



Term of reference:

Fairtrade impact study in coffee communities PNG

1. Background and introduction

Based on internationally recognised standards for sustainability and trade, Fairtrade ensures the payment of a fair price for globally traded agricultural products, enabling farmers to provide for their families and invest in local community development. The international Fairtrade system is delivering benefits to 1.5 million small-scale producers throughout the developing world¹.

Fairtrade Australia and New Zealand (Fairtrade ANZ) is a not for profit, non-governmental organisation that links disadvantaged producers in developing countries with businesses and consumers in Australia and New Zealand, through increasing the market demand for Fairtrade certified products in both countries, and by supporting Fairtrade certified and applicant smallholder organisations in Papua New Guinea (PNG), Timor-Leste and the Pacific Islands to link to global markets.

In PNG, Fairtrade ANZ is supporting 11 producer organisations: this support is grounded in progressive development in compliance with the Fairtrade Standards, aiming to enable sustained participation within the Fairtrade system. This support focuses on the following areas: financial development, organisational development, quality and productivity, environmental protection and climate action, gender and youth inclusion.

Credibility is key to Fairtrade's approach, and an independent impact assessment is important. A lot of research is commissioned in the Fairtrade movement to evaluate the concrete effects of Fairtrade for producer organisations, farmers and communities. At Fairtrade International, the Global Impact and Monitoring and Evaluation Unit support the different members of the movement in the implementation of studies and research.

In addition to these studies, specific evaluations are carried out for each project. Specific guides and formats on evaluation and research have been developed so that the members of the movement work in a harmonious and qualitative way.

1.1. Terminology

In the below document, where we refer to the impacts or approach of '**Fairtrade**' in general sense below we are referring to the Fairtrade standards and guidelines developed by Fairtrade International, for example:

- The Fairtrade Minimum Price and Fairtrade premium requirement for Fairtrade transactions between producers and buyers.
- Requirements for environmental protection or social compliance contained within the standards.
- The flow of income generated by selling products within the Fairtrade supply chain

Where we refer to this 'project' or our own 'interventions' we are referring to the activities and support provided by Fairtrade ANZ's team as funded by our donors, such as:

¹ [How Fairtrade works -](#)



- Capacity building programs such as training in productivity, quality, and gender equality.
- Provision of funding, subsidies, or co-investment for producer led projects

2. Fairtrade in Papua New Guinea

Since 2010, with the support of its partners, Fairtrade ANZ has introduced its model for agricultural development in Papua New Guinea and the Pacific region, fostering economic inclusion in rural communities and building the network of small-scale producer organisations benefitting from the Fairtrade model of development. The New Zealand government has played an instrumental role in this growth, through partnerships from 2010 to the present time.

From 2010 to 2011 and with the support of the New Zealand Aid Programme, Fairtrade ANZ delivered *Supporting Fairtrade Business in PNG and the Pacific*, an inaugural program to formally launch Fairtrade ANZ's efforts to enable the establishment of democratically organised small-scale producer organisations in PNG and the Pacific.

From 2012 to 2017, Fairtrade ANZ's partnership with the New Zealand Ministry of Foreign Affairs and Trade (MFAT) *Supporting Fairtrade Business Development in Pacific Island Countries* enabled Fairtrade ANZ to firmly establish the Fairtrade model of development in the Pacific, with a whole of supply chain approach.

Fairtrade ANZ's current partnership with the New Zealand Ministry of Foreign Affairs and Trade, *Increasing Market for Fairtrade supply in PNG*, was launched in 2018 and will close at the end of 2021. The aim of this NZD 2.5 million investment is to increase access to market for Fairtrade coffee and cocoa farmers in Papua New Guinea and has built on Fairtrade ANZ's approach to include targeted services to producer organisations around: quality improvement, business development, gender inclusion, child protection, organic certification, and environment. Fairtrade ANZ has concurrently engaged commercial partners and industry experts to invest in projects that support the growth of producer organisations. Due to this multi stakeholders' approach, the quality and integrity of Fairtrade products originating from PNG has been strengthened. As a result of these efforts, almost 10,000 small-scale producer households, representing more than 67,600 beneficiaries, have become organised into 11 producer organisations operating in line with the Fairtrade model of development.

As part of Fairtrade MFAT funded work in Papua New Guinea, Fairtrade ANZ would like to conduct an external impact evaluation.

3. Project details

3.1. Objectives

- Measure the impact of Fairtrade on PNG coffee farmers and communities
- Determine the extent to which intended and unintended outcomes were achieved;
- Identify factors contributing to success or failure
- Assess the sustainability of the benefits generated;
- Improve the approach, methodology and propose adjustments of Fairtrade intervention in PNG
- Accumulate impact data, evidence, and stories to support promotion of Fairtrade to donors, partners, supply chains, and consumers.



