aid partners find provided trend information useful.</p>	<p>75% of respondents have designed new products in the past year based on the trend book received from Trade Aid.</p> <p>80% of respondents have designed new products in the past year based on the additional trend information received from Trade Aid.</p>	<p>87% of respondents have designed new products in the past year based on the trend book received from Trade Aid.</p> <p>77% of respondents have designed new products in the past year based on the additional trend information received from Trade Aid.</p>	<p>85% of respondents have designed new products in the past year based on the trend book received from Trade Aid.</p> <p>85% of respondents have designed new products in the past year based on the additional trend information received from Trade Aid.</p>	<p>65% of respondents have designed new products in the past year based on the trend book received from Trade Aid.</p> <p>100% of respondents have designed new products in the past year based on the additional trend information received from Trade Aid.</p>

Results/Outcomes	Indicators	Targets	Survey results and Data 2017	Survey results and Data 2016	Survey results and Data 2015
	<p>5. Trade Aid partners find provided product designs helpful in developing new products.</p>	<p>135 new products to be developed with trading partners.</p> <p>16 trading partners targeted to develop new products with.</p> <p>100% of trading partners are provided with feedback where needed on products developed.</p> <p>80% of partners found the product ideas worked on with Trade Aid in the past year very or extremely helpful in developing new products.</p>	<p>250 new products developed with trading partners in 2016-17 (not including those produced during special PD projects).</p> <p>26 trading partners worked with in the 2016-2017 period. 6 were worked with more than once in this period.</p> <p>100% of trading partners who completed product development designs were provided with feedback where needed on products developed.</p> <p>84% of respondents found the product ideas worked on with Trade Aid in the past year very or extremely helpful in developing new products.</p> <p>76% of respondents developed additional new products of their own designs based on</p>	<p>261 new products developed with trading partners in 2015-16.</p> <p>25 trading partners worked with in the 2015-2016 period. 8 were worked with more than once in this period.</p> <p>100% of trading partners who completed product development designs were provided with feedback where needed on products developed.</p> <p>100% of respondents found the product ideas worked on with Trade Aid in the past year very or extremely helpful in developing new products.</p> <p>94% of respondents developed additional new products of their own designs based on</p>	<p>187 new products developed with trading partners in 2014-15 (not including those produced during special PD projects).</p> <p>21 trading partners worked with in the 2014-2015 period. 12 were worked with more than once in this period.</p> <p>100% of trading partners who completed product development designs were provided with feedback where needed on products developed.</p> <p>94% of respondents found the product ideas worked on with Trade Aid in the past year very or extremely helpful in developing new products.</p> <p>79% of respondents developed additional new products of their own designs based on</p>

Results/Outcomes	Indicators	Targets	Survey results and Data 2017	Survey results and Data 2016	Survey results and Data 2015
		80% of partners find the product development worked on with Trade Aid fit very or extremely well with the skill base of their producers and utilise materials they have available.	product development done with Trade Aid.  59% of respondents sold designs developed in collaboration with Trade Aid to other buyers.  88% of respondents felt that the product development fit very or extremely well with the skill base of their producers and utilised the materials they have available.	product development done with Trade Aid.  47% of respondents sold designs developed in collaboration with Trade Aid to other buyers.  76% of respondents felt at the product development fit very or extremely well with the skill base of their producers and utilised the materials they have available.	product development done with Trade Aid.  36% of respondents sold designs developed in collaboration with Trade Aid to other buyers.  93% of respondents felt that the product development fit very or extremely well with the skill base of their producers and utilised the materials they have available.
	6. At least one trading partner is assisted in a specified production area by a product development specialist, purchase of equipment and training.	The relevant trading partner(s) report increased product development capacity as a result of the special product development project.			

## A selection of qualitative feedback from the Product Development Survey supporting Output 2

### 1. Trade Aid partners feel informed about all relevant aspects of the purchasing process and feel able to dialogue and request feedback in areas affecting them.

“We feel we are always included. TA has one of the best system and culture to include producer organizations.” [Q3]

“We feel very comfortable in asking questions related to our products and the entire Craft team is very helpful.” [Q3]

## **2. Communication from the craft team with trading partners is respectful, open and encourages collaboration.**

“Yes! Communication with Craft Team always encourages collaboration. We always gets the Crafts Teams valuable feedback and suggestions pertaining to all our products and the new products for development.” [Q4]

“Very good communication and always proactive in reaching out [to] producers.” [Q5]

## **3. Trade Aid partners are aware of current product trends in the New Zealand market.**

“Trade Aid trend book always gives us the opportunity to develop the products as per the upcoming trend in New Zealand. This also helps us in discussing with our producer groups and guiding them about the new products with regards to the products, color [sic] combination etc.” [Q8]

“It is helpful because it guides on the customers preference in New Zealand.” [Q9]

## **4. Trade Aid partners find provided trend information useful.**

“Trend Book is always helpful in developing the new products. It also gives us the opportunity to explore in the field in which we have never worked.” [Q13]

“We have effectively used the trend book to inform our new developments which have received impressive responses.” [Q8]

“We developed leather bags, jute & wool Rugs, felt items and many more after receiving the Trend book.” [Q11]

