

COVID-19 Emergency Aid for Fair Trade

The project was implemented by the *Fund for the Promotion of Innovation in Agriculture (i4Ag)* in cooperation with the *Initiative for sustainable agriculture supply chains (INA)* and is part of the special initiative *Transformation of Agricultural and Food Systems*

The Challenge

Agricultural markets have been heavily impacted by the COVID-19 pandemic

The Fair Trade movement has been campaigning for better working conditions in global supply chains for over 50 years. With its cost-covering minimum pricing standards and trade relations based on partnership, it provides a counterweight to conventional trade's price dumping, exploitative working conditions and highly fluctuating world market prices. Yet like many others, Fair Trade has been experiencing the consequences of the COVID-19 pandemic: health risks, ongoing export restrictions and border closures are leading to economic losses that are being felt particularly by smallholder farmers and their producer organisations.

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| Name of the Project | COVID-19 Emergency Aid for Fair Trade |
| Name of the Global Fund | Fund for the Promotion of Innovation in Agriculture (i4Ag) |
| Commissioned by | Federal Ministry for Economic Cooperation and Development (BMZ) |
| Project Region | Global |
| Implementing Partner | Initiative for Sustainable Agricultural Supply Chains (INA), Forum Fairer Handel e. V., Deutsche Welthungerhilfe e. V., Fairtrade International |
| Project Volume | 19.5 million Euros |
| Duration | 10/2020 - 09/2023 |

The Fund Single Measure (EZM) is one of three COVID-19 EZMs of the Fund i4Ag; it goes beyond the fund's impact framework, and therefore does not directly contribute to the fund's impact matrix.

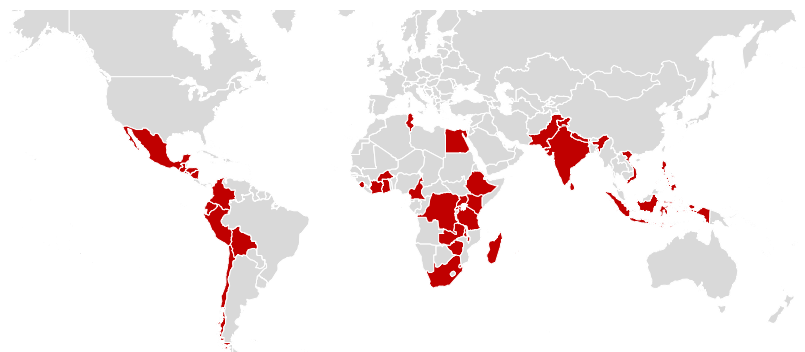
The Strategy

A strong network and fitted emergency aid solutions to the crisis

To support and strengthen smallholder farmers against the backdrop of the COVID-19 pandemic, the German Federal Ministry for Economic Cooperation and Development (BMZ) has commissioned the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to implement the COVID-19 Emergency Aid for Fair Trade. The initiative, a cooperation between GIZ, the *Forum Fairer Handel e. V.*, *Deutsche Welthungerhilfe e. V.* and *Fairtrade International*, is aimed at producer organisations in the Global South that are involved in Fair Trade agricultural supply chains. The activities are carried out as individual measures of the Fund for the Promotion of Innovation in Agriculture (i4Ag) which is financed via the special initiative "Transformation of Agricultural and Food Systems". The implementation of these single measures occurs in cooperation with the GIZ Initiative Sustainable Agricultural Supply Chains (INA).

Objectives and Methods

The objective of the individual measure is to alleviate the hardship of the relevant smallholder farmers caused by the COVID-19 pandemic through direct and rapid relief measures (recovery) and to implement preventive measures against the further spread of the virus (relief). Business continuity and the resilience of the producers and their organisations will likewise be ensured through the assumption of ongoing operating costs and capacity building (e.g. agricultural technical training) (resilience).



L.: Distribution of food packages, Vietnam, Photo: © Fairtrade International; R.: Project regions

The individual measure is divided into three implementation strands:

- The Fund for the Producer Partners of Forum Fairer Handel e. V. (FFH)
- The Funds for the Producer Partners of Fairtrade International (FI)
- The promotion of value chains through the Deutsche Welthungerhilfe e. V. (WHH)

The **Fund for the Producer Partners of Forum Fairer Handel e.V. (FFH)** addresses producer organisations (farmer cooperatives, processing companies, export companies) that are trading partners of members of the FFH (for example GEPA - The Fair Trade Company, El Puente or the Weltladen-Dachverband). Under the measure, producer organisations were eligible in the fund's first round to apply for funding of 50,000 euros and in the second, 35,000 euros. The measure aimed to alleviate the plight of smallholder farmers, prevent the further spread of COVID-19, and ensure the business continuity and resilience of the organisations. This allows for a particularly demand-driven implementation of the measures, such as writing articles for health protection and hygiene or the distribution of food packages as an emergency aid or prevention measure. Resilience measures range from the construction of greenhouses in Honduras to agricultural training and the purchase of a cinnamon milling machine in Sri Lanka.

The **Fund for the Producer Partners of Fairtrade International (FI)** addresses producer organisations (farmer cooperatives, processors, exporters) that have Fair Trade certification. In Latin America, emergency aid is coordinated through the Fairtrade Producer Network (CLAC), which is responsible for smallholder cooperatives in Latin America and the Caribbean. In Africa, emergency aid is coordinated through Fairtrade Africa and in Asia directly through Fairtrade International. In addition to the distribution of hygiene materials, educational radio broadcasts in local languages, for example, are being funded to prevent the further spread of COVID-19. Resilience activities range from income diversification measures in African countries to the renovation of kitchens for the production of coconut blossom sugar in Indonesia. Fairtrade International has also produced a documentary series as part of the single action showing the impact of COVID-19 on smallholder farmers in Peru, Kenya and Indonesia (<https://farmers-documentary.fairtrade.net/>).

Through **Deutsche Welthungerhilfe (WHH)**, projects are being implemented in three African countries to sustainably increase the income and employment of the rural population. In Sierra Leone, the cultivation and processing of organic cocoa is being supported and financed through such activities as the construction of storage facilities, drying and processing centres and the establishment of tree nurseries for cocoa seedlings. In Ethiopia and the DR Congo, the focus is on sustainability and productivity in coffee cultivation as well as value creation and quality in coffee processing. In parallel, WHH is implementing prevention measures against the further spread of COVID-19 in all of these countries.

Funding in Numbers

The measures reached producers and production organisations in over **30 Countries** across Asia, South America and Africa.

The cultivation of **25** different raw agricultural goods, such as mangoes in Burkina Faso, herbs and tea in Nepal or coffee and cacao in Peru.

375 producers and production organisations were supported via the COVID-19 Emergency Aid for Fair Trade and strengthened in their resilience to the impacts of the pandemic.

Over **650,000** smallholder farmers and their families were reached via the measures.

The BMZ supports the stand-alone COVID-19 Emergency Aid for Fair Trade measures and in doing so, contributes to the following sustainable development goals:



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Map GIZ
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On behalf of Federal Ministry for Economic Cooperation and Development (BMZ)
Specialisation 122
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