3.2. Scope

- 1. Assess the benefit from being Fairtrade certified, for both organisations and farmers. Measuring against the expected benefits of Fairtrade, assess:**
 - At income level (comparing the price that producer organisations are receiving for coffee – looking at conventional, Fairtrade, organic only, Fairtrade organic, UTZ/Rain Forest Alliance)
 - Professionalisation of the producer organisation (in terms of running a business, connection to export market, access to finance) Empowerment of producer organisations and farmers. Specifically, it will assess the extent to which the projects have had an impact on the four aspects of empowerment (power within, power to, power with, power over).
 - Resilience to climate change impacts
 - Impact on gender equality
- 2. Measure the level of influence that different aspects of Fairtrade’s model (eg. Pricing, premium, standard requirements, co-operative model ,etc) play in the above benefit assessment.**

4. Purpose of the study

1. Founding assumptions and intervention approach whose relevance and coherence should be analysed in the study

Fairtrade certification aims to improve the income and livelihoods of the farmers involved and empower them. This is also possible by strengthening the Producer Organisations governance and capacities, improve their financial and accounting skills and connecting them with Fairtrade buyers. By guaranteeing a Fairtrade Minimum price and a Fairtrade Premium, it is expected to increase the income of the farmers. Supporting the Producer organisation to get the organic certification allows the farmers to have access to a better price, while they are protecting their environment (water source, forest, soil). However, the place of women, their access to power and decision making remains a challenge in Fairtrade certified cooperatives and production enterprises.

The project's approach is to strengthen the empowerment and leadership of farmers in their communities to increase their decision-making power. It is believed that giving women the skills, knowledge and appropriate support will both empower them in their lives and improve their livelihoods.

2. Main questions that arise on the changes (effects/impact) to be studied and the contribution of the action to these changes (effects/impact). In particular, what are the specific changes linked to Fairtrade?

- a. **Analysis of changes at the Producer organisation, household, and community levels.**

This analysis will be done in light of the OECD evaluation criteria: relevance, coherence, effectiveness, efficiency, impact and sustainability.

A. Impact at the producer organisation level

- Do the producer organisations have increased business activity thanks to Fairtrade?
- Do the producer organisations get a better price, compared to the conventional market or other markets (organic, UTZ/RA) since they are connected to the Fairtrade market? (specifically focusing on the Fairtrade Minimum Price and where relevant, the organic differential)?



- How are the producer organisations investing their Fairtrade Premium and what is the impact brought by the investment?
- Do the producer organisations have financial accountability thanks to the compliance with Fairtrade standards and Fairtrade ANZ support ?
- Do the producer organisations have improved systems for governance thanks to the compliance with Fairtrade standards and Fairtrade ANZ support ?
- Have producer organisations increased their access to finance, thanks to Fairtrade through connection to other financial partners ?
- Are the producer organisation empowered to negotiate a better price with the exporters, thanks to the connection to Fairtrade producer support and buyers?
- Have the producer organisations been able to increase the quality of their product, maintain consistent supply chain linkages and secure a better price ?
- Are the producer organisations more resilient to shocks, like Covid 19 or climate change?
- Were there any unanticipated negative impacts?

B. Impact at the member farmer and household levels

- Have member farmers received a better income since the producer organisation became Fairtrade certified? Does Fairtrade and organic combined create a better price? – comparison between the different models (like RA/UTZ or others)
- Does Fairtrade lead to the economic empowerment of men and women?
- Have member farmers acquired key knowledge that empowers them? (Such as coffee quality, confidence to negotiate with exporters, access to technology, etc.) And if yes, which ones (ethnicity, age, social class, family status, disability)
- What are the factors that may negatively affected the sustainability of Fairtrade (compared to the positive changes achieved) and how can this be taken into account in future activities?

C. Impact at community level

- Have the producer organisation carried out community project utilising the Fairtrade Premium and/or in connection with other stakeholders?
- What benefits have the community received from the producer organisations investment, thanks to the Fairtrade Premium? (in terms of infrastructure, empowerment, environment protection, etc.)
- What benefits have the community received from the producer organisation through other forms of , investment? (in terms of infrastructure, empowerment, environment protection, etc)
- What are the factors that may negatively affect the sustainability of Fairtrade (compared to the positive changes achieved) and how can this be taken into account in future activities?

In the proposal, the consultants are asked to make a critical analysis of these lines of thought and questions, based on their understanding of the problem, the issues and the objectives of the study, which will be set out elsewhere. The consultants may reorganize, prioritize and enrich the issues and questions if they deem it necessary.