## **5. Trade Aid partners find provided product designs helpful in developing new products.**

“With support of the in-house designer story board interpretation, the artisan have been able to come up with new developments informed by the ideas received.” [Q19]

“It is helpful and useful for our group to develop the product development ideas with Trade Aid at our program.” [Q16]

“We had worked with Trade Aid on the project of developing new designs for ceramic groups in Vietnam and we feel very positive of that. Our designer and artisans learnt a lot from the design and product development process. We hope you can continue programs like this in the future, not just with ceramic material, but also with other types of material and products. Thank you so much for your support!” [Q22]

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## Communication, Trend and Product Development Survey Evaluation

24 July 2017

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### Overview

- The Craft Purchasing Team and Product Development survey was sent to all Trade Aid Importers craft partners (apart from two non-English speaking partners) in order to gather their opinions on working with TAI's craft team and the outcomes they have seen from this partnership. The survey covered communication with the craft team, the annual trend book, specific trend information, and product development.

### Survey Questions

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#### Communication

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This section of the survey focussed on communication and the questions were based around how informed our trading partners feel about the purchasing process with Trade Aid and how they feel about their experiences communicating with the Craft Purchasing team.

#### 1. Option to place organisation name or to remain anonymous

Identified – 82%

- 28 respondents

#### 2. Did you receive an email in January 2017 from Jette outlining your annual sales and your order timing for 2017?

Yes – 100%

- 27 respondents

#### 3. Do you feel able to ask questions and request feedback from members of the Craft purchasing team at Trade Aid?

Very/Extremely - 93%

- 27 respondents

#### 4. Do you feel that communication with the Craft team at Trade Aid is open and encourages collaboration?

Very/Extremely – 100%

- 27 respondents

#### 5. Do you find communication with members of the Craft team to be respectful and clear?

Very/Extremely – 96%  
 ➤ 27 respondents

**6. Do you feel informed about all relevant aspects of the purchasing process with Trade Aid?**

Very/Extremely – 89%  
 ➤ 27 respondents

**Trend Information**

This section of the survey focussed on the trend information Trade Aid sends to our trading partners and the questions were based around how informed our trading partners feel about trends, how useful they find them and how they use the trend information.

Below are the questions from the survey. The majority of questions were answered by either a yes/no selection or by the following rating system: Not at all / slightly / moderately / very / extremely.

**7. Did you receive the Trade Aid trend book for 2016/2017 that was sent in mid-2016?**

Yes – 96%  
 ➤ 27 respondents

**8. Please rate how useful you have found the trend book from Trade Aid in the following areas:**

Indication of NZ market trends	Very/Extremely – 92%
Indication of colour trends	Very/Extremely – 87%
Indication of how trends suit specific product areas	Very/Extremely – 83%
As a tool for designing new products	Very/Extremely – 91%

➤ 23 respondents

**9. Please rate how easy to understand and useful you found the written parts of the Trade Aid trend book to be:**



Yes – 77%

➤ 20 respondents

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## Product Development

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This section of the survey focussed on the product development Trade Aid works on in collaboration with our trading partners and the questions were based around how helpful our trading partners find this support. Below are the questions from the survey. The majority of questions were answered by either a yes/no selection or by the following rating system: Not at all / slightly / moderately / very / extremely.

### 15. Have you participated in product development work with Trade Aid in the past year?

Yes – 77%

➤ 22 respondents

### 16. Have you found the product development ideas Trade Aid has worked with you on in the last year helpful in developing new products?

Very/extremely – 83%

➤ 18 respondents

### 17. Have the product development ideas you worked on with Trade Aid led on to you developing additional new products of your own design?

Yes – 76%

➤ 17 respondents

### 18. Have you sold any of the products developed in collaboration with Trade Aid to other buyers?

Yes – 59%

➤ 17 respondents

### 19. How well have the product development ideas sent to you in the last year fit with the skill base of your producers and utilised the materials they have available?

Very/extremely – 88%

➤ 17 respondents

**20. Has the benefit from producing new samples outweighed the time and resources involved in developing them?**

Yes – 100%

➤ 16 respondents

**21. As a result of your work and communication with the product development team at Trade Aid, do you feel that:**

**a) your organisation's trading capability has increased?**

Yes – 90%

➤ 20 respondents

**b) your producers' trading capability has increased?**

Yes – 89%

➤ 19 respondents

**22. Invitation for further comments regarding product development, market information and trend support provided by Trade Aid**

Commented – 68%

➤ 19 respondents

## Appendix G: Producer questionnaire for producer interviews

	Outcome to be measured:	Closed ended questions:	Closed ended question options:	Open ended questions:
1	Stable production levels and sustained operational capability at producer workshops. (Questions to producer group leaders only)	N/A - Sasha records  What is your turnover in last year?  What is the status of your Micro Finance loan from Sasha (if any):	N/A - Sasha records  Turnover: - Below 7 lacs - 7 lacs - 15 lacs - 15lacs - 25 lacs - Above 25 lacs  MF loan: - Defaulter - Repaying Regularly - Successfully repaid	N/A - Sasha records  Please explain your organisation's Production Capacity and Economic Sustainability of the group.
2	Producers' business and production skills are enhanced.	Have your skills increased since you started working here?	Select one of: - Substantially - Moderately - A little - Not at all.	Please explain the types of training and how often this has occurred since working here?
3	Reliable and consistent income received by producers.	Do you receive regular income that you can plan around?	Select one of: - Always - Mostly - Sometimes - Never.	Please explain your answer (the benefits/problems etc)
4	Producers are able to pay for the basics of life.	a) Do you feel that you can afford the basics of life, whatever the basics mean to you?  b) Do you have savings?	Select one of: - Always - Mostly - Sometimes - Never.  Yes or No.	a) Please explain your answer (the benefits/problems etc)  b) Please explain your answer (the benefits/problems etc)
5	Producers' children are educated.	a) Do you have children?  b) If yes, are they in school or finished their schooling?	Yes or No.  Yes or No.	Please tell me about your children (ages, level currently studying, level reached?)
6	Women are confident, participating decision makers. (for women to answer only)	a) Is your opinion respected at work?  b) Is your opinion respected at home?	Yes or No.  Yes or No.	Please explain your answer with an example from your workplace and from your family life.
7	Producers have access to low interest loans or finance.	Do you have access to low interest loans or finance?	Yes or No.	Please explain your answer with an example of what is available to you, and what you have accessed funds for.
8	Long term economic sustainability for producers.	Do you believe that your engagement with fair trade gives you long term economic sustainability?*	Select one of: - Yes substantially - Yes moderately - Yes a little - No.	Please explain your answer with an example.

## Appendix H: Survey to Trading Partners re greater trading capability of partners and producers

The survey consisted of three questions:

1. Over the years you have received funding, how successful do you feel the funds have been at improving the capacity and capability of your organisation to produce and sell marketable products?
2. What limitations (if any) did you experience with the funding?
3. The aim of the funds is to increase your trading capability. Do you have ideas for how this funding system could be improved?

The survey was sent in both Spanish and English. See the results of the Spanish survey following the English.

The English version of the Capacity Building Survey was sent to:

- 30 recipients.
- Replies received by 20 recipients.
- 67% return rate.

### Question 1: Over the years you have received funding, how successful do you feel the funds have been at improving the capacity and capability of your organisation to produce and sell marketable products?

Answered: 20

Skipped: 0

Answer Choices	Responses	
Very successful	55.00%	11
Quite successful	40.00%	8
A little successful	5.00%	1
Not successful	0.00%	0
Total respondents:		20

### Please give as much explanation as possible to explain your answer above, using specific examples if possible:

Answered: 20

Skipped: 0

1. This funds used in our organisation for the capacity building of our producers. The new producers got training for their skill development and the existing producers can enhance their skill for marketable products. We used this funds for quality control supervisors who checked the quality of products.
2. Over the past few years, we have benefited from funds donated by Trade Aid and used them to develop the local fair trade market. The funds assisted us in positioning our products in the local market. Currently, we are all set in the market with a distribution car, salesman and a promotion officer. Currently, we have shelves in main supermarkets around Ramallah city. Last year, the local sales comprised around 4% of our total sales, but we expect an increase in 2017.
3. "The capacity building fund we had been receiving over the years has contributed towards the enhancement in the several areas:
  1. Product Development- We have been able to bring in designers for developing products as per market trend. This has contributed to market expansion.

2. Development of new skill and product line: The new product development initiative in glass has been very rewarding for us. This has created a new product range for us to offer to our customer and new skill range for our producers.

3. Efficiency in customer service: The installation of bar code system security has enhance customer service through increased efficiency of the employees at the retail outlet

4. Exposure to our staff and producers: The exposure trip to other handicraft organizations in neighboring countries has given insight to our team members about the systems, techniques, processes, challenges and the fair trade practices in the other organizations. This has resulted in creation of better understanding and motivation among them.

5. Upgrading IT system: With the up gradation of our IT system We have been able to manage password policy, security options, central printer; Central storage of Data and information, the access levels to files and folders for individual users and groups; Utilization of network and decreasing the overall traffic in the network, Centralized login system, centralized administration, improved security system

6. Residential Team Building Workshop: The workshop imparted good understanding about (organisation name) and its work and the purpose of our existence and our mission. Apart from it, being away from the workplace the staff/producers has an opportunity to relax and get to know each other better which created harmony which has suffused mutual cooperation, increased team spirit and work together towards attaining the organizational goal.

7. Installation of generator to combat the challenges caused by power cuts: the support received for generator resulted in timely communication with the partners and stakeholder, better service to producers and customers, under utilization of work hours was eradicated “

4. (Organisation name) has used the fund in multi-sectoral development, specially emphasized on capacity building of the artisans as well as the organization. Through the implementation of the projects, the capacity of production raised quite high, new range of crafts included in the product-line. Productivity is now in competitive standard. Certainly the impact in on the business volume. In spite of the world economy instability, (organisation name) obtained a significant growth.

The use of advance machines in production help (organisation name) to step in an advanced arena. The capacity building of the staffs and market exposures also lead the team forward. Hiring the designers and QC training provided by expert help (organisation name) becoming professional. From the learning, (organisation name) team also provided training to the other local FTOs.

(organisation name) carried-out the Audit process of WFTO twice (first the SFTMS audit and finally the FTGS audit) through the support of the TAI fund. The audit system was quite expensive and it helped a great having the support.”

5. "Under release of much needed financial help through Trade Aid, we the (organisation name) has not only been able to sustain the improvement work in our handicraft products, but this has assisted tremendously to the capacity building of craft persons to compete in the market.

Since the costume jewellery market is very much fragile and the producers have to go inconsistently with the trend of the market. The Trade Aid assistance in this respect has always been supporting to polish their skill and got the products that created demand in the market. This is the continuous process to train the producers and get the best result out of the training.

This was the support, that help us to participate in the big fair (Indian Handicraft & Gift Fair) organised by Export Promotion Council for handicrafts. Our craft persons were so felicitous to take part in such exhibition which encouraged them very much to improve their merchandise.

We anticipate, the aid in this field will help us in future also so that (organisation name) could be able to move forward in future."

6. The Capacity Building Fund received from Trade Aid during the previous years has been very much helpful for upgrading our production techniques and improvement of quality of our products. The funds were utilized more specifically for training of women and empowering them financially to support their individual family needs.
7. Our relationship with Trade Aid is remarkable. As regards Capacity Building, we have successfully come out with funding and establishing a Leather-Craft Department, a Soap-Making Dept., Paper-beads Jewelry, etc. in (organisation name).

Particulars of assistance by Trade Aid (over the years) :

- A. We have been able to purchase several high-quality machines and instruments/gadgets to operate while crafting new handicraft-items.
  - B. Been able to purchase high-price Raw Materials.
  - C. Been able to remunerate our artisans in addition so as to satisfy and conform to minimum and living wages conditions of Fair Trade and Fair Trade Markets.
  - D. Foot circumstantial expenses, regarding Tangible Assets, Overhead Expenses, etc.
  - E. Michelia Ward visited (organisation name) from Trade Aid. Consequently, Hannah Page, Ami Reid and Rosa also visited. Thereby bonding our relationship further.
  - F. Apart from raising the saleability of the products, the grants helped substantially for renovation, space management, electrical wiring, etc., rendering better working condition and more capacity within (organisation name) premises, especially Factory.
8. "The previous and the recent capacity building support have been aimed at improving the ability of the small producers especially the women-centric producers of garments, home textiles and other made ups, to achieve a certain standards in terms of efficiency and output with the help of technical inputs by external resource persons, specialized in the subjects. With (organisation name) complementing through it resources to support appropriate infrastructure and financial support, there is substantial change in the manner the small groups function and operate. Fair Trade compliance is much more visible.

The initiatives have supported in developing and promoting products from a supply chain dedicated to ethical and Fair Trade practices throughout the production process that is expected to strengthen our past endeavors and also provide a competitive edge to the producers and organizations part of the Fair Trade movement.

The grants have been very focused and need based for e.g. providing small machines & tools to supporting augmenting infrastructure like water hardness removal, steam tables for printing, bamboo treatment, dices for candles; grants has supported developing a sustainable clothing range for the domestic market, promotional activities; packaging etc. The funding also included Impact assessment, Monitoring & evaluation- an important aspect of our trading activity.

An entire gamut of activities leading to bringing out suitable and relevant products in the market in the most effective manner. "

9. The TA Capacity Building fund have been instrumental in improving competencies in producers, staffs and the organization. (organisation name) has used the fund for institutional capacity building, market access, networking and producer capacity building. Able to visit trading partners in Europe and elsewhere with the fund. Able to increase production capacity. Staffs training etc.

10. The funds from Trade Aid have helped our producers in the following ways:

1. One of our production units, called (organisation name) (basket unit), didn't have its own production area. The producers of that production unit were operating their production process on a rented piece of land, which was inconvenient and added additional fixed costs to the unit's operating expenses. So, in 2012, with the funding from Trade Aid, we bought the land for that production unit. Now, the producers have their own working place and production facilities, which has significantly lowered their operating expenses.

2. One of our production units, (organisation name), didn't have equipment to treat their waste water. The waste water from that production unit was being released to local drainage system which was not good for the environment. In 2014, with the funds from Trade Aid, we built an Effluent Treatment Plant for that unit.
  
3. To promote fair trade and utilize the human capital of our producers, quite often, we organize training sessions in our production units. Over the last few years, we have used the funds from Trade Aid to organize some training sessions.
  
4. We also received funds for buying essential equipment, and building production facilities which was very much helpful for our producers. "
  
11. We have used the fund for various activities from new crop experiment trails with farmers, to build new machine (rice mixing), to national fair trade campaign. It may be difficult to say how successful each of these activities are but at least in help to contribute to a development of our organizations, our membership, and the Thai fair trade movement. But at least, we have tried.
  
12. The society has been very much benefited through the capacity building funds from Trade Aid. When we were weak financially that has been a great encouragement to us. We will be very grateful to you for the same forever.  
 some examples:- We purchased Generator, sewing machines, stabilizer, build showroom for lace products.  
 Re.Generator: In summer season heavy power cut in our area. Due to power cut we are not able to meet the buyer's export orders.  
 After getting the Generator we overcome all the power problem, thus help the society and the artisans a great. "
  
13. The Support that we have been receiving from Trade Aid was to work on specific capacity building projects such as Video Documentary for Promotion and storage of Skills on Basketry Weaving. More young girls are now interested on weaving as they have seen the potential.  
 Study Tour of Artisans to visit Kenya: They had exposure that has improved their working and increased productivity  
 Attended Ambiente Trade Fair: This increased the visibility of (organisation name), identified new buyers, increased export sales thus more income to weavers and enabled them to improve their living standards  
 Product Development: Enabled (organisation name) to introduce new designs that attracted buyers  
  
 Office Support: Equipped our (organisation name) with Computer and Camera that increased efficiency and productivity
  
14. Over the years the capacity building funds have supported us to train our artisans on the following;
  - Improved production skills to enhance export ready products
  - Innovation and new product designs interpretation.
  - Improved production capacity that has increased efficiency of production time and quality.
  - Equipping of production tools.
  - Equipping of safety and healthy working gears.
  - Building of sanitary facilities
  - provision of clean water through piping and putting of water tanks at the stone quarries and workshops.
  - Provision of marketing information
  - provision of expanded markets for the artisans products through trade fairs.
  - promotion and raising awareness of Fair Trade practices in their businesses. "
  
15. We are thankful to TradeAid New Zealand for the capacity building support (CBF) provided over the last several years. The support helped the organization to improve and upgrade our infrastructure and have more design development as well as participation in the International Fairs. Market has been indeed very competitive and demanding over the last years. The technical up-gradation in production helped us to improve the quality of our products and meet the necessary requirements. The newly developed designs helped us to get more work for our artisans.

With the support provided we were able to install and upgrade electro-plating plant, install necessary machines required as well as generators for power backups. The support also helped to install casting machines / plant. The

infrastructure support provided gave the producers hope, encouragement and necessary confidence. It was a good and meaningful example of capacity building support. The support also encouraged us to work more for product development. The results were positive for the work received, though it is an ongoing process. The trainings given and design service taken were also very helpful to continue and sustain our work.

Thank you very much TradeAid New Zealand for your solidarity, cooperation and support given under the CBF program.

16. We have improved our marketable products from Trade Aid and we trained our group how to produce items which were used by using funds from Trade Aid partner, and we strengthened our capability and capacity improved in all support from these funds. We all felt confident and reliable in this process.
17. The funds provided by Trade Aid were utilized for growing tea in Potong which is the greatest value that can be created in context to tea as tea bushes once planted can survive up to 100 years and provide a recurring (weekly) source of income through the sale of freshly harvested leaves.
18. The fund from trade aid mostly we use it to provide trainings and activities to increase producer's capacity building. The training and activities includes:
  - ✓ Product development trainings
  - ✓ Revolving funds
  - ✓ Administration training
  - ✓ Gender Training
  - ✓ Legal issue training
  - ✓ Nickel Free, Azoo free, non toxic paint training
  - ✓ Providing dry kiln
  - ✓ Production Management And Quality Control Training For Producers
  - ✓ Etc.

Through those trainings, it impact to increasing producer's capacity and capability to produce and sell marketable products.

Product development training help our producers to increase their skill to make new products that meet with market trend. Many new products from these training were ordered by (organisation name)'s buyer.

Nickel Free, Azoo free, non toxic paint training help our producers to produce products that meet with buyer's requirements.

Dry kiln help our producers to solve wood product quality issues and buyer's claim. This automatically impact to improve buyer's satisfaction that finally can increase turn over.

19. Providing skill developing training opportunities to the artisans which has given them knowledge about the quality assurance and productivity. You will find the pictures of the developments through your funding by e-mail.
20. The main area of success was in the IT line help we received from Trade Aid. Without up to date electronic machinery (computers, inverters, printers, we would not have been in a position to follow "the great leap forward" of the Indian Government, asking suddenly that everything be "on-line".  
 Thanks for that part.  
 What we miss now is the human resources able to make full use of these facilities.  
 90% of us are above 65; 50% illiterate; 20% with heavy physical handicaps. I brief, there are only 4 people, all in fragile condition to run the instruments, even less what to look for...  
 Other helps, like Recycled paper equipment, had to be terminated for want of workers and ...imagination.  
 The whole problem lies in the fact that no fresh educated and motivated persons could be found to work with LEPROSY PATIENTS, and nothing has changed in that respect since 55 years of our utopian self-management drive and dream!"

**Question 2: What limitations (if any) did you experience with the funding?**

Answered: 19

Skipped: 1

1. No limitations
2. Given that prices in Palestine are very high for everything , the fund was usually small so we had to seek other contributions to carry out the planned intervention.
3. CJW did not experience any limitation. The provided fund and use of self resources jointly support the completion of the projects.
4. The crunch of funds is the main hurdle to improve or create novelty items. If we have sufficient amount, we can take up or work to bring new designs of products in the market. We have received your fund in this regard for only five times for capacity building. We used this fund -- three times in training the workers and two times for participating in the fair.
5. We don't find any limitation in getting and using this fund.
6. "(organisation name) feels that overall, the capacity building grants have helped (organisation name) tremendously. With the acceptance of these benefits, as asked, the following points maybe considered as positive-criticism of the funding method:
  - a) Instead of the funding-time span/limit being kept for 1-year specifically, the time-limit can be extended for more duration.
  - b) Perhaps the best could've been achieved by receiving reports of the recipients on Capacity Building without asking for specific project-configuration for the year. ...e.g. Planning a project and expenditure for running the same project may get varied because of many practicalities; and thus the recipient of the funds should be allowed freedom to handling the grant amount accordingly.
7. None. The funding is supplemented with the organizations funds to create substantial input of resources.
8. Not as such.
9. One of the challenges of receiving the funds was to transfer the funds from New Zealand to Bangladesh.
10. Not much, Trade Aid is very flexible on the administration of the funds..
11. Sometimes the funds sent by you was not enough for the project we have planned. Some have to adjust ourselves (of course, it was not a serious problem).
12. We had to use the funds within the budget limit. Otherwise, sometime the needs are more than what the funds can do.
13. Limited funds due budget allocations
14. The support, whenever received was very useful for the producers.
15. Training supplies and samples of the products taken from Product development form Trade Aid are vital to our group with the funding.
16. None
17. We have no experience for this point, as we always adjust the activity with the funding provided.
18. The funding which was not enough to complete but we have managed by adding our own.
19. None.

**Question 3: The aim of the funds is to increase your trading capability. Do you have ideas for how this funding system could be improved?**

Answered: 19

Skipped: 1

1. "It would be great if the funds are used to:
  - Participation in specific fairs in specific countries.
  - Product development, based on the market needs in New Zealand
  - Obtaining quality certificates, such is ISO22000, HACCP, Organic etc. to support sales in New Zealand and other countries.
2. The funding support has helped us to address different challenges and requirements of (organisation name). Without this support we would not have been able to achieve all the activities stated above which has contributed significantly towards the efficiency and sustainability of (organisation name). We were very much disappointed when we learnt this funding is being discontinued. We sincerely hope that Trade Aid would be able re acquire this fund from the government and continue with this program.
3. The funding system can be improved by more specific activity based projects, specific program components. To fund major event, the budget can be kept for years and then the implementation can to processed. Here I am giving an example: Target: Promote home textile/home decor in the New Zealand market. Implementation stage: 1st year - product dev based on the NZ market trend, test market. 2nd year - improvisation of the product through the market feedback, test market. 3rd year - marketing of the products. A 3 years project with specific goal and advancement of the organization.
4. Of course, the finance is the main pillar to improve the capacity of the craft persons. As we have pointed out earlier that fund is regularly needed to train them as per the market trend or march ahead. If we have to retain in the market permanently, the fund will be required from time to time so that we will be able to show case our new creations before the overseas buyers through International exhibition.
5. We are satisfied with the present system of funding. It can be followed during the years to come.
6. Generally, this funding amount varies from 3,000 to 5,000 USD. It is definitely a very useful amount but more effectively can be achieved by increasing the grant amount to a level of 7,000 to 8,000 USD. In that case, the marketing expense of the product and the production of campaign material could be covered. E.g. (organisation name) can manage only 1 overseas tour for marketing abroad, but in alternate years; if (organisation name) could afford this tour once in every year, the effect would have been twofold
7. 1) Technical assistance funding in area of implementing appropriate technologies for small producers like Jiggers, Wood seasoning etc. This would entail larger assistance and longer durations.  
2) Productive capacity building to build on their comparative advantages and diversify exports;  
3) Strengthening the social security interventions like programmes of financial education & inclusion. "
8. The funding is catalyst in many ways. The system also gives liberty to the FTOs to choose their own idea. Hence works perfectly.
9. Some ideas are:
  - The size of the funds should be bigger amounts to cover the full project.
  - The recipient organization should have legal authorization to receive the funds.
10. Depending on organization, some may want to focus export capacity while other may wish to focus on domestic market like what (organisation name) did. Having flexibility and be prepared to understand the needs of the partners are key. And so far, I don't see any problem. So, no suggestion for improvement.
11. We don't have any apt suggestions we would like to leave it your own ideas. Any improvement in the fundraising will be appreciated and will definitely help the artisans' upliftment. Please do according to your wish.
12. If your government will be willing to support you again, I feel that Marketing Promotion and product development are very essential for increasing trading capability of (organisation name)
13. Consolidation of the funds to enhance specific marketing impact to increase orders for the artisans.
14. The support received was indeed helpful. But capacity building is an ongoing process. We hope it could continue for more years.

15. We have essential ideas for how the funding system could be improved in searching more trading capability of producing the silk fabrics and designs; especially updated designs for the needs of the people in local and international markets.
16. This has only been our third year of receiving funds and to be honest they have been very helpful in continuing our planting program in Potong and hence at the moment we have no fresh ideas.
17. We hope the funds can be still to increase our trading capability, producer capacity, product quality and if possible the fund also can be used to fund the training activities for the community who interested to have skill on handicraft.
18. Through your funding we have set up the equipment to increase production and artisans efficiency capacity.
19. Find local motivated people ready to work with leprosy Patients.

**The Spanish version of the Capacity Building Survey was sent to:**

- 7 recipients.
- Replies received by 4 recipients
- 60% return rate.

**Question 1: Over the years you have received funding, how successful do you feel the funds have been at improving the capacity and capability of your organisation to produce and sell marketable products?**

Answered: 4  
Skipped: 0

Answer Choices	Responses	
Very successful	100%	4
Quite successful	0%	0
A little successful	0%	0
Not successful	0%	0
Total respondents:		4

1. (organisation name) agradece, poor el fondo recibido ya que nos a ayudado, grandemente a tener tuna mejor organizacion interna con el equipo de trabajadoras de el proyecto de artesanias,teniendo a una persona responsable en cada area de trabajo.  
Capacitacion a mas mujeres en el area de costura, ya que esto nos ayuda a incrementar la produccion y asi cumplir con cantidad y tiempo de entrega de pedidos.  
Participar en la Feria, para darnos a conocer y contactar mas clientes directos, y asi ofrecer trabajo a mas mujeres y continuar con nuestros programas de ayuda a la comunidad.  
Contar con una persona que nos ayuda en diseños nuevos permanentemente,  
Tambien tenemos a una persona encargada de mantenimiento en el taller, esto nos ayuda a mantener el equipo en buenas condiciones y nos ahorra gastos.

Google translate:

(organisation name) appreciates, poor the received fund since it helped us, greatly to have a better internal organization with the team of workers of the craft project, having a responsible person in each area of work.  
Training to more women in the area of sewing, as this helps us to increase production and thus to comply with the quantity and time of delivery of orders.  
Participate in the Fair, to make us known and contact more direct clients, and thus offer work to more women and continue our programs of assistance to the community.  
Having a person who helps us in new designs permanently,  
We also have a person in charge of maintenance in the workshop, this helps us to keep the equipment in good condition and saves us expenses.

2. De los fondos recibidos la mayor parte ha sido utilizada para la renovación y mejoramiento de las parcelas de café orgánico. En el año 2008 se recibió US\$8,495.00 utilizado para abonos orgánicos (600 bultos de lombricompost y 522 bultos de bocashi) y elaboración de almacigo de café (15000 plantas). En el 2009 se recibió US\$8,495.00 utilizado para la introducción de energía eléctrica al beneficio húmedo de café tipo ecológico. En el 2010 se recibió US\$6,995.00 para completar la compra de una secadora de café valorada en US\$33,166.00. En este año 2010 se inicio con un fondo rotatorio para la renovación de cafetales, recibíendose para iniciar este fondo US\$9,943.11 renovación de 3.45 Ha. Año 2011 se recibió US\$6,537.71 para renovar 2.18 Ha. También se recibió US\$6,995.00 para complemento de la compra de un vehículo tipo pick-up valorado en US\$22,210.00. Año 2012 US\$6,436.94 para renovar 2.21 Ha. Se recibió además en este año US\$6,995.00 para la compra de 2 despulpadores de café utilizados en el beneficio húmedo tipo ecológico. En el año 2013 se recibió US\$22,126.92 para renovar 7.60 Ha. y US\$7,995.00 compra de 3 bombas motorizadas y producto para combatir la roya en 51 Ha. de café. Año 2014 se recibió US\$9,510.92 para renovar 3.19 Ha. y US\$7,995.00 compra de producto para combatir la roya en 57 Ha. de café. Año 2015 se recibió US\$5,995.00 para compra 710 bultos de abono orgánico y gastos para participar en la feria del café SCAA. El fondo rotatorio ha sumado US\$54,555.60 el cual se ha recuperado con intereses y se han vuelto a colocar para renovar mas cafetales, que a la fecha se ha renovado 53 Ha. de cafetales y se seguirá dando en la medida que se recupere.

Google translate:

Of the funds received, most of them have been used for the renovation and improvement of organic coffee plots. In 2008, US \$ 8,495.00 was used for organic fertilizers (600 bundles of lombricompost and 522 packages of bocashi) and processing of coffee beans (15,000 plants). In 2009, US \$ 8,495.00 was used for the introduction of electric power to the humid benefit of ecological type coffee. In 2010, US \$ 6,995.00 was received to complete the purchase of a coffee dryer valued at US \$ 33,166.00. In 2010, a revolving fund for the renewal of coffee plantations was started, and a US \$ 9,943.11 renewal fund of 3.45 hectares was received. This year, US \$ 6,537.71 was received to renovate 2.18 hectares. Also, US \$ 6,995.00 was received to complement the purchase of A pick-up vehicle valued at US \$ 22,210.00. Year 2012 US \$ 6,436.94 to renew 2.21 Ha. In addition, this year US \$ 6,995.00 was received for the purchase of 2 coffee pulpers used in the humid ecological benefit. In the year 2013 received US \$ 22,126.92 to renovate 7.60 hectares and US \$ 7,995.00 purchase of 3 motorized pumps and product to combat rust in 51 hectares of coffee. Year 2014 was received US \$ 9,510.92 to renew 3.19 hectares and US \$ 7,995.00 purchase of product to combat rust in 57 hectares of coffee. In 2015, US \$ 5,995.00 was received to purchase 710 packages of organic fertilizer and expenses to participate in the SCAA coffee fair. The revolving fund has added US \$ 54,555.60, which has been recovered with interest and has been replaced to renew more coffee plantations, which to date has been renovated 53 hectares of coffee plantations and will continue to be given as it recovers.

3. Si han sido exitosos los resultados de los cursos de capacitacion en diseño y nuevas tecnicas actuales en joyeria y bisuteria. para la (organisation name) nos ha servido mucho estos conocimientos adquiridos en los cursos que fueron pagados por trade Aid y los resultados se estan traduciendo en nuevas ordenes de pedidos en otras organizaciones no solo Trade Aid .y tenemos nuevos conocimientos para hacer cualquier tipo de joyeria y bisuteria .y muchas gracias le damos a trade Aid que nos ayudaron para ser mejores artesanos .

Google translate:

If the results of the training courses in design and new techniques in jewelry and jewelry have been successful. For the (organisation name) we have been very useful this knowledge acquired in the courses that were paid by trade Aid and the results are translated in New orders orders in other organizations not only trade Aid. And we have new knowledges to make any type of jewelry and jewelry. And many thanks we have Trade Aid that helped us to be better craftsmen

4. Con los recursos generados desde el gobierno de NZ a través de Trade Aid, se implemento el sistema de información cafetera indígena - SICI, así como la implementación de un sistema de minimización de impactos ambientales negativos, generados por el beneficio del café.

Lo anterior ha permitido tener de primera mano la información de estadísticas de las unidades productivas y sus familias y en el desarrollo de este sistema se ha logrado ampliar a un sistema de facturación, el cual permite conocer los volúmenes acopiados en los diversos puntos locales, sus calidades, lo que a su vez contribuye a la toma de decisiones en tiempo oportuno, minimizando el riesgo en la fijación, lo cual optimiza la venta.

En el tema de minimizar el impacto ambiental se tomó como piloto un sistema para el manejo de las aguas mieles producidas en el beneficio del café y con ello dar inicio al proceso de capacitación a los productores, identificando aquellos con mayor consumo en el volumen de agua en el proceso de beneficio, con el objeto de ir replicando este modelo en todas las familias asociadas a la cooperativa en la medida de lo posible.

Google translate:

With the resources generated from the NZ government through Trade Aid, the indigenous coffee information system (SICI) was implemented, as well as the implementation of a system of minimization of negative environmental impacts generated by the benefit of the coffee.

This has made it possible to have first-hand information on the statistics of the productive units and their families. In the development of this system, it has been possible to expand to a billing system, which allows to know the volumes collected in the various local points, Qualities, which in turn contributes to the decision making in a timely manner, minimizing the risk in the fixation, which optimizes the sale.

In the issue of minimizing environmental impact, a pilot system was used to manage the water produced in the coffee industry, thereby initiating the training process for producers, identifying those with the greatest consumption in the volume of water In the process of profit, in order to replicate this model in all families associated with the cooperative as much as possible.

**Question 2: Que limitaciones (si tuvieron algunos) sintieron con el fondo? (What limitations (if any) did you experience with the funding?)**

Answered 4  
Skipped 0

All four partner answers:

1. La verdad no tuvimos, solo pedimos disculpas, por estar atrasadas con las respuestas.
2. No se tuvieron limitaciones en el fondo.
3. Bueno en la joyería creemos que nunca se termina de aprender y siempre falta tiempo para capacitarnos en lo más novedoso en técnicas.
4. Las necesidades de las organizaciones son muchas y los fondos que han ingresado han dado respuesta a algunas de ellas.

Google translation of all four answers:

1. The truth we did not have, we just asked disculpas, poor to be behind with the answers.
2. There were no limitations in the background.
3. Well in the jewelry shop we believe that we never finish learning and we always lack time to train ourselves in the most novel techniques.
4. The needs of the organizations are many and the funds that have entered have responded to some of them.

**Question 3: El objetivo de los fondos es de aumentar su capacidad de negociación. Tienen ideas para mejorar el sistema de fondos? The aim of the funds is to increase your trading capability. Do you have ideas for how this funding system could be improved?**

Answered 4  
Skipped 0

1. Me parece bien su sistema, la vista a los grupos, es una forma de que ustedes puedan probar los fondos. Ya que siempre los grupos siguen creciendo y teniendo necesidades. Muchísimas gracias por su grande apoyo, a que los artesanos podamos tener la oportunidad de mejorar nuestra calidad de vida y transformar nuestra comunidad. DIOS LES BENDIGA.
2. Para nosotros ha funcionado muy bien el fondo rotatorio que aumenta la productividad de los cafetales renovados.

3. Bueno el objetibo de los fondos es obtener conocimientos pata ser mas competitivos y poder vender mas nuestros productos y poder ingresar mas artesanos a nueatra cooperativa para que estos artesanos tengas mejores condiciones de vida y sus hijos vayan a la escuela porque hay familias que no tienen la capacidad economica para ñamdar a sus hijos ha la escuela.
4. Para efectos de mejorar el sistema de los fondos, creeríamos que es importante abordar herramientas financieras que permitan una mayor capacidad de negociación.

Google translation of all four answers:

1. I like your system, the groups view, is a way that you can uprobar the condos. As groups always continue to grow and have needs. Thank you very much for your great support, for the artisans we can have the opportunity to improve our quality of life and transform our community. GOD BLESS YOU."
2. For us the rotary fund that has increased the productivity of the renovated coffee plantations has worked very well.
3. Well the objective of the funds is to obtain knowledge to be more competitive and to be able to sell more our products and to be able to enter more artisans to new cooperative so that these craftsmen have better living conditions and their children go to school because there are families that do not have the Economic ability to care for their children at school.
4. In order to improve the system of funds, we believe that it is important to address financial tools that allow for greater negotiating capacity.