

ANNUAL REPORT 2014



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**NETWORK OF ASIA
AND PACIFIC PRODUCERS**

NAPP

Contents

FROM THE CHAIR	5
FROM THE CEO	7
ORGANIZATION EVOLUTION	9
NAPP'S MISSION – THE THREE PILLARS.....	9
ORGANIZATIONAL DEVELOPMENT	10
OPERATIONAL PERFORMANCE.....	13
KEY PERFORMANCE INDICATORS.....	13
INVESTMENTS	15
NETWORK, STATISTICS AND IMPACT	16
FAIRTRADE FARMERS AND WORKERS.....	21
OUR WORK ON GENDER.....	24
FAIRTRADE PREMIUM	24
CASE STUDY: KETIARAS ¹ OF INDONESIA	27
PROGRAMMES.....	31
NATIONAL NETWORKS	31
PRODUCT NETWORKS	36
EVENTS.....	42
FAIRTRADE THEORY OF CHANGE	53
FAIRTRADE VISION AND GOALS	53
FAIRTRADE APPROACH.....	54
NAPP, PRESENT AND LOOKING INTO THE FUTURE	66
WHAT IS NAPP?	66
NAPP AS A BUSINESS	66
THEREFORE, OPERATIONS AT NAPP: LEAN, EFFICIENT AND EFFECTIVE.....	67
ONE REGION, ONE TEAM: RAISON D'ÊTRE OF TRANSITION	68
APPRECIATING DIVERSITY OF APAC REGION	68
THE NAPP BOARD	69
THE TEAM	72



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From the Chair



Dear **Fairtrade Partners,**

I am pleased to present to you the first annual report of the Network of Asia and Pacific Producers (NAPP). We have had a fantastic year with many key milestones that were achieved. The stepping stones to build a strong foundation have been laid. The Annual Report 2014 encapsulates the journey filled with achievements and challenges we faced together this year.

2014 started with the hiring of the NAPP CEO, Ayan Banerjee. Ayan has joined us with rich and valuable experience.



In February, we registered NAPP in Hong Kong. Also in February, we had our first NAPP General Assembly (GA) in Colombo, Sri Lanka. The GA had more than 200 participants from across the globe and was a resounding success. NAPP elected its board members to represent a vast, wide and diverse group of people representing different agro climatic zones, languages & cultures. To put it in perspective NAPP represents 200 plus producer organizations and more than 250,000 farmers & workers. As recognized by the United Nations, there are 28 major linguistic families and a total of 3200 languages in the Asia-Pacific region. The cultural diversity of the region is an opportunity as well as an operational challenge.

Also the GAs of Indian, Chinese, Vietnamese and Thai-Laos producers in respective countries were organized. The successful launch of the country networks helps us establish good governance and oversight systems for our region. These representative structures would result in effective delivery of services and need-based interventions for our producer members. Many of the producer organization representatives would have found the various trainings and workshops conducted throughout the year useful in understanding the Fairtrade system better and as value addition to their existing knowledge of standards and business. These types of capacity building activities will continue with more depth in the years to come and strengthen the member producer organizations and the national networks. We also expect to roll out detailed result oriented programs to tackle issues of concern like child labor, climate change, gender, access to finance in the near future so that further capacity of our producer organizations is built to operate in environment more and more sensitive to these concerns.

In 2014, NAPP facilitated member organizations to participate in global trade fairs to showcase their product suite to the world through our product networks. In future, we would like to assure more support in strengthening the productivity, quality and adding value to the produce of our region so that we become more competitive in the markets for better price realization and to unlock more opportunities for our farmers and workers.

Due to the philosophy we have, the impact of Fairtrade on producers is strongly correlated to market development. More the sales through Fairtrade channels, more is the premium generated for the producers and hence greater impact on the ground. Therefore, we propose to build a strong market foundation in the region (including intra-regional linkages) to be able to create sustainable impact. On behalf of the NAPP Board, I have advised the NAPP CEO to address these needs of producers and towards creating a stronger impact.

As a board member of Fairtrade International and the elected representative of Fairtrade producers in the Asia Pacific (APAC) region, I have taken up and advocated several critical issues pertaining to producer interest including but not limited to standards, markets and impact in Fairtrade global system. In addition NAPP is collaborating closely with similar producer networks in Latin America (CLAC) and Fairtrade Africa (FTA) as part of the CAN network.

I firmly believe that exciting times are ahead. I look forward to setting up a strong management team in 2015 that will take the organization through its growth phase, producer centric and lay strong foundation to the Fairtrade movement in the Asia-Pacific region.



Bharath Mandanna

Chair, Network of Asia and Pacific Producers

From the CEO



Dear Respected Stakeholders,

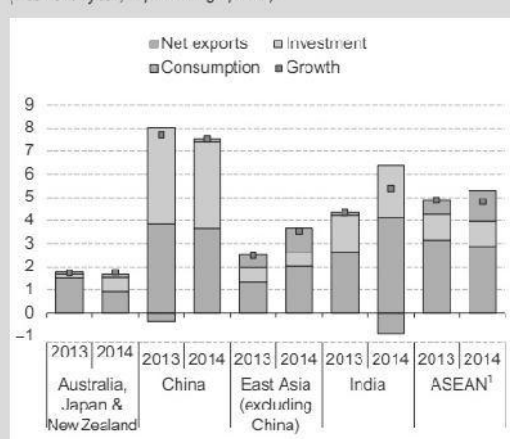
At the outset I would like to thank the NAPP Chair, Mr. Bharath Mandanna for providing me with the opportunity to lead NAPP. It has been a great first year and an excellent experience, learning from and working with him.

The first year of NAPP has allowed us, through the steadfast support of the Board, to reflect on various facets of NAPP and make it into a strong service oriented network that can maximize benefits for whose needs the network exists.

What excites me most is the dormant potential of the region. It is no secret now that the Asia Pacific region, China and India in particular, is the future. Not only does it provide the highest producer base but also the highest consumer base. The demand of this region that accounts for 50% of the world population is something none of the corporates or industries are overlooking. At Fairtrade, the sooner we come to grips in this reality, and put in sincere concerted efforts to that end, the better will be our chances of creating serious impact. With the support of the NAPP Chair, we are actively engaging with the wider system for Fairtrade to be a part of the growth momentum.

Selected Asia: Contributions to Projected Growth

(Year-over-year; in percentage points)



Sources: IMF, World Economic Outlook database; and IMF staff calculations.

¹ ASEAN includes Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

There are enough reasons to be optimistic and NAPP's opportunity would be in identifying the right levers of growth and ensuring the producers of the region benefit from this growth surge. The area of focus for NAPP would be to position its producers for South – South trade and more specifically, the intra-regional coordinated efforts. Production and Consumption patterns dictate a strategy wherein the Fairtrade potential is best harnessed if Fairtrade certified agricultural produce is consumed within this region. Therefore, this would need pivoting. We have to translate standards that are in sync with the realities – the demographics, macroeconomics and of this region.

Our strategy way forward: Partnerships! Why reinvent the wheel when we can take the wheel to the next level? Since, “collaboration is the new competition”, as HBR boldly put it, cooperation (with internal stakeholders and within the system) will be peppered with collaboration (external stakeholders) and a dire need to exploit possibilities in ‘coopetition’ (a new world business strategy; the portmanteau of cooperation and competition). Within the ambit of the vision and values of NAPP and in the interest of the wider

beneficiary base.

With the need to tap into the Middle East market, translates to strong collaborations with Fairtrade Africa on common strategies. For the producers in the Pacific Islands and South East Asian archipelago, the markets of ANZ become important. FANZ is a natural partner and a close ally. A shift in gear from seeing Europe as the main or only market to identifying South markets for the produce of our members will be the way forward. Of course, the APAC region – producer world and markets – is fraught with a myriad challenges. “Greater tasks are undertaken with greater difficulties”

Since the digging of the mountain will begin with the removing of the pebbles, we’ve started our work. In 2014 and 2015 it will be towards a better defined strategy. Towards the next step in consolidating our efforts, the 2016-2020 will have a meticulously planned system, assimilated with inputs from Fairtrade International global and contextualized to the needs of the producers in the region.

NAPP has been operating in communities of the member organizations, in which we create impact based on the guidance of the venerable Chinese philosopher Lao Tzu, “A leader is best when people barely knows he exists, when his work is done, this aim fulfilled, they say, “We did it”. Through NAPP programmes, together we shall overcome (some day) these challenges. From impactful interventions in formation of stronger cooperative institutions to being prepared to deal with exogenous risks like climate change. In one vertical, NAPP programmes will be tailored to deliver better on ground impact. The other vertical will focus on working on the supply chains gaps through continuous ongoing support, assessment and remedial action and will be market oriented. The overarching strategy will be based on bottoms-up inputs on these two verticals.

My visits to our member organizations has clearly shown the positive impact Fairtrade premium accumulated over the years is providing. The empowerment of communities and peoples is awe-inspiring. However, much remains to be accomplished. More impact. Wider impact. Long-lasting impact. With principles in democratic institutional building, NAPP would look to create vibrant local farming communities.

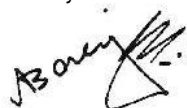
Therefore, the journey has just begun. Socioeconomic development of the small landholder farmers and workers shall be the guiding principle behind the programmes and efforts of the NAPP team. As we work towards the inalienable rights of the peoples, “...life, liberty and the pursuit of happiness...”, I wish to commend the NAPP Board, through very constructive discourses that will enable us to demonstrate & catapult the impact / change in the vast and complex region. With support from Fairtrade International- financial and non-financial, I hope that we will see sooner the changes that the communities wish to see in themselves.

I welcome you to peruse the sections on Organisational Development and Operational Performance. As the need of producers continue to grow, the need of the hour is a single strategy for the region. I am most interested, involved and excited about the PSR integration into NAPP. That will lead to one unified team working together.

I am thankful to NAPP Board for their support and guidance in building NAPP. The Leadership Team at Fairtrade International, Fairtrade ANZ have also been instrumental in unlocking some of the potential that NAPP has. From 2015 onwards, I propose a line of funding will be allocated to: (1) SPO (2) South East Asia and China. Through the Tea network and the National networks of India and Sri Lanka, strong commitment to work for workers’ in plantations and estates would continue.

Many thanks. I remain at your service,

Ayan A Banerjee



CEO, Network of Asia and Pacific Producers

Organization Evolution

The Network of Asian Producers (NAP) in its initial avatar was founded on 16th June, 2005. Producers from different Asian countries met in Sri Lanka and discussed the need of having a Network which can present a united voice to FLO. The First General Assembly of the Network of Asian Producers took place in Bangkok, Thailand from the 17th to the 19th of September 2006. Since then with the inclusion of the Pacific Islands into the producer network, NAPP has evolved and grown into an organization that is the voice of close to 250,000¹ farmers and 200² plus producer organizations in 2014.

NAPP is one of the 3 producer networks in the Fairtrade International System – the other two being Latin America & Caribbean producer network (CLAC), and Fairtrade Africa network (FTA). NAPP has the mandate to achieve scale and presence by ensuring socio-economic growth of producer organizations in the region.

Feb 2014 was a landmark in the history of NAPP: It marked the first General Assembly of the new entity, namely Network of Asia and Pacific Producers (NAPP). Members were present in full strength. A discussion on the constitution was followed by the election of the NAPP Board. Mr. Bharath Mandanna was unanimously elected the Board Chair. This in many ways laid the foundation to the growth of this strategic organization that represents the network: the collective voice of producers' from Uzbekistan in the West to Fiji Islands in the East; and, the need for suitable service delivery to meet producers' requirement.

NAPP's Mission – The Three Pillars

- To serve as an organ of representation, coordination, exchange and collaboration for the empowerment of small scale farmers and farm workers from Asia and the Pacific within the framework of Fairtrade certification.
- To facilitate the incorporation of more producers to be able to join the Fairtrade movement in Asia and the Pacific through an existing wide range of products and services.
- To ensure that Asian and Pacific realities and conditions are taken into account while setting Fairtrade Standards without compromising on the basic principles of Fairtrade



¹ Data Sourced from Fairtrade MEL Report 2014

² Data Sourced from Ecert dated December 2014

Organizational Development

NAPP is a growing organization and the board is committed to ensuring its success by facilitating and growing the team. Prior to February 2014, since NAPP was not legally registered, NAPP was operational in an informal network mode.

Except for legal compliance, all operations were completely carried out with accountability and transparency under the supervision of the NAPP Chair. Apart from the overall political and strategic leadership, operational management of NAPP was being provided remotely by the Chair.

To advise the chair, a core committee of 4 members, consisting of 'expert' members, co-opted or elected, was in vogue. This continued till the general elections in February, 2014. The new board, about two-thirds of whom were first time elects into the system, opted to discontinue the practice of coopting Board members.



In the absence of a full-time CEO, the Chair managed NAPP on a voluntary basis. This was in addition to his full time job in a very senior management capacity at another organization. In this period, the contribution of the Chair to keep the organization afloat, support in the baselines and taking it to the next level cannot be appreciated sufficiently. The day to day operational support was being provided jointly by two programme staff in the Secretariat office in Bangalore. Under the aegis of the Chair, their efforts to support and meet the needs of the producers, to continue to provide best possible programme delivery is hereby acknowledged and respected.