3. Envisaged follow-up to the action and aspects on which recommendations are expected to improve the impact of the actions and the intervention strategies/practices

Following the study, Fairtrade ANZ would like to :

- Demonstrate the benefits of Fairtrade compared to other certification schemes
- Demonstrate the value proposition of Fairtrade as key to enabling market access and supply chain sustainability.
- Integrate the recommendations made in current projects,
- Create communication materials to promote the project's successes
- Share the findings with our donor (MFAT)

4.1. Methodology: For the study, including restitution

The projected methodology of the study is as follows:

Preliminary stages: January 2022

- Kick-off meeting before the start of the activities: the expert will hold a meeting with Fairtrade ANZ.
- Documentary analysis: the expert will begin the work by analysing the documents made available by Fairtrade ANZ and a review of the relevant literature.
- On the basis of the initial discussions with Fairtrade ANZ and the documentary analysis, the expert will write a framework note specifying the methodology chosen and the various stages of the process.

Field missions: February and March 2022

- 1st Field missions in PNG: the consultant will carry out field trips in PNG to meet Fairtrade ANZ team, producer organisations, exporter and other key stakeholders. The objective of this mission will be to collect field data and conduct key informant interviews. If there are difficulties in travelling, there is the possibility of organising exchanges by WhatsApp and Zoom.
- Prepare and present draft report: following the field trip mission, the consultant will send a first analysis report to Fairtrade ANZ
- Intermediate meeting: a meeting to review the first mission will be organised with Fairtrade ANZ. This meeting will be focused on framing the second mission.
- 2nd Field mission in PNG: 6 to 8 days of travel at the beginning of March 2022 at the latest. This mission will confirm key findings from the first mission and enable the formulation of recommendations.

Prepare and present 2nd draft report: incorporating findings from the 2nd mission, the consultant will send an updated analysis report with key findings and recommendations.

- Validation of findings to be made before the provisional report. The consultant will work with Fairtrade ANZ to refine the recommendation and improve project methodologies. Pilot tests may be carried out on ongoing projects.

Final report and restitutions: March 2022

- A draft report with a 3-page summary (no more than X pages).
- Consultant to present key findings to Fairtrade ANZ team and record feedback.



- Finalization of report, integrating the comments collected during the presentation to Fairtrade ANZ.
- Feedback meeting at the Fairtrade ANZ level involving stakeholders in PNG and New Zealand.
- Participation in MFAT (if possible) to present the study and its results.

Considering the above elements, the consultants are asked to include in their proposal, a detailed methodology to implement (stages, actors to be mobilised, meetings and feedback, methodology for gathering information and consultation, documents produced, links with the sponsors). The consultants will also propose, the distribution of the number of working days for the different stages of the study (and between each consultant in the case of a team of consultants). In the case of a team of consultants, it is advisable to include CV's for relevant team members and to highlight any joint experience.

4.2. Timetable for completion of the study

Activities	Deadline
Submission of proposals	By 6 nd January 2022
Selection of service providers	By 10 th January 2022
Contractualization	By 12 th January 2022
Framing and preparation	From 13 th to 31 st January 2022
Field mission n°1	By 8 th February 2022
Sending a 1 st Draft report	By 18 th February, 2022
Interim meeting	By 25 th February 2022
Field mission n°2	By 11 th March 2022
Sending a 2 nd draft report	By 23 th March 2022
Fairtrade ANZ to send feedback and Internal feedback meeting	By 25 th March 2022
Sending the final report	By 31 st March 2022
Restitution meeting in the Fairtrade	By 6 th April 2022
External feedback or workshop with MFAT	By 15 th April 2022 (tbc)

4.3. Means

1. Essential Experience Required

The profile(s) required to conduct this study is/are the following:

- Fluency in English both written and spoken
- Demonstrated understanding of project management and program/project assessment.
- Research experience or strong understanding of producer livelihoods and/or certification systems
- Knowledge of the agricultural sector and agronomy ;
- Experience in conducting impact assessments or other types of assessment
- Experience in assessment techniques and data collection/analysis methodologies relevant to this project (participatory and innovative research methods, quantitative and qualitative analysis skills, etc.).
- Experience in designing and conducting surveys, including proven expertise in techniques than can also be employed via online meeting-tools (given the ongoing travel restrictions imposed by measures to combat COVID-19).
- Ability to present data concisely and clearly



- Demonstrable policy on research ethics, and a willingness to adhere to Fairtrade research and ethics policies.
- Demonstrated understanding of Fairtrade principles, key tools and approaches, including the standards and producer support, and Fairtrade structures.
- Excellent writing and communication skills.
- Experience in PNG

Highly Desirable

- Fluency in Tok Pisin written and spoken
- Research experience with gender issues in the context of environmental issues.

A team of consultants can be proposed to better meet the needs of the study if required.

2. Financial means: budget with detailed costs

This budget includes direct costs and possible contingencies - maximum 5%. Consultant(s) is asked to make a detailed budget proposal and to specify the distribution of working days.

The following will be included in the offer:

- Fees and per diems
- travel costs for the different missions
- Miscellaneous expenses
- Possible contingencies (5% maximum)

The consultants are asked to include a detailed budget proposal, including VAT, in their bid, taking these elements into account.

Proposal need to be sent to Sarah Lagente – Sarah@fairtrade.org.nz before 6th January 2022