From the 2-member secretariat staff at the end of 2013, 2014 saw the appointment of a CEO. With the guidance of the Chair and ratification of the board, a strategic plan was embarked. The state of play at the beginning of 2014 was summarised in the reflections of Ruben Faust, Fairtrade International Finance Director & CFO and Independent Consultant Gopal Rao, *“NAPP’s current situation is unique in some way. It is undergoing parallel processes with limited resources and other practical constraints. There is a new CEO and also a change in the composition of the board - both contributing to revitalising its activities and building a strong institution. In OD (organization development) terms, NAPP can be considered as a “start-up...that is re-starting under an expanded mandate. Having changes in leadership and managing transition of producer services have placed new demands and expectations.”*

To assess the growth and development of NAPP year-on-year, through a follow-up assessment at the beginning of 2015 to assess the organizational growth of NAPP summarized the development, *“Based on our observations, NAPP has graduated from a Level 1 ‘start up’ operation to a Level 3 ‘maturing organisation’ in the organisation development cycle. One of the main outcomes is for NAPP management to define future capacity requirements and identify areas for organisational development (OD).”*

A snapshot of the report, available for circulation, provided an objective assessment of the growth and development of NAPP for 2014.

- Governance:** Memorandum and Articles of Association for NAPP have been completed. NAPP Board meets at regular intervals to develop stronger governance framework. A strong foundation for the growth of NAPP through stronger established governance principles has been laid. One of the important developments was the election of additional positions: Mr. Gyansekharan (Sri Lanka) was elected as the Vice Chair; Mr. Bijumon Kurian (India) was elected as the Treasurer. Towards the growth and development of NAPP, the NAPP Chair and CEO have been supported by NAPP Board and its various task forces / working groups: viz., (i) Executive, to determine the direction on key operating matters (ii) Human Resources esp. in the light of NAPP-PSR integration; several key decisions / directions are advised (iii) Strategy & Policy, pertaining to planning etc. The idea was to decentralized political decision making and each of these committees are constituted to advice the Chair, when /as required. In 2015, in alignment with Fairtrade International and CAN (CLAC-FTA-NAPP), the next phase of NAPP’s organizational direction would entail work to develop and implement processes such as corporate strategy, long term financial planning, a more robust framework for performance standards and risk management.
- Legal Framework and Compliance:** NAPP has now completed registration in Hong Kong. Multicheck in Hong Kong has been retained for compliance and secretarial services. We took some pro bono legal advice also from White and Case, Hong Kong. A ‘very qualified legal adviser was hired in India, on a retainer basis, to ensure various necessary compliance and advice NAPP on various relevant legal parameters. A new framework is being developed to articulate accountability mechanisms, reporting requirements and legal risk management across the network. The Legal Adviser has oversight of compliance in all countries where NAPP’s members are operating. NAPP has engaged KPMG as its external auditor. KPMG would provide support from their local teams, in Hong Kong and in India. This is a major step in providing greater confidence and credibility, through an external and independent assessment of compliance and risk. The first cycle of an external audit of the consolidated accounts for 2014 is to be conducted in March 2015.



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Further, Deloitte under a separate agreement, will provide independent advice on structure in the multinational context and implications for taxation, financial operations, legal compliance and governance related matters. Our mission-based orientation (both - people and organization's values) was attractive to many of these partner organizations/ individuals. Therefore, leveraging our established relationships and contacts, NAPP secured considerable latitude in fees in availing these services.

- **Infrastructure, technology and business administration:** NAPP has established its Central Office in Bangalore with a modest, functional space to support the scale and complexity of our work regional network across the continent. Various office facilities and administration have been outsourced. The new office has excellent connectivity, reliable IT infrastructure and servers. The NAPP central office is now ready for the next phase of Cloud based IT infrastructure so as to be able to collaborate with ease with the various stakeholders from a business continuity perspective.
- **Human Resources, Skills and Competencies:** NAPP Leadership has been proactive in developing a human resource plan to scale up, both in terms of supporting a diverse network and in anticipation of PSR integration. As part of the transition plan, the NAPP board has approved the proposal on organization structure that identifies roles, functions, expectations and deliverables. Senior role profiles were developed that include skills, technical knowledge and personal qualities. As planned, the recruitment and rapid expansion of the central services function, as the next wave of growth, will be undertaken (and was successfully) in the first half of 2015. A third party human resources consultancy firm has been hired to facilitate recruitment of the NAPP executive team.
- **Operational Framework, Policies and Procedures:** Over 2014, NAPP was successful in developing a set of policies approved by the board and Standard Operating Procedures (SOP). This would be a living document. NAPP leadership is mindful of the fact that this is the beginning and as NAPP grows and supports the entire region, a systematic process would have to be implemented to develop, implement and upgrade systems, policies and procedures in all functional areas. We envision that in due course, ISO process certification can be considered.
- **Financial Systems and Financial Management:** NAPP has an operational bank account in Hong Kong for transferring funds to its different networks. NAPP is also looking to open a second account with a multinational bank, with the facility to transfer funds electronically. In 2014 NAPP recruited a CFO to provide oversight into all aspects of financial management and accounting. The CFO is ably assisted by a qualified team of two Chartered Accountants and a Company Secretary.

The ball has certainly been set in motion, and at this point of organization development, NAPP has no place for complacency. Well begun is half done! NAPP Leadership realizes that a key phase of the reorganization process is the integration of NAPP with Asian and Pacific Producer Services Relations (PSR) function of Fairtrade International. From what it seems, it's not going to be a cakewalk: Reorganization, mergers and acquisitions are very complex. As is planned in a phased manner through 2015 and to culminate by the Jan 2016, 2015 will pose significant challenges. In growth terms, NAPP will be solely responsible for the delivery of producer services in Asia and Pacific. As rightly pointed out by Rao and Faust, ***"the future business model for NAPP will require a strategic shift towards improved service delivery, stronger institutional capacity and structured ways of working."***

Operational Performance

NAPP will work towards a rigorous operational performance measures in due course: Performance measured against standard or prescribed indicators of effectiveness, efficiency, and environmental responsibility such as, cycle time, productivity, waste reduction, and regulatory compliance.

Key Performance Indicators

Key performance indicators (KPI) are high-level snapshots of a business or organization based on specific predefined measures. KPIs typically consist of any combination of reports, spreadsheets, or charts. IN due course, we will capture regional (cross-sectional) impact figures and trends over time (temporal). Statistics and trends analysis and move towards real-time response, supply chain information, or anything else that is deemed critical to NAPP demonstrating success.

Without measurable quantities, successful management won't be possible. They allow Specific, Measurable, Actionable, Relevant, Time-bound) SMART goals to be observed, met and perhaps exceeded. In 2015, we will further refine our KPI capture methods.

Relatively general formulated goal descriptions were made more concrete through the use of measurable quantities in 2014, in consultation with the CAN CEOs and Global Operations Team (GOT) at Fairtrade International.

The measurable quantities would be now allocated to the strategic goals in the perspectives and organisational units. Our task in 2015/6: As the editor allow further clarifications to be made, for example by adding a comprehensive definition and spreadsheet to evaluate the measurable quantities, application of mathematical formulae where necessary and specification of units. This is also where the warning limits for each quantity, which determine at what values the different warning colors will be switched on, are defined, giving the user a quick view of how well or how poorly each goal is being met.

KPIs will be used by NAPP to better evaluate current level of business success and to help plan for the future. KPI add value to aspects of business operation that are difficult to quantify (like producer satisfaction or development) is a critical piece of long-term business intelligence strategy at NAPP. When establishing KPI, it was important to identify metrics that are achievable. NAPP will execute multi-level analysis on social return on investment, 'cost-benefit-risk' assessments, process, and other metrics that impact performance of NAPP.

ROLE	DEFINITION	PERFORMANCE INDICATORS	RESULTS 2014
1 Deliver relevant valued services to FT farmers and workers	We deliver relevant, participatory, empowering and evidence based, support programs to PO's. We provide this through both in-house expertise in programme development, alliances and partnerships. Our focus is on cost effective market driven service delivery.	Percentage of POs who received support / training POs per staff member Member satisfaction index	84.7% 61
2 Ensure member representation within the FT system and amongst key stakeholders	We leverage good governance to ensure fair and equitable representation of member voices in decision making and promotional activities within the Fairtrade International system as well as in a range of external fora. We increase member opportunities by proactively representing them.	Members satisfaction index; # of the consultations of the system for which the PN has collected data and/or participated, divided by the total nr of consultations	NAPP participated in the following consultations: Plant materials, Geographic Scope, Coffee Scaling up (GPM), Instant Coffee, Sugar Indicators (GPM), Textiles, Cotton, HL, and Carbon/climate change through NAPP Chair, producers and executives.
3 Securing and Sustaining access to market for members	PN's supports their members in securing and sustaining market access through Technical Assistance and networking.	# of PO's that received TA in market access, productivity or product quality	105 PO's received training or TA in market access, productivity or product quality
4 Increase awareness and visibility of FT in producer countries	Our primary targets for strong visibility are: The Fair Trade Principles, Values and Practices and our respective Organizations (PNs).	Nr of local, regional and international events where the PN has participated in; Nr of trainings on FT values and principles and nr of producers/workers reached	5 Regional events and 3 International events 7 workshops held with an attendance of 155 POs

ROLE	DEFINITION	PERFORMANCE INDICATORS	RESULTS 2014
5 Ensure organizational and financial sustainability of the Organization	Our members and partners expect our continuity and sustainability. We therefore take initiatives in ensuring the constant and adequate flow of financial resources. We ensure full accountability of all financial resources.	Nr of agreements per year and nr of renewed agreements; % of non-FT funding	--
6 Establish effective leadership and governance	Good corporate governance is a priority to us. We believe that in order to achieve the goals and objective, we must have solid and relevant organizational structures. Leadership strategies that are relevant, innovative and offer effective governance.	Staff satisfaction index based on 5 global questions	Staff Satisfaction Survey was not administered by FI. Relevant and effective from 2015.

Investments

These achievements must be evaluated in terms of a modest investment of EUR 395K. A higher quantum was available for drawdown as approved in the budget; the same has been agreed by Fairtrade International to be rolled over for utilization in 2015.

Network, Statistics and Impact

The NAPP primarily comprises of 4 sub-regions. The basis for this sub division is effective management (Regional Managers) and results from the presence of field staff (Liaison Officer assigned to each country). The sub regions are:

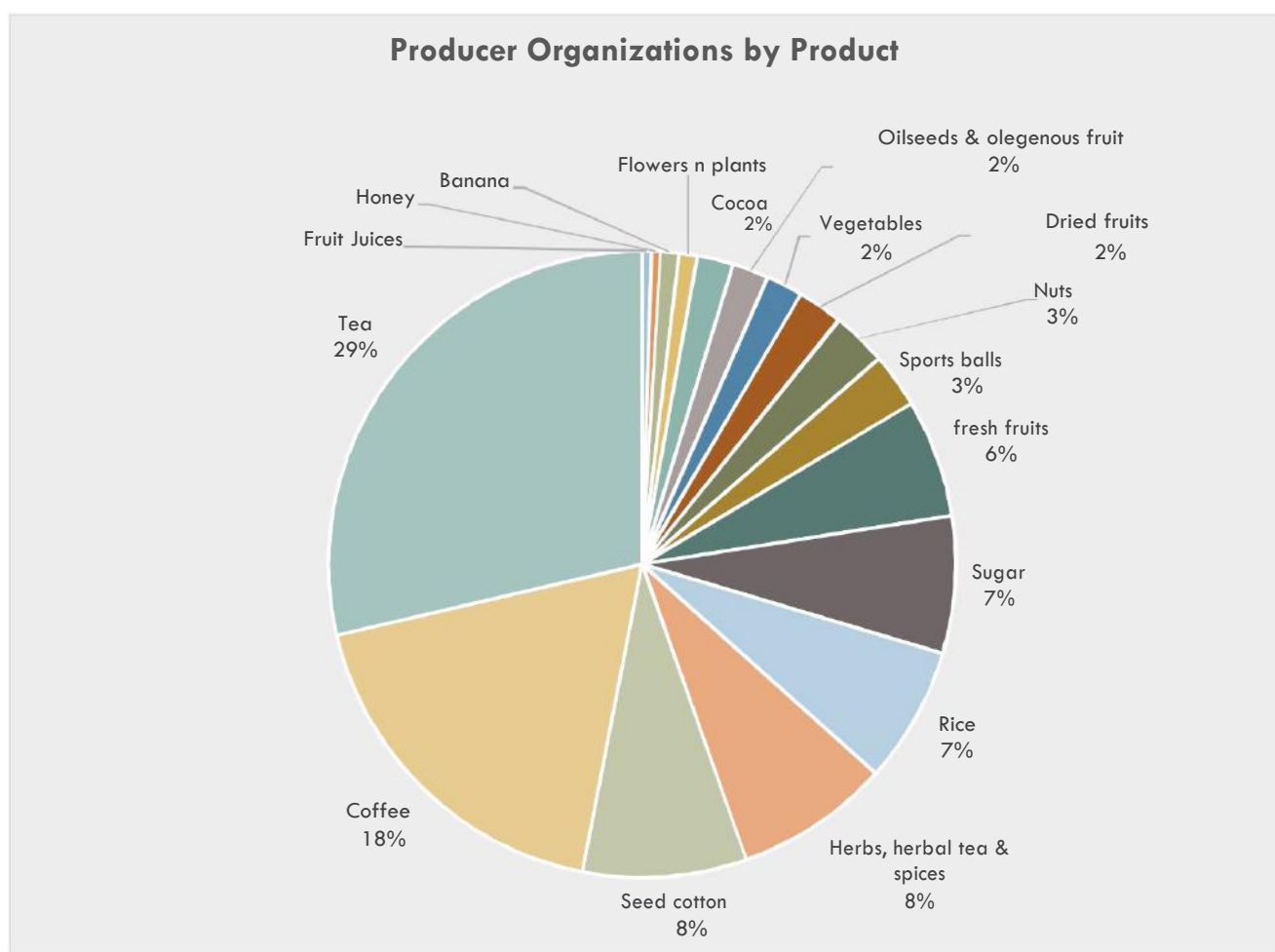
1. Sub Region 1: Central Asia, Pakistan and Sri Lanka – Central Asian countries with Fairtrade certified producers are Tajikistan, Iran, Uzbekistan, Kyrgyzstan and Afghanistan.
2. Sub Region 2: South Asia – Countries being India, Nepal, Bangladesh, Bhutan & Maldives.
3. Sub Region 3: South Eastern Asia & China – Countries being Thailand, Indonesia, Vietnam, Lao, and Philippines. China is part of this sub region from Fairtrade NAPP perspective.
4. Sub region 4: Pacific Islands - Island countries of this sub region with the presence of Fairtrade Certified Producer Organisations (POs) are East Timor, Papua New Guinea, Fiji and Samoa.

In 2015, we will work on the strategies – region-wise – and if necessary reallocation of portfolios may be done in 2016.

	SUB-REGION	COUNTRIES	PRODUCTS
NETWORK OF ASIA AND PACIFIC PRODUCERS (NAPP)	Sub Region 1	Central Asia	Nuts, Seed Cotton, Dried Fruit, Herbs & herbal tea,
		Pakistan	Sports ball, Seed cotton, Dried fruit, Nuts
		Sri Lanka	Tea, Spices, Banana, Flowers & Plant
	Sub Region 2	India	Tea, Coffee, Cane Sugar, Cotton, Cocoa, Spices
		Nepal	Tea
	Sub Region 3	Thailand	Rice, Oilseeds, Fresh fruits
		Vietnam	Coffee, Fresh fruits
		Indonesia	Coffee
		Philippines	Cane sugar, Oilseeds
		Laos	Coffee
		China	Tea, Nuts, Spices
	Sub Region 4	East Timor	Coffee
		Fiji	Cane Sugar
		PNG	Coffee, Cocoa,
		Samoa	Oilseeds

Due to data collation, cleaning and consolidation currently being conducted by FLOCERT and subsequently the MEL team, despite best efforts to procure the latest / 2014 data, a large part of this report are reflections of 2013. Despite the work-in-progress, FLOCERT was kind enough to share some preliminary basic data of 2014 that was easier to procure. On the whole you should be able to get a sense of where the producers in the region stand and the potential and challenges.

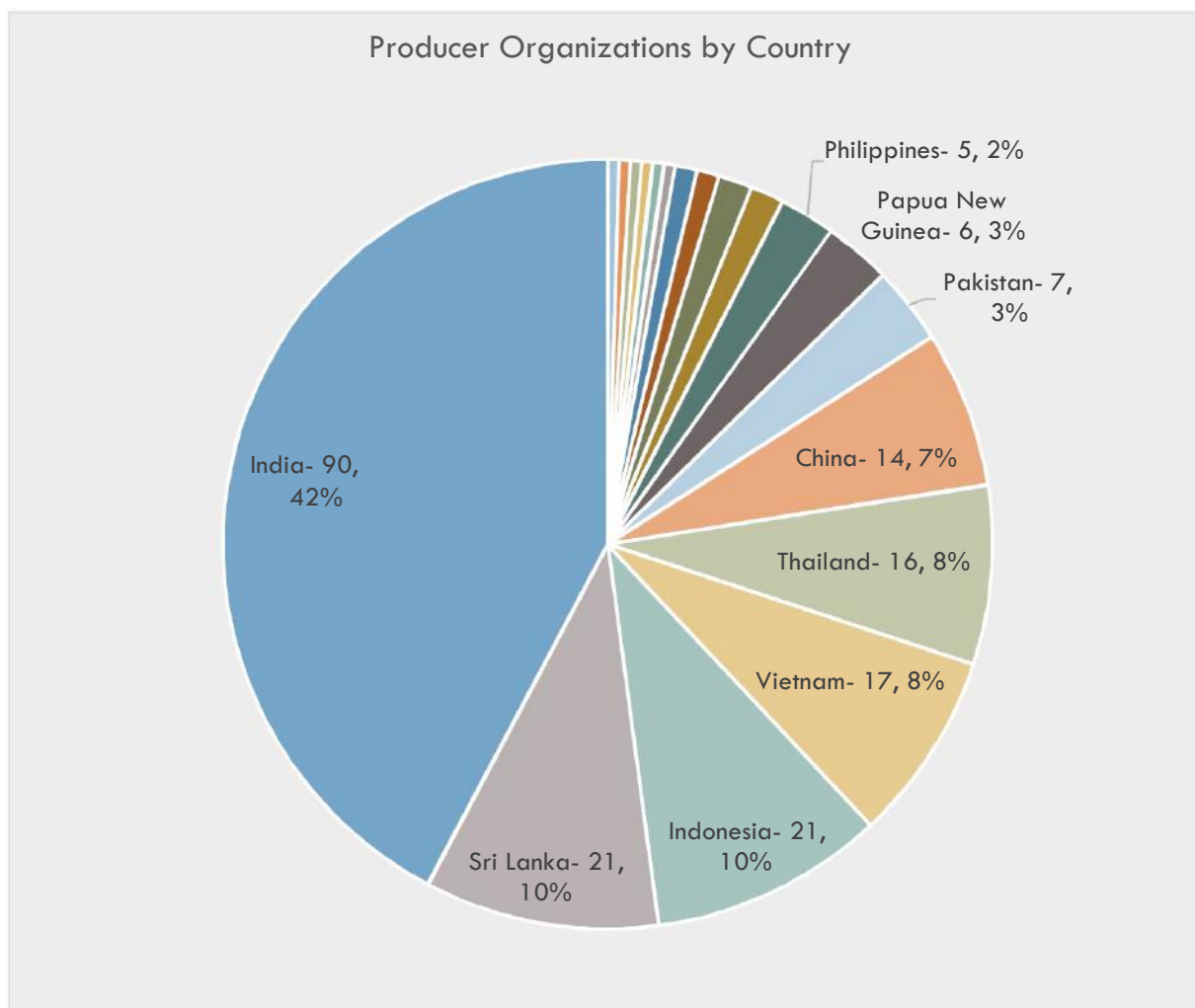
2014 Data: When you think of spices, tea, coffee, cotton, fresh fruits and more, think APAC! The chief produce of this region is represented in the graph below.



Source: Ecert, 2014

29% of the region's focus is tea. And this product has changed the lives of many a plantation worker. Coffee comes second, followed by seed cotton. Rice at this point in time is indicative of the glorious Indian Basmati rice and the Aromatic Thai Jasmine rice. However, a lot many regional varieties should soon be on your tables with standards accommodating them.

The countries contributing to the Fairtrade movement in the APAC region with their growing number of Fairtrade certified producer organizations are represented in the pie chart below (2014 data).



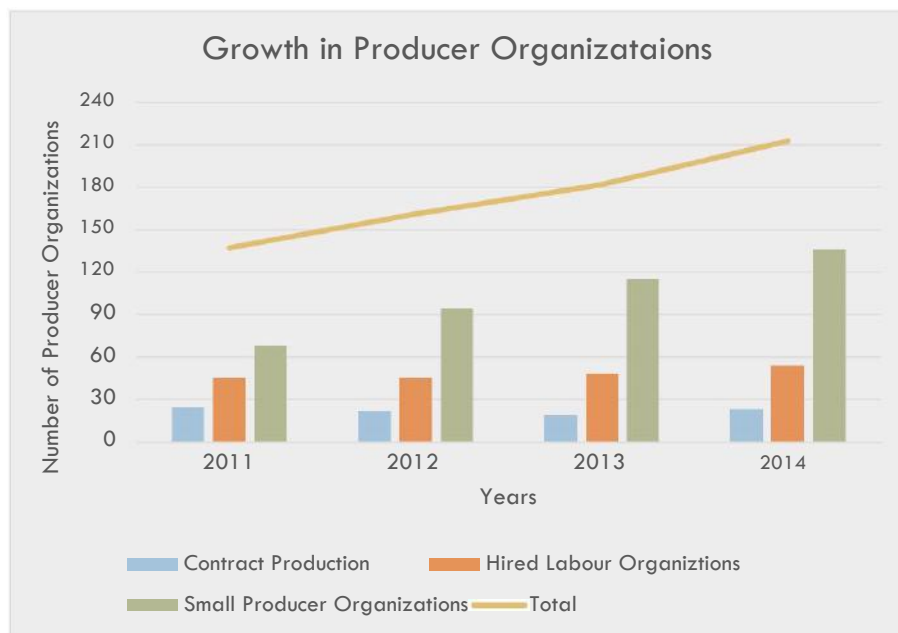
Source: Ecert, 2014

With 90 of the 215 Producer Organizations being Fairtrade certified from India, Indian producers account for 42% of the system. Sri Lanka and Indonesia account for 10% each, followed by Vietnam, Thailand and China. NAPP is extremely confident that this is the beginning and many producer organizations will see merit in the Fairtrade movement.

The region has been recording consistent growth over the years and since 2013, the producer base of NAPP has grown by 17% at par with the other PNs. The graph below reflects the gradual growth.

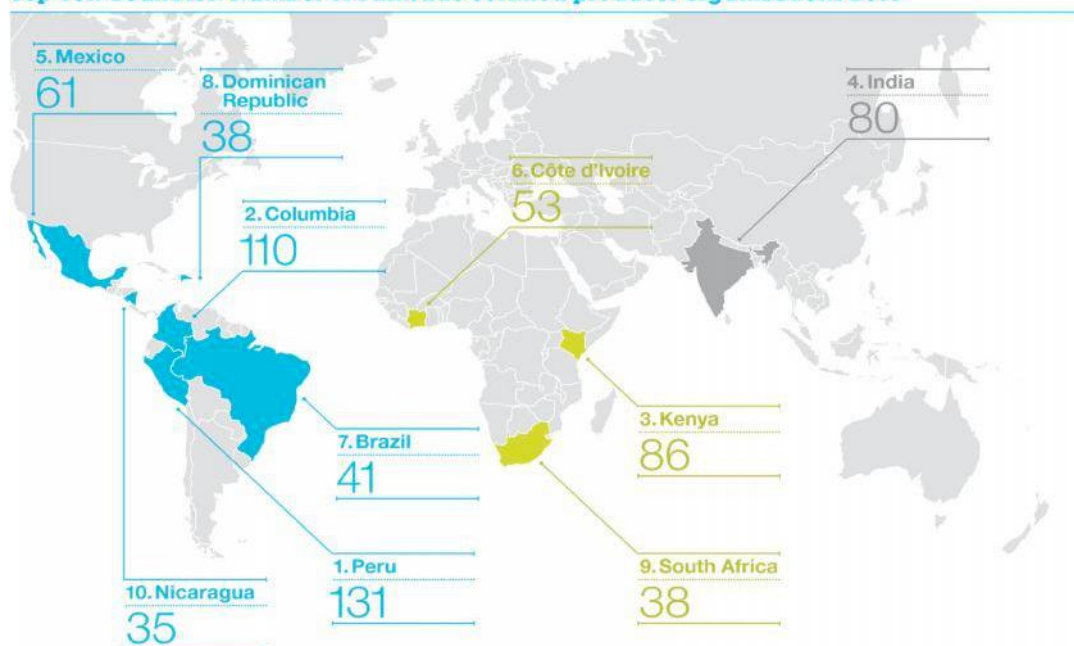
2014 closed with 213 Fairtrade certified producer organizations - 136 small producer organizations, 23 contract production organizations and 53 hired labour organizations.

NAPP is showing a steady growth in the number of members in the region. This is net of dropouts and incremental.



Source: ECERT, December 2014 and MEL Report 2014

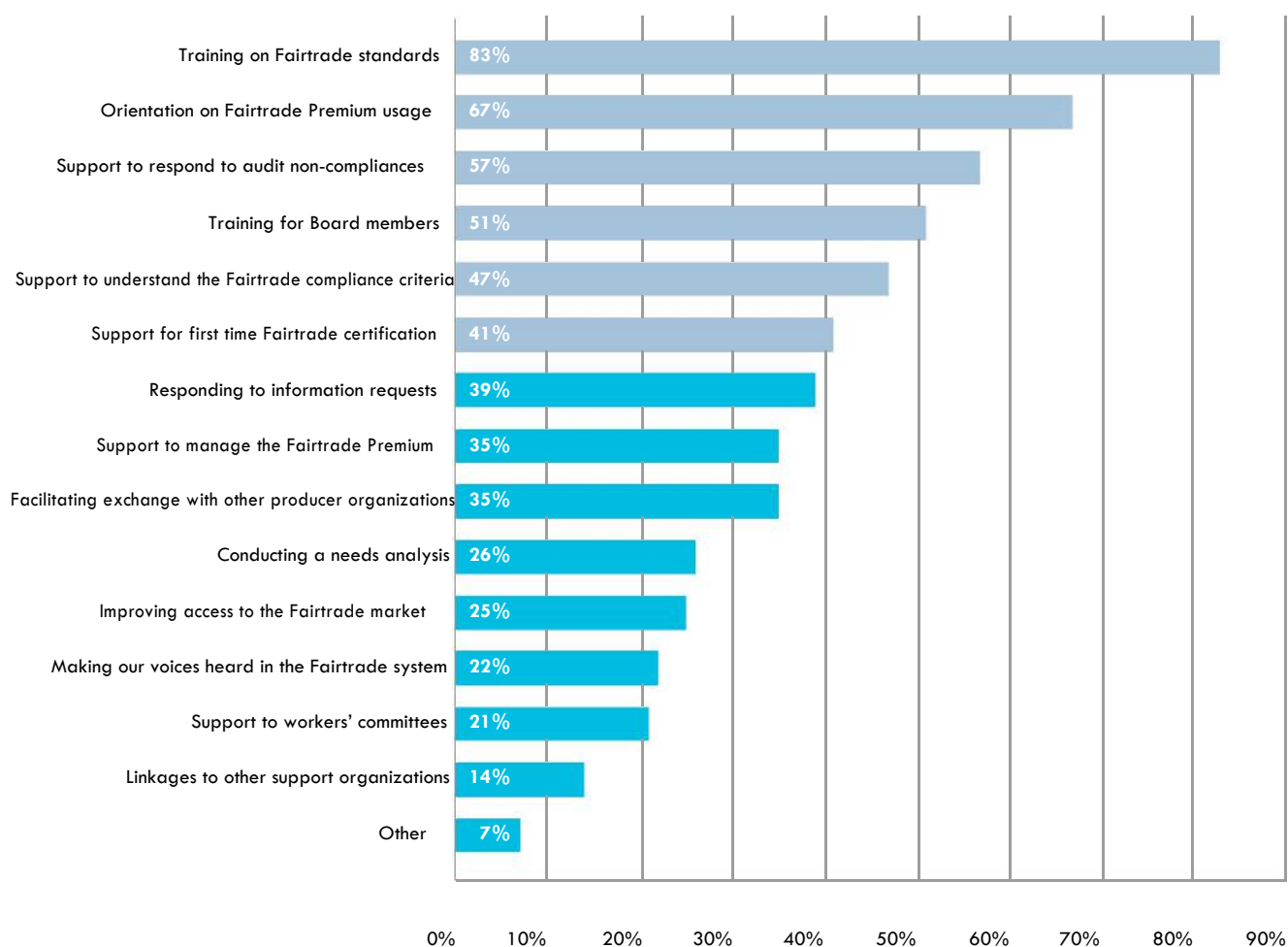
Top Ten Countries: Number of Fairtrade certified producer organizations 2013



Data presented here on is from 2014 Fairtrade Monitoring Scope Benefits report. The reason to repeat some portions of it is to help you get a sense of Fairtrade in the APAC region. Globally, India is the only APAC country in the top 10 for producer organizations. Peru leads globally with 131 certified producer organizations.

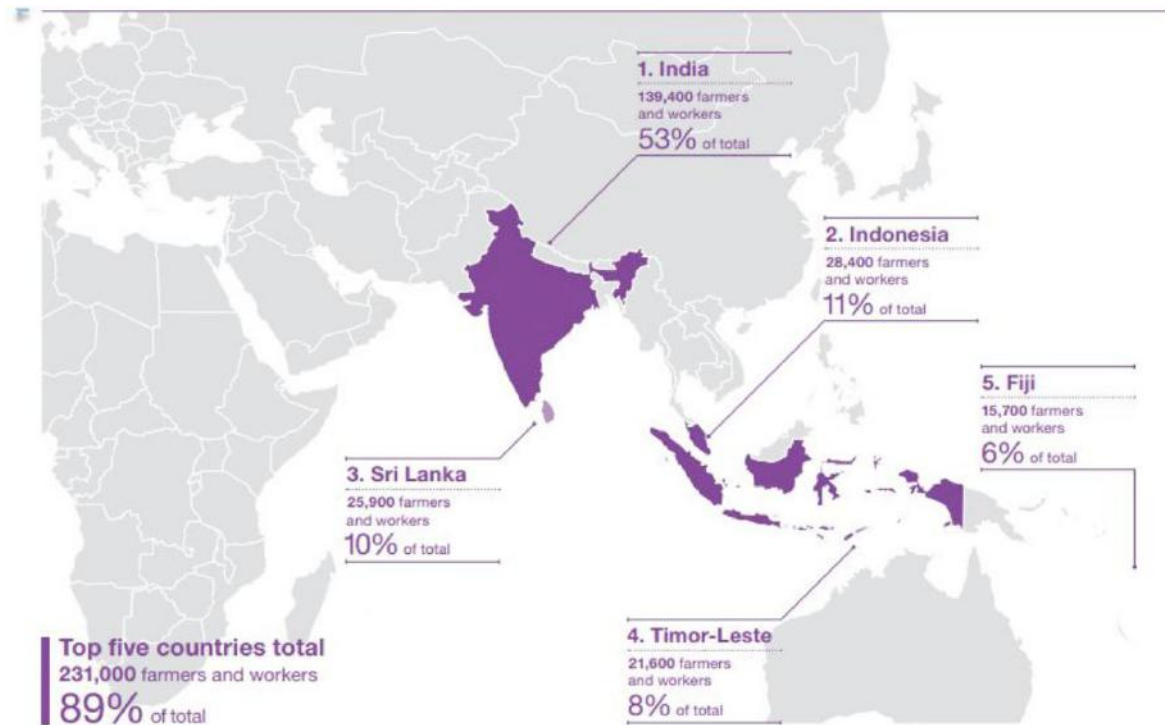
Which are the most frequent support services received by Fairtrade producers?

Percent of all Fairtrade producers that report having received each producer support service from Fairtrade in the past twelve months.



Fairtrade Farmers And Workers

Fairtrade movement is meant to bring equitability to the farmers and workers and the map below shows the top 5 countries of APAC that contribute maximum farmers and workers from APAC.



In comparison to the other regions, APAC has the potential to grow much and the graph below echoes the magnitude.

Africa and the Middle East

Farmers	838,500
Workers	93,600
Farmers and workers	932,100

Asia and Oceania

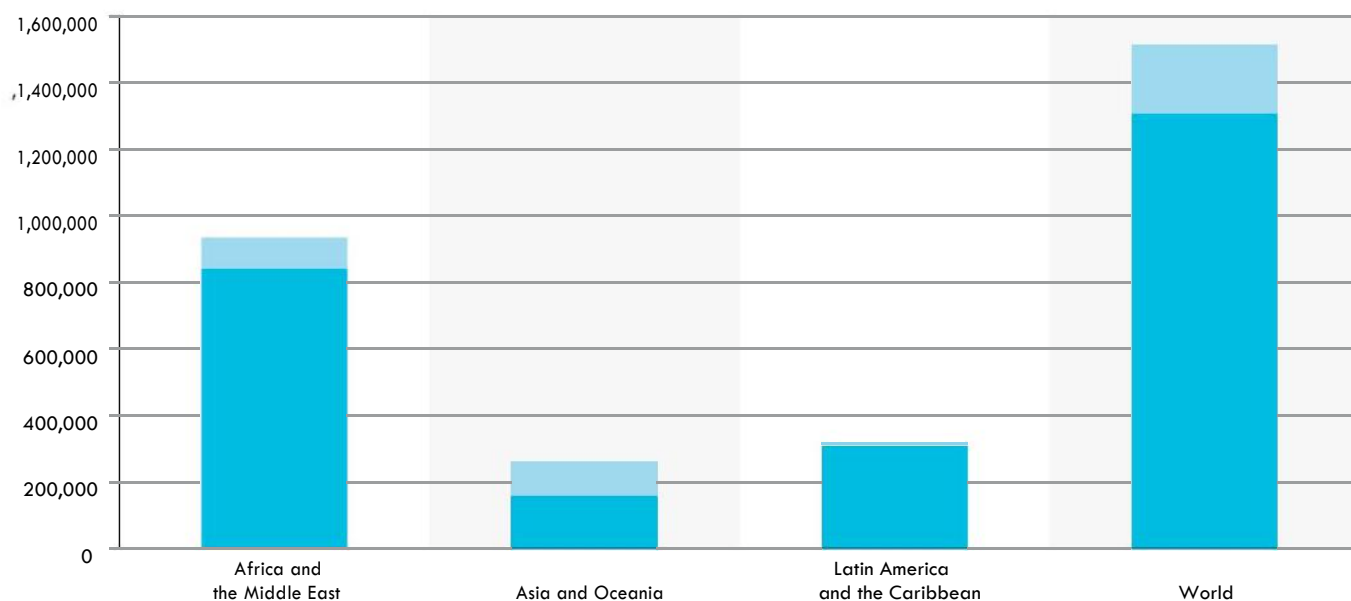
Farmers	157,500
Workers	103,400
Farmers and workers	260,900

Latin America and the Caribbean

Farmers	309,500
Workers	13,900
Farmers and workers	323,400

World

Farmers	1,305,500
Workers	210,900
Farmers and workers	1,516,400



Source: Fairtrade MEL report, 2014

Also of interest would be the top countries globally where from the farmers and workers hail. India and Sri Lanka are the two APAC countries that list among the top 10 globally. India ranks 5th as far as Fairtrade farmers are concerned and 1st as far as workers are concerned. Sri Lanka ranks 3rd for Fairtrade workers'.

Top ten countries: Farmers and workers 2013

**Top Ten Countries:
Number of Fairtrade farmers 2013**

● Kenya	261,200
● Tanzania	160,400
● Ethiopia	125,700
● Ghana	99,700
● India	63,400
● Peru	61,100
● Colombia	46,700
● Uganda	38,300
● Mexico	35,200
● Côte d'Ivoire	34,300

**Top Ten Countries:
Number of Fairtrade workers 2013**

● India	76,000
● Kenya	34,200
● Sri Lanka	22,200
● Ethiopia	12,200
● Malawi	9,000
● Uganda	9,400
● South Africa	7,800
● Cameroon	5,600
● Pakistan	5,100
● Mexico	5,000

**Top Ten Countries: Number of
Fairtrade farmers and workers 2013**

● Kenya	295,400
● Tanzania	164,100
● India	139,400
● Ethiopia	138,000
● Ghana	104,400
● Peru	61,300
● Colombia	49,100
● Uganda	47,600
● Mexico	40,300
● Côte d'Ivoire	34,300

Source: Fairtrade MEL report, 2014

Given the developmental and demographic potential - China, India, Indonesia, Bangladesh – much remains to be accomplished in so far as Fairtrade in the region is concerned. NAPP to lead and drive this change.

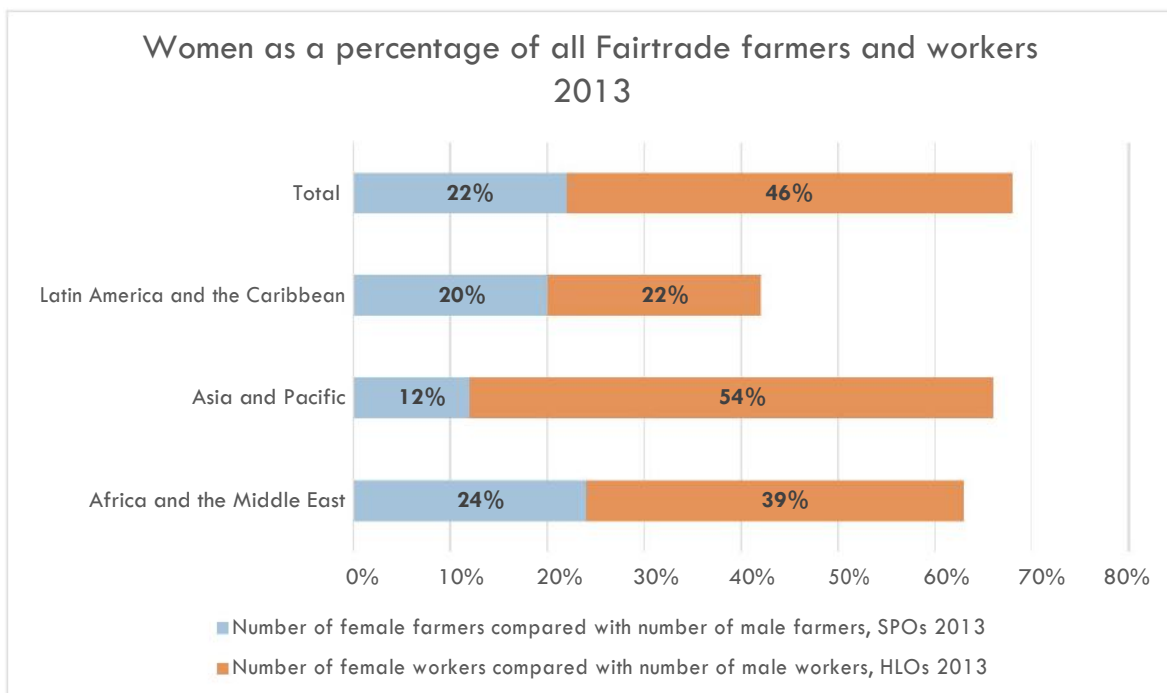
Global Indicators to reckon with:



Source: Fairtrade MEL report, 2014

Our Work on Gender

Where the global average for women in SPOs is 22%, the APAC region fairs at a only 12%.



While women as workers is higher than the global average. Therefore, gender empowerment – at all levels – becomes an area of focus of work at NAPP.

Fairtrade Premium

9% INCREASE IN FAIRTRADE
PREMIUM DISTRIBUTED TO
PRODUCERS IN ASIA & PACIFIC



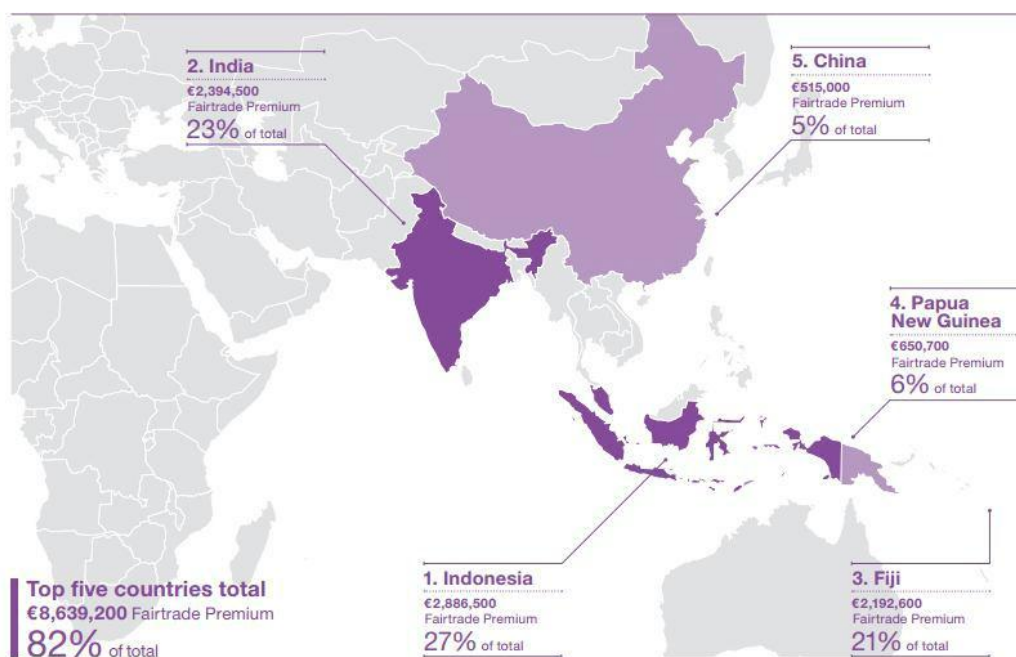
Fairtrade Premium revenues to producers in Asia and Pacific totalled €10.5 million in 2012–13, growing by nine percent from 2011–12.

For the Asia and Pacific region Small Producer Organizations and Contract Production represent 12% of the global farmers and workers and they receive 11% of the global Fairtrade premium.

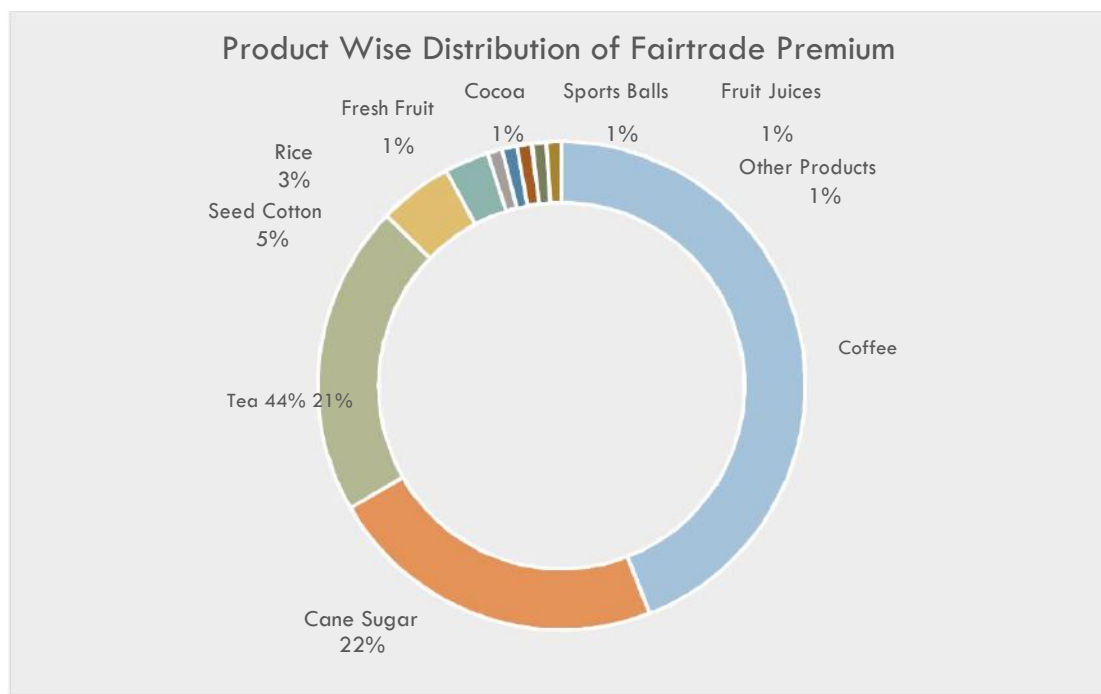
Workers from Hired Labour Organizations in the region represent 49% of the global farmers and workers and they received 12% of the global Fairtrade premium. Hence, the entire region represents 17% of the global farmers and workers and receives only 11% of the global Fairtrade Premium.



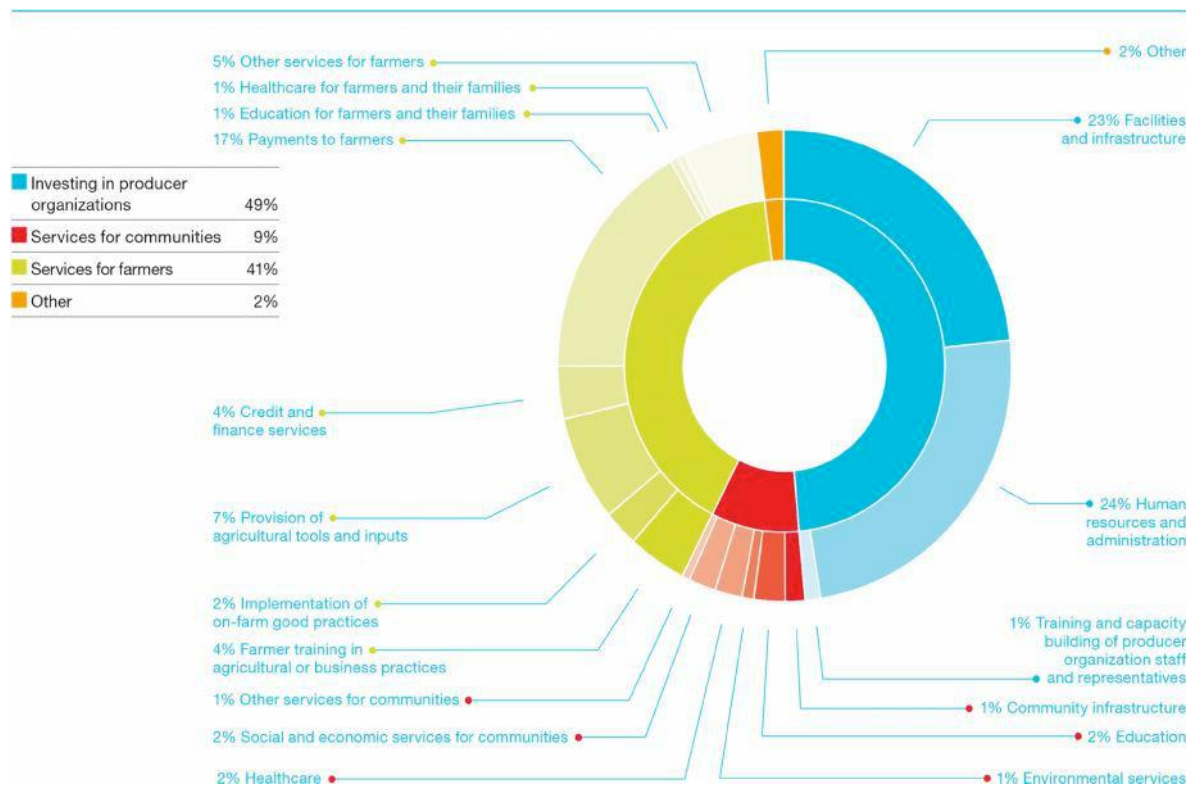
Top 5 countries from APAC to receive the premium were Indonesia, India, Fiji, PNG and China.



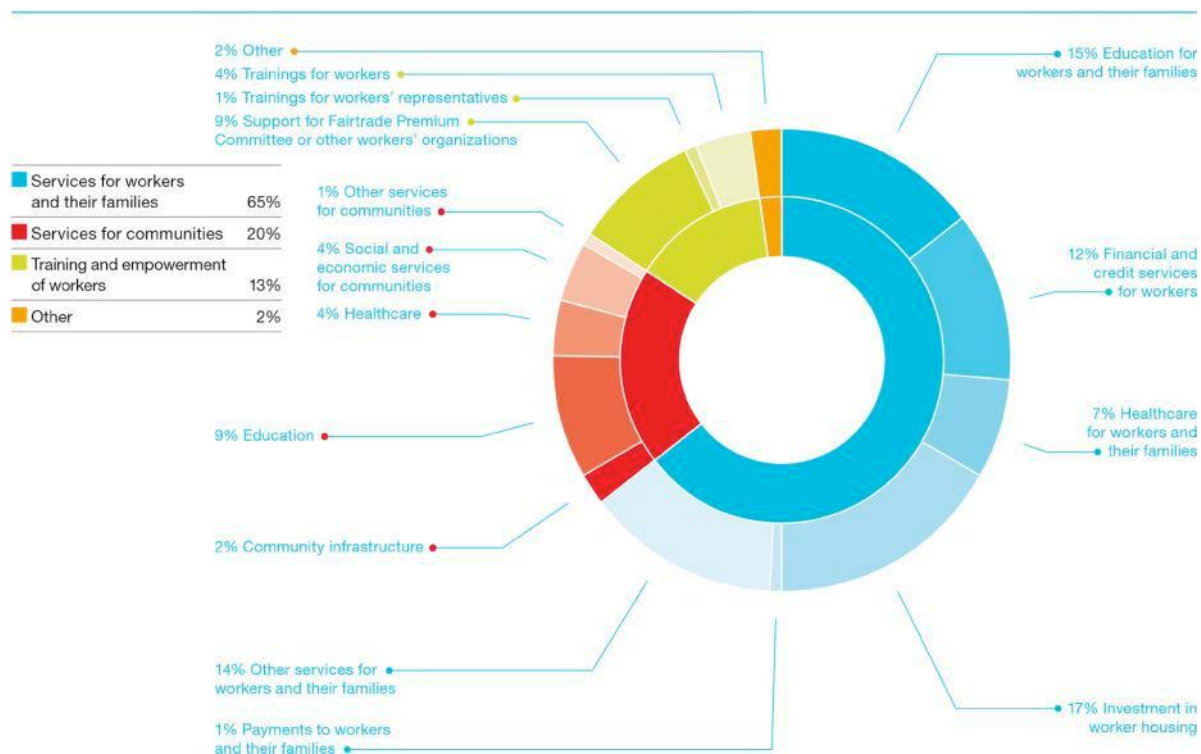
Fairtrade Premium by Products 2012 -13



Fairtrade Premium expenditure by category: Small Producer Organizations 2012-13



Fairtrade Premium expenditure by category: Hired Labour Organizations 2012–13



Source: Fairtrade MEL report 2014

Case Study: Ketiaras of Indonesia

Ibu Rahmah is the founder of Indonesia's Ketiaara Coffee Cooperative. She is also a wife, a mother, a coffee farmer, the coop chairwoman. In short, says the co-op's manager, Lina: "She is everything to Ketiaara."

The title that best fits her, though, is mother. Rahmah brought Ketiaara to life in 2009, helped it grow to become Fairtrade certified in 2012, and is constantly working to improve the cooperative's future.

She laughs when she's described as the mother of Ketiaara, but admits she does feel a special bond with the co-op's nearly 1,000 members.

"They are my children," she said.

They may not be blood-relatives, but the bond that Ketiaara members share through coffee is an important one – with no other major crop in the region, it is all many farmers have to earn a living.

Ibu Rahmah, second from left, board chairwoman of Kopepi Ketiaara, with some of her coffee 'family' members.

Most farms are family-owned, and the average plot is around one hectare (about 1.5 football fields) in the mountainous region (1,200-1,500 meters) of Indonesia's Central Aceh Regency. The forested soil is fertile and conditions are perfect for Arabica coffee. Fruits and vegetables also grow well, and there are plenty of native plants and animals sharing the slopes with the farmers; but most available space is devoted to coffee.

"Ketiarā is the source of livelihood for us now," said Lina, who recently became a mother herself. "I expect this will be the case for our daughters and our granddaughters in the future, also."



Just one year after their certification, Ketiarā was able to sell 174,600 kilograms of Fairtrade organic coffee and 137,160 kilograms of non-Fairtrade organic coffee.

Ibu Rahmah, second from left, board chairwoman of Kopepi Ketiarā, with some of her coffee 'family' members.

Based on Ketiarā's success in the few years since it began, her daughter's future will be a bright one. The co-op began on a small-scale in 2009 with just 39 members, but has quickly grown to almost 1,000 members from 15 villages in the region. Just one year after their certification, Ketiarā was able to sell 174,600 kilograms of Fairtrade organic coffee and 137,160 kilograms of non-Fairtrade organic coffee – a significant increase from the early days when Rahmah was working as a small trader buying just a few kilos of hand-processed coffee cherries.



Earthquakes may ruin homes and damage villages, but nothing can shake the sense of family at the Indonesian coffee cooperative Ketiarā.

In addition to a positive outlook for the business, the next generation at Ketiara will likely enjoy educational opportunities that weren't always available in this part of Indonesia. Rahmah recalls that while she did go to school when she was growing up, she sat on the floor since there were no tables and chairs, and she had no more than sandals to cover her feet. "It is much more comfortable for children now," she said. "They have shoes, they have good transportation to school, and the schools have good equipment."

Fairtrade Premium

The cooperative is making long-term investments. They used their initial Fairtrade Premium money for environmental protection measures such as planting avocado trees on the steep slopes. The trees help in preventing landslides and also provide an additional source of income. Additional investment in education is one of the co-op's primary goals for future Premium use.

Striving towards a better tomorrow has always been a priority for Rahmah and Ketiara, something that dates back to her own childhood as the daughter and granddaughter of coffee farmers. "As coffee farmers, we want to secure a better life in the future," Rahmah said. "In the past, we sold our coffee to a middleman. A middleman keeps the price very low. That's why we established a cooperative, to increase our income from the coffee."

Additional investment in education is one of the co-op's primary goals for future Premium use.

Establishing a co-op has certainly had financial benefits for Ketiara, but the wealth of a family isn't measured in dollars and cents. "The value in Ketiara is about a sense of becoming a big family," Rahmah said, joking that anyone unwilling to call themselves a part of the family is welcome to find another co-op. "Ketiara has so many brothers and sisters. The feeling of becoming united together is very important to us, whether we are happy or sad."

The true test of a family comes when times are tough, which has unfortunately been the case at Ketiara recently.



Members depend on each other and on income from coffee to help them recover from natural disasters.

On July 2, 2013, an earthquake shook the region and caused damage to some of the villages where Ketiara's farmers live. The coffee fields were not affected, but some members have called on their Ketiara family for help in repairing the damage. It's a call that is quickly answered. "Of course we are helping together," Rahmah said. "The members are very actively reporting to us if there is some accident in the village, and we come together to help." Lina adds,

"We are helping each other as a big family."

This is what Rahmah, the proud mother of Ketiara, values the most about her cooperative.

"Ketiara has fallen in love with its members, and the members fall in love with Ketiara," she said.

From 2015 onwards, with the creation of the Monitoring, Evaluation and Learning (MEL) vertical at NAPP, we hope to have a more, stronger and arguably better impact case studies.

Programmes

Programmes for APAC producers could be classified into

- Formation of National networks and their programmes
- Formation of Product networks and their programmes
- Events participated
- PSR Activities region wise

National Networks

Several activities, programs and events spanning various products and geographies were conducted over the last year.

Thailand-Laos NAPP network



The Thai-Lao National Network was formalized and inducted under the NAPP umbrella at a meeting convened on 28 and 29 July 2014 in Hua Hin, Thailand. The event was hosted by producer organization Sam Roi Yod Cooperative and witnessed a strong turnout of thirteen of the seventeen certified organisations in the region.

The programme was designed to facilitate greater participant interaction on Day 1 and learning and deliberations on Day 2 so that producers got to know each other better and developed a clear understanding of the mandate and function of a National Network as well as its relevance in the wider NAPP system.

Leveraging on technology to make the network building process participative and inclusive, Mr Bharath Mandanna, NAPP Chair & Mr Gnanasekeran and Chair Sri Lanka Producer Network (FPASL) addressed participants virtually. They emphasised the potential of a National Network in impacting the lives of small farmers and as a means to be adequately represented within the Fairtrade system. The Meeting also presented producers with the opportunity to highlight systemic challenges and ways to remedy the same through shared learning.

The Meeting concluded with a dynamic, democratic electoral process wherein a seven member NAPP Thailand board was constituted.

The farm visit at Sam Roi Yod Coop reinforced the social and environmental change Fairtrade drives at the farmer level through the minimum price and rigor of the Fairtrade Standards. Innovative premium projects benefitting the larger local community, generated greater public awareness and drew government recognition of Fairtrade.

With the Thailand government offering substantial support to developing and promoting fairer trade practices, coupled with the need for producers to overcome linguistic barriers and articulate concerns through NAPP, the establishment of a Thai Lao National Network gains greater significance.

China Network



The formal incorporation of producers in China as a Network within the NAPP ambit is a significant step in more ways than one. It was as recent as 2013 that local Fairtrade producer services was established and there existed a marked disconnect between producers and the wider NAPP and Fairtrade fraternity. Further, producer organisations are located at considerable distances apart, that farmer groups have never had the opportunity for mutually beneficial exchanges. Besides these limitations, government regulations on organised activity, media access and mobilisation of peoples groups

restricts the scope of a National Network in the country, for instance, registering the Network as a legal entity would pose a challenge.

On the upside, China's burgeoning economy offers tremendous potential to tap into a latent producer base and augurs well for a strong emerging Fairtrade market. A National Network could work to cautiously create inroads in government relations and gradually maximise the impact of Fairtrade in the country.

Fairtrade Pacific



Producers from Fiji, Tonga and Samoa got together in Fiji to meet and form their own Sub Regional network under NAPP. The producers elected their own board which the Papua New Guinea producers will join at a later date after elections were held and future ways of working were formulated. The producers were explained about NAPP and Fairtrade system in detail. Mr Parbindra Singh was elected as the chair of the network and has already visited other producers based in PNG to know their specific needs and requirements. The network will serve as a communication channel to increase Pacific participation in the Fairtrade system through NAPP, allowing Pacific farmers to have an avenue to share information with the system, and for the system to share information with Pacific farmers.

Association of Indian Fairtrade Producers (AIFP) General Assembly 2014

The General assembly of the Association of Indian Fairtrade Producers (AIFP) was well attended by almost all Fairtrade certified producer organizations in the country. Notably, India has the highest number of Fairtrade certified organizations in the Asia and Pacific region. The highpoint of the GA was the election of a new board well represented on the basis of region, producer groups, workers and farmers.



Indranil Ghosh from a Tea producing group in North east India was elected Chair of the board. On the sidelines of the general assembly, the cotton and coffee networks of India met to discuss pertinent issues.

Vietnam General Assembly Aug 2014

Another significant achievement was the induction of the Vietnamese national network under the NAPP umbrella in August 2014. All Vietnamese Fairtrade producer organizations came together for their first ever General Assembly in Trang city. Kuldeep Chauhan, Programme Director from NAPP Secretariat was present to facilitate the formation of the National network. Through deliberation and dialogue a balanced board was formed with adequate representation from tea, coffee and fresh fruit producers. Nguyen Dinh Hao, was elected as the Chair of NAPP Vietnam national board. The GA was



extremely productive as operational matters that would lead to the smooth functioning of the network, like registration, audit of accounts, oversight of expenses and earnings, revenue sources were debated and decided. All member organizations agreed to contribute financially to support the work of the NAPP-Vietnam. The general assembly also charted out the programs of the new organization till December 2014 after discussing relevant issues focusing on all product categories in Vietnam.

Fifth Anniversary of Fairtrade Producers Association of Sri Lanka (FPASL)

The event was inaugurated by cutting of fifth anniversary Birth day cake by the guests and officials. The Premium Committee of Idulgashinna Bio Tea Project was recognized for their achievement of winning the award for the best premium committee 2014 in Asia by Fairtrade International. The gathering recognized and presented an appreciation memento to the past founder members, present board members who are serving the board for five years and to the

guests and invitees. Fifth anniversary logo embalmed T shirts and Umbrellas to all the members' guests and other participants was distributed. Also the trophies and cash rewards to the winners and achievers of the Inter Garden Volley ball Tournament were distributed. The Kotiyagalla Fairtrade Garden attached to Bogawanthalawa Tea Estates PLC emerged winner of The Fairtrade Cup-2014 (Inter Fairtrade Garden Volley Ball Tournament) which was held at Thondaman International Sports Complex. This tournament was organized to mark the anniversary and Mr. R. Gnanasekeran – Chair FPASL was the chief guest of this event. Twenty teams from Kurunagala, Demodera, Haputale, Kandapola, Lindula, Hatton, Maskeliya and Bogawanthalawa plantations participated in the tournament. The event ended with customary prose readings and cultural dances by artists.

Hired Labour Workshop

After the new standards in Fairtrade were notified for hired labor many tea hired labor organizations in north east India and Nepal asked for clarifications and training on changes. Previously staffs were trained by FLO-CERT on compliance and other requirements resulting from changes. Key objectives attained at the workshop were the discussions and clarifications on the roles and responsibilities of the Fairtrade officers in the estates and also explanations on the recent changes made on the Hired labor standard. For producers who have experienced any difficulty in implementing the new standard, this workshop gave a chance to express which changes have been difficult to implement, why and seek advice.

A session on SCORE which is the new tool used by Flo cert to assess status of producers against the compliance criteria was also discussed. This session assisted the Fairtrade organizations to ensure that estates comply with the requirements. This workshop was also an opportunity to assist producers in the way forward and to help them understand and share their different views on this standard with Standards Committee member of Fairtrade International. Fairtrade Foundation India was also able to utilize the opportunity to share plans for Indian market for Fairtrade Tea with the workshop participants.

Small Holder Workshop

Many challenges are faced by small holders least of all understanding clearly the standards & requirements of Fairtrade. A workshop was organized so that Indian Small Producer Organizations better understand the Fairtrade standards and compliances and discuss challenges or needs of small producer organizations. Almost all small producers sent their representatives to learn and share. Issues related to increasing sales in domestic market were discussed. It was a participative workshop where in-depth discussions including case studies were undertaken over the course of the day to better understand the compliance requirements and how to determine usage of premium for community benefit. Overview of Fairtrade, NAPP structures and ecosystem of support available to producer organizations was explained. An indicative plan was noted for roll out to support small holders in the various aspects highlighted in the workshop. Participants appreciated the contents of the workshop and requested more opportunities for such workshops including dedicated support requirement for SPOs. They also mentioned that they would like to get together more often to discuss among themselves the unique challenges faced by small holders and how collectively these can be addressed through support of NAPP.

Product Networks

Tea network interacts with Fairtrade International team 2014

Fairtrade Commercial Director, Mr Martin Hill and Global Product Manager (Coffee & Tea) Mr Lee Byers visited India to meet with producers and understand their challenges. Meetings were held in Coimbatore for South India producers and a Sri Lankan representative and in Kolkata to cater to North East producers.



Presenting an overview of global Fairtrade Tea sales, Lee Byers confirmed apprehensions of a slowing market especially in the UK owing largely to consumer preferences for coffee on an increase and declining for Tea.

Coffee is the 'new in' as marketing investments on coffee are enormous. Tea on the other hand has lost out, perhaps because there has been too much focus on cost control to fund intensive promotional investment and at the expense of blend quality. Increasingly lower grade teas are on the uptake, resulting in a 'race to the bottom' on price/promotion and a deterioration of product quality.

The way forward is for the industry to restore consumer passion and interest in the Tea sector through improved quality and out of home experience. At our end, FI/NFOs need to invigorate big brand and retailer interest in Fairtrade. China and India are largest producers of Tea but 70-80% is used for domestic consumption. Therefore, the increased relevance for introducing the Fairtrade Mark in India.

On the highly debated topic of Living Wages, Lee reassured the group the methodology available to calculate LW, developed by Richard and Martha Anker will not be enforced per se in India/Sri Lanka. It would have to be adapted to the Indian specific situation, recognising that there are significant differences in even North and South India tea wages. It was agreed that there is a need to balance global methodology with producer inputs and the use of local researcher's

with a knowledge of specific regions, cultures and Tea sector practice to get to robust findings. When, where and how the study will be done is for further discussion.

Producers participated in good strength. The event was significant as it was the first opportunity for all tea producers to come together as NAPP Tea network and pitch their collective concerns.

The International team assured producers of their efforts to increase the visibility of Fairtrade Tea and to reopen conversations with big tea players that would likely convert to improved sales in the near future.

Tea Network Garden Exchange Programme

NAPP facilitated an intra-region exchange learning program for the Tea Network of India. This garden exchange program involved ten worker representatives, one from each certified producer organisation in South India, to travel on a learning tour to visit Fairtrade certified estates of Darjeeling and interact with workers in the region.



Management representatives from Chamraj and Coonoor Tea escorted and ensured both a safe passage for all participants as well as an enriching experience. Mr. Jebackumar (Tea Network Coordinator) from Coonoor Tea played an active role in coordinating the event with timely support from NAPP.

During the three day tour, participants were warmly received by management and workers of tea plantations of Chamong and Jayshree groups. They also visited their respective factories and other facilities. The workers had an opportunity to meet their counterparts from North East Fairtrade Premium Committees exchange their experiences.

This was a unique opportunity for the tea plantation workers and was well appreciated and now similar request are flowing in from China and Sri Lanka National Networks to facilitate similar exchange visits.

Rice Network

An initiation meeting for Rice producers in India was held in New Delhi on 17 December 2014. All 9 certified producer organisations participated in this milestone event which was actively supported by Mr. Tapan Ray (Rice Network Coordinator) and Abhijeet Bhosale (AIFP Board member) from Nature Bio Foods.

Producers utilised this opportunity to express both their appreciation and voice their concerns with the Fairtrade system. The need for Rice to be treated as a GPM product, greater market innovations to encourage consumers to purchase Fairtrade Rice, revision of the FMP, due process involved in conversion of CP to SPO, introducing a system that captures

sales traceability for PEB such that FT premium and sales volumes can be tracked by farmers – were some of the topics discussed.

Producers welcomed the formation of a Product Network and saw it as a platform to reach out to partners within the Fairtrade system, gain increased visibility and drive product specific marketing and agricultural extension programmes.



The meeting was also attended by representatives from a leading organic retail chain interested in better understanding the principles of Fairtrade. Abhishek Jani, CEO Fairtrade Foundation India presented an overview of the India rice market, its challenges and the potential it holds for Fairtrade.

The meeting concluded with producers proposing next steps for the Network and holding a positive outlook with regard to plans for its development in 2015.

Coffee Network Meeting 2014

The coffee producers met in Munnar a scenic hill town in South of India in the state of Kerala. The commercial director, Martin Hill and Global product manager, Lee Byers from Fairtrade International first visited the coffee fields and processing facilities set up by one of the producer organizations'. This was a good orientation for them to the coffee



scenario in India before the meeting to see farmers and environment friendly farming practices. At the meeting the GPM presented the coffee scaling up strategy and global coffee development plan to the producers and producers pitched in with the need of focussed approach to increase the sales of Asian and Indian Fairtrade coffees. The presentation made by producer representative highlighted the history of coffee in India to present overall scenario along with the state of Indian Fairtrade coffee producers, import/export data, varieties and others. The challenges and opportunities were highlighted equally which was appreciated by all attendees. Needs like financing, climate change and market opportunities were iterated by the producers as their priorities.

Post the meeting the Fairtrade International team went to see the Fairtrade Coffee Village and participated in the local festival celebrations. Scholarships from Fairtrade premium were distributed to the needy students at the gathering of all producer families by Martin and Lee.

Fairtrade Foundation India, which held its first ever Fairtrade weekend in Bangalore in November, joined forces with PSR and NAPP to organise a meeting of coffee producers with commercial operators, B2B, in the city. The meeting assessed the retail readiness of producers and studied suggestions made by B2B.

Coffee Wet Training Course

Mr. Nguyen Huu Ha, Director of Thuan An cooperative and NAPP Vietnam board member hosted a meeting of forty four producers from eight Fairtrade certified producer organizations. In addition to producers the workshop was attended by trainers such as technical experts and research institutes like soils and



Fertilizers Research Institute, NGO working with Coffee farmers CDI and government officers from The People's Committee of Thuan An commune and Representatives of The Department of Agriculture and Rural Development Vietnam. All the cooperatives got an opportunity to present their crop reports for 2013-14 and discuss various day to day challenges faced with the present officers and experts. Wet processing of coffee for household sized farms was given to cooperatives which were felt very beneficial by the participants.

Cotton workshop on Fairtrade sourcing partnerships July 2014

A two day cotton producer's workshop was held in Bangalore with joint efforts with PSR, GPM and Indian Cotton Network to share details about Fairtrade Sourcing Partnership program which was launched by Fairtrade International. Day one traders were presented details of this program and discussions were facilitated to create better understanding. Day two saw presentations being made on producer support model under FSP program, impact assessment study on cotton producers, plans and update on indicators for monitoring and evaluation, baseline study and technical support program overview under FSP. Participants also framed an action plan covering a variety of topics, including organizational development of the Producer Executive Body (PEB), non-GMO seed production, Fairtrade project management, and better sharing of best practice among members.

Gap Training for Passion Fruit Growers

Ten producers belonging to Passion fruit growing cooperatives in Vietnam participated in a day long workshop focussing on the best farm practices and use of latest technologies available to increase plant yield. Dr. Nguyen Ba Hung the contracted trainer stressed on the importance of safe fruits for consumption and risks associated for export markets in case of contamination is found. Most of cultivable land in Vietnam is contaminated with heavy metals like arsenic and hence the risk increases. The workshop made producers aware about the effective treatment of fruits to mitigate this risk. Discussions centred on the usage of pesticides in correct dose, isolation time post-harvest and avoiding over application. Modern processing techniques were presented and explained to the producers which were appreciated by

all present. Mr. Nguyen Dinh Hao – Chair of NAPP Vietnam network and Ms. Nguyen Thuy Dung-Member of Board representing passion fruit growers and a grower herself participated in the training as well. This was a good opportunity for fellow producers to meet and discuss various challenges and best practices in farm. Through this training the producers understood the need to improve quality of their passion fruit produce and importance of the produce safety for consumer's health. The representatives of SPOs promised to train and present in turn the processing method to all members of their cooperatives.



Events

COTECA Annual Exposition 2014

The third COTECA Coffee, Tea and Cocoa Global Industry Expo was organized in Hamburg in which NAPP was well represented by coffee producers of the region - two groups from Vietnam, nine from Indonesia and five from India. The producer representatives visited a roaster in Bremen and learnt about the various steps involved in processing coffee. The producers had an opportunity to meet other traders and also meetings were facilitated for them by Transfair Germany, a National Fairtrade Organization (NFO). A team of financial lenders like Triodos, Incofin, Rabobank, Alterfin met the NAPP delegation. Bijumon Kurien presented the profile of the Asian and Pacific coffee producers and their needs to the lenders.



The standards unit of Fairtrade International utilised this opportunity to present standards being developed for Instant coffee which is an opportunity for the coffee being produced in the region. Media and buyers could also directly interact with the coffee producers.

The event gave the Asian producers an opportunity to learn more about the European market and make contact with potential importers and business partners.

Fairtrade Awards – Recognizing outstanding organizations and individuals



Around the world, millions of people in the Fair Trade movement are working towards a common goal: fairer ‘trade and treatment’ for millions of smallholder farmers and workers. This year Fairtrade International opened nominations for the first-ever Fairtrade Awards to recognize the achievements of farmers and workers, traders and companies, campaigners and staff.

Over 100 groups and individuals applied or were nominated for the Fairtrade Awards. Eight winners, selected by an independent panel, included small producers, workers’ committees, traders, and individuals.

Proud winners of the first-ever international Fairtrade Awards from Asia-Pacific are:

Small Producer Organization - Asia: Marginalised Organic Producers Association (MOPA) in Sri Lanka

Members of MOPA dedicate 75 percent of their Fairtrade Premium to fund projects proposed by the farmers themselves. Their primary focus is on improving productivity and product quality, and sustainable production methods, as well as on improving the living conditions of the farmers and their personal development.

Other finalists included: Manarcadu Social Service Society in India, and KSU Gayo Mandiri in Indonesia.

Workers’ Premium Committee Asia: Stassen Bio Tea Project in Sri Lanka

The workers in the Stassen Bio Tea Project decided to invest in essential transport services that was unfortunately impeding their movement and connectivity. The bus that was purchased runs three times a day to the nearest town – a distance of 12 kilometres – and thereby provides community members with improved access to work, education, health care, and improved markets. Notably, the school attendance of children in the area has improved.

Other finalists included: The Coonoor Tea Estates Company Ltd in India, and Thiashola Estate, Thiashola Plantations Private Ltd in India.





“Fairest Fairtrader”: Dr. Ananda Sarath Ranaweera of Sri Lanka

Dr. Ranaweera is a Fairtrade pioneer in Sri Lanka. In 1993 he set up Bio Foods (Pvt) Ltd, a company that processes and exports organic teas, spices, rice and other products. Upon seeing the difficulties that producers in Sri Lanka were facing, he formed the Small Organic Farmers' Association (SOFA) in 1997. Bio Foods supports the small farmers of SOFA with training in organic farming practices and guarantees purchase of their products. The certification of Bio Foods as a Fairtrade exporter in 1997 and SOFA as a Fairtrade small producer organization in 1998 revolutionized the local agricultural system and social development of farmers, their families and the community.

Specialty Coffee Association of America 2014

Twenty seven Producers from NAPP participated in the most significant event on the coffee calendar - the annual symposium of the Specialty Coffee Association of America (SCAA) in Seattle. The visit was a first for most of the producer delegates and coordinated by NAPP and Fairtrade Canada. These producers came all the way from Indonesia, Papua New Guinea and India. Producers met commercial buyers, Fairtrade International representatives, and representatives from Fairtrade America, Fairtrade Canada amongst others. The producers shared their stories to express the impact Fairtrade had had on their lives at the open stakeholder meeting at the venue. The objective of their presence at SCAA was that it will increase the visibility of their produce in US markets.

Djumhur Bin Abu Bakar from Indonesia and Bijumon Kurien from India shared the report of the meeting and buyer contacts with all the coffee producers in the region through the secretariat. “It was a great pleasure to lead 26 coffee producers from Asia and Pacific, and to present about the impact of Fairtrade!” said the ever-beaming Bijumon Kurian from Manarcadu Social Service Society in India.

The London Produce Show June 2014

The London Produce Show is a boutique exhibition/ niche trade fair focused on fresh produce held for the first time in London, UK from 4 - 6 June 2014. Fair Trade Alliance Kerala from India and Visahakit Chumchon - Fairtrade pineapple group from Thailand participated in the event. The event was a good exposure opportunity for the producers as they were able to meet produce buyers from retail, foodservice and wholesale sectors, co-producers and also specifically Fairtrade buyers. It was also an opportunity to meet with other conventional buyers of the produce. The event was identified and ensuing formalities for participation was facilitated by Ms. Mariam Thomas from the NAPP Secretariat.

A series of networking occasions, seminars and chef demonstrations also ran alongside the exhibition, providing every participant the opportunity to meet, share and learn with their counterparts in the global fresh produce industry.



The Fairtrade International General Assembly June 2014

The General Assembly (GA) of Fairtrade International was held on 12 June 2014. The GA is the highest authority of the Fairtrade International and is the forum through which the Members exercise their responsibilities and powers as Members of the Association. All Members have the right of representation by way of delegates at the GA via their membership groups with each membership group collectively having 50% of the total votes. Each National Fairtrade Organisation (NFO) is entitled to send one delegate to the GA while each Producer Network (PN) is entitled to send four Delegates. From NAPP, the Chair of the network Bharath Mandanna participated along with the NAPP Board Members Tapan Ray and Bijumon Kurien.

BIOFACH India Nov 2014

BIOFACH INDIA together with INDIA ORGANIC organized the annual event from 6-8 November in Cochin, Kerala. AIFP along with Fairtrade Foundation India put up a stall at the event which saw heavy footfall on all days of the event including from Fairtrade certified producers and traders apart from government officials and general public. The Fairtrade certified products available in domestic market were showcased and Television screen monitor was put up to showcase the premium projects from many of our member organizations.



Sugarcane Farmers knowledge interchange in Karnataka, India

The sugarcane farmers of seven small producer organizations based in the Southern state of Karnataka to learn the techniques used by an award winning organic farmer. It was indeed an interesting event where the “expert” amongst the group was identified and efforts were made by others to learn from him. Other than providing a guided tour of his farm, best practices, farm innovations and handy practical techniques were shared. An expert was also present at this knowledge sharing tour to clarify doubts and gain from the experience himself.



Sugar Network Fiji



The Sugar Cane producers from the region met in Fiji for the first time to discuss challenges and opportunities, the context of the meeting was the impending removal of European sugar quota and its effect on the sugar producers in Asia Pacific. The sugar producers in Fiji are already seeing fall in sales and the Fairtrade global product manager for sugar mentioned that everybody should start preparing for the changes that will take effect from 2017. GPM presented FSP and explained about the foreseeable scenario in global Fairtrade sugar markets. The producers from India, Philippines and Fiji created a sugar network under NAPP to coordinate more closely the issues affecting Fairtrade Sugar in Asia Pacific.

Mr Muniraju KS was elected as coordinator of the group. Producers discussed about the specific situations in their countries and farms. A plan was formulated to take the network activities forward.

PSR ASIA and PACIFIC



SOUTH EAST ASIA AND CHINA:

- First Tea Workshop for Producers in China, Vietnam and Indonesia in Hangzhou - 19 tea producers were a part of the workshop. Global tea market trends, organic farming methods and internal control systems were also discussed. The producers shared their concerns regarding market access, production techniques and organizational governance.
- **Knowledge Sharing:** Two Coffee farmers from Gayo highland, Indonesia provided training on farming methods, and harvesting to around 100 farmers in two certified coffee cooperatives in Flores. These farmers showcased their learning by developing ten demonstration plots. The farmers represented producer organizations that earn the highest Fairtrade Premium in Asia.
- **Fairtrade Marketing Organization:** Series of awareness raising workshops with certified producers and traders were conducted in Indonesia and Philippines in order to support development of a local Fairtrade Marketing Organization.

FAIRTRADE PREMIUM PROJECT: The coffee producer, CPC, and Fairtrade buyers Malongo and Café Ma have constructed a new school with Fairtrade Premium funds in Ban Huay Saen, Lao PDR. The old school building had been constantly affected by flooding.

FAIRTRADE PREMIUM PROJECT: One of the premium projects for 2014 was that four groups of Vietnamese coffee producers distributed 100 gift sets to poor families in their communities for Chinese New Year.

- **Market Linkages:** Indonesian coffee producers are being assisted in creating linkages with traders from China and Taiwan which has a strong interest in importing Fairtrade coffee from Indonesia. A field trip to the coffee farms and a promotional event in Hangzhou has resulted in a trial purchase.
- **Fairtrade Standards** training to Chinese producers was conducted to resolve issues of producers like difficulty in meeting compliance standards due to cultural differences, lack of market information and dependence on third parties. PSR has thus decided to focus on facilitating market access, strengthening standards compliance and supporting establishment of the country producer network.
- **ASEAN:** Fairtrade producers from Thailand & Laos underwent training on strengthening their ability to trade in Bangkok in December 2014. The main focus was on international trading and the advent of ASEAN Economy Community - AEC.
- Muscovado Convention, Philippines was organized by the Sugar Regulatory Administration where Fairtrade Sugar was represented. The event was attended by more than 200 stakeholders in the sugar trade.
- Producer Exchange Visit, Lao - 24 people strong delegation from the Bolaven Plateau Coffee Producers Co-operative in Lao met their counterparts in Doi Chaang Coffee, Thailand to share expertise and knowledge.

SOUTH ASIA

- **Personnel Training** - The PSR team attended training on coping with organizational change by ISABS New Delhi. The sessions led by Dr Somesh Chadhalt discussed topics like managing emotions, expectations, and grievances which was a useful exercise in team-building and improving internal communications.

- **Training on Child Labour** - Benjamin Cousin, Social Compliance and Development manager with Fairtrade International based in South Africa provided training on Child Labour and Youth inclusive community based monitoring and remediation for PSR teams from Sri Lanka and India. He covered all aspects of child and forced labour, including the Fairtrade standards, which will help staff when they conduct their own training sessions with local producers.



- **Steps to curb child labor in India** - Measures to curb child labour was discussed at the NAPP India (AIFP) general meeting especially for tea, coffee, cocoa, cane sugar and cotton. Members of the Ambootia Group Estates management team took part in child labour training where 22 participants from ten Fairtrade certified tea estates in Darjeeling were involved.
- **Request for Fairtrade Certification** for grapes from Sangli region of Western India. Sangli grapes have a Geographical Indication tag due to their taste and quality, have been finding markets in Europe.
- **Standards Training** - At WOFA, an SPO producing coffee and spices in the Wayanad region of Kerala training of staff on Fairtrade standards was conducted. This benefited their 2600+ farmer group.
- **Soil Fertility** – Phalada Agro, a Fairtrade trader from South India, also an organic producer has been working with farmers to improve soil fertility. The PSR team explored possibilities of market linkages with producers in North and East India.
- **Evangelischer Entwicklungsdienst** - EED was keen on getting to know the local producers of NAPP and visited India. They interacted with MASS, Nature Bio foods, and Potong tea growers and learnt how fairtrade has been addressing issues such as low product prices and delayed payments from private traders.
- **Training on Contract production** – In Orissa, NAPP and PSR held workshop to demonstrate to the farmers the advantages of working in groups and understanding the benefits of collective action such as stronger bargaining powers.
- **Mock Audits** were conducted for a new Fairtrade tea applicant, Teesta Valley Tea Company, Darjeeling in East India.
- **Seed festival** was organised by Fairtrade Alliance in Kerala. Farmers representing a group of 87 organic farmers, set up a stall displaying different agricultural products from the members' farms while the second day focussed on the central role of women in the farms.

FAIRTRADE PREMIUM PROJECT:

Suminter Small Farmers Organic Consortium, a spice producing organization in Kerala has taken up interesting premium projects in its Rajkumari unit in the hills. In 2013, the organization received premiums worth 5.4 million INR for its 250 members with which water harvesting structures, solar panels, drying net for spices, drying-cum-grading equipment for cardamom, and distribution of organic farm inputs – projects were undertaken. One of the members installed a rain water harvesting tank with a capacity of 36,000 litres which he is using to irrigate his crops. About 45 members have installed solar panels and 15 members have installed bigger panels to run their irrigation pumps.

SRI LANKA, PAKISTAN AND CENTRAL ASIA

- MEL pilot project** – A pilot project to test an updated version of Fairtrade audit report to track impact of Fairtrade for MEL team was carried out in the Idalgashinna Bio Tea plantations (Hired Labour) and in the Forest Garden Growers' Association (Small Producer Organizations).
- Sourcing opportunities** – Simon Coley, co-founder of All Good Organics, producers of Karma Cola and Gingerella, visited vanilla and ginger producers affiliated to the Forest Garden Growers' Association to explore the possibility of sourcing more Fairtrade ingredients.
- NFO visit:** A delegation from Max Havelaar Netherlands visited Fairtrade certified tea gardens of Bogawantalawa Plantations to learn more about their production techniques and their usage of Fairtrade Premium funds.
- Cotton in Central Asia:** The Fairtrade Minimum Price and Premium for cotton has been extended from Kyrgyzstan to Tajikistan. Certified farmers there can now sell their cotton under the Fairtrade banner.
- Certification** – MAL Germany is keen to get Fairtrade certification for its Sri Lankan organic coconut suppliers. One of the largest biscuit and chocolate manufacturers in Sri Lanka, has been Fairtrade certified for herbs, herbal teas, spices, cashewnuts and coconuts.
- Workshop** – A training workshop for the newly formed apricot and walnut co-operative in Khujand, Tajikistan was conducted along with FLOCERT. Support was provided to the potential walnut producers in Kyrgyzstan also.
- Capacity building workshop for Hired Labor Fairtrade Officers** - First in the series of Fairtrade Officer (FTO) capacity building workshop was held in Sri Lanka where 27 FTOs with HLOs were trained to facilitate the development of Premium Committees, ensure compliance as well as serve as reference points for various stakeholders.
- Voluntary de-certification** – Afghanistan SPO Parwan Raisin producer co-operative opted out of Fairtrade certification on account of lack of sales making the license fee unaffordable.



PACIFIC

- **Good Governance Training** - Fairtrade ANZ launched Good Governance training for small farmers in Papua New Guinea (PNG). The two-day module focused on basic skill development for ensuring transparency and accountability with topics like constitutions, governance bodies within small farmer organizations, and the power of working together.
- **ICT Project** - PNG saw a successful first year of an ICT project. Technology was used to develop the entrepreneurial skills of Fairtrade cocoa and coffee farmers. The long term goals of the initiative is to enable farmers to access information in areas of price negotiation, logistics and planning and identifying market opportunities.
- Several workshops in isolated areas of Samoa, Vanuata, Fiji, and PNG targeted more than 500 farmers, growing coconuts, vanilla, cane sugar, coffee and cocoa for Fairtrade markets in Australia and New Zealand.
- **Interaction with Policy makers** - The PSR staff attended the DevNet conference 'From Vulnerability to Resilience: Partnerships for Development' at Otago University in New Zealand in November 2014 which gets participants from the NGO sector, academia, and the Ministry of Foreign Affairs and Trade. It was the first time Fairtrade ANZ got an opportunity to engage with policy makers, discuss the challenges in development as well as showcase their work.
- **Raising awareness** – Briefings to governments and local NGOs in the island nation of Vanuata about Fairtrade's work with cocoa and coffee producers. The farmers here are enthusiastic about working together and improving the quality of their crops.
- **Pacific Producer on NAPP Board** - Pacific producers welcomed their new representative on the NAPP board. "In every Pacific island, producer organisations have different approaches and needs, but we all have the common interest of improving the livelihood of our members by following Fairtrade standards and principles," said Parbindra Singh following his election.
- **Standards** - A workshop was held for the Savai'i Coconut Farmers Association on good business practices with an emphasis on record-keeping, planning and training on Fairtrade Standards.
- **New Fairtrade member** - Club3000, a group of 629 cocoa farmers from PNG joined the Fairtrade system. Their total volume produced in 2014 was sold to Mondelez for Cadbury Dairy Milk in Australia and New Zealand. This is the first ever Pacific Regional Fairtrade certified cocoa supply chain.




s Hallgren



FAIRTRADE

 Coffee roasters from Australia and New Zealand visited Papua New Guinea (Sacred Grounds Organic, Griffiths and Montville Coffee) and East Timor (Cofi-Com, Gabriel Coffee and GS Roasting). At the Highlands Organic Agriculture Co-operative in Papua New Guinea (PNG), roasters visited a water

 The Neknasi Coffee Growers Cooperative Society in PNG plans to set up a water supply system for its members. Social manager Mela will be analysing the water needs of the villages. He has been given a new motorbike funded by the Premium to help him with his job of

- **Preparing for certification** - Pre-applicant Cooperativa Sociedade Agricola Logistica Timor in East Timor received training on the basics of the Fairtrade system, costs of sustainably produced cherry and green bean, coffee and the financial benefits for the producers. 21 staff members of Fairtrade certified Cooperative Café Timor who will disseminate information to other producers were briefed as well.
- **Translation** - Fairtrade ANZ's Producer Library was recently translated into the local language Tetum for East Timor.
- **Joint Initiative** - Fairtrade ANZ joined the Council for International Development (CID) that brings 50 New Zealand based organizations working in international aid which will enable them to be in touch with the latest development thinking as well as identify potential partners.

- **Coffee Nurseries** - There are now 16 nurseries up and running after one year of Fairtrade Coffee Nurseries project in Papua New Guinea. It is supported by the local Coffee Industry Corporation and each nursery managed by SPOs has the capacity to grow 11,000 seedlings. This project is a part of the Fairtrade ANZ's efforts to increase volume and improve quality of Fairtrade certified coffee.

Fairtrade Theory of Change

Theory of Change describes the change that an initiative (organization, network, project, etc.) wishes to see in the world as well as an understanding of how it will contribute to that change. The Fairtrade Theory of Change captures the range of things Fairtrade does as a system (i.e. its interventions) and relates these logically to desired immediate, mid-term and long-term changes. It thereby provides a framework for identifying appropriate indicators for measuring the results of Fairtrade and progress towards Fairtrade's goals.³ Fairtrade is also committed to ongoing Monitoring, Evaluation and Learning for the dual purposes of accountability and continual improvement.

Use of Theory of Change → The Theory of Change is not a plan or strategy. Nor is it a logical framework or other form of reporting framework which commits Fairtrade to specific activities and results. It is a generic theory which Monitoring and Evaluations staff will use as a guiding framework for the design of monitoring and research activities as well as to identify interventions which are most critical to achieving Fairtrade goals. The Theory of Change could also inform communication about Fairtrade, both internally and externally, and help ensure there is a common understanding about Fairtrade's goals and approach.

Fairtrade Vision and Goals

Fairtrade aims to support small-scale producers and workers who are marginalized from the benefits of trade. Fairtrade's vision is a world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future benefits of trade. To fulfil this vision, Fairtrade has identified three long-term goals:

Goal 1: Make trade fair: Fairtrade aims to create an environment in which small producers are able to develop sound, resilient businesses; workers are able to exercise their rights and freedoms and earn a living wage; consumers are informed and demand fair trading practices as the norm; and public and private sector policies support and enable economic, social and environmental sustainability in trade. These fairer trading conditions are both a means to the other two Fairtrade goals, and the end goal of trade justice, which Fairtrade aspires to.

Goal 2: Empower small producers and workers: Fairtrade understands empowerment as 'the expansion of assets and capabilities of people to participate in, negotiate with, influence, control and hold accountable the institutions that affect their lives'. Fairtrade aims to support empowerment among small producers and workers by helping them build independent, democratic organizations, improve their negotiating position with buyers/employers, achieve economic stability, make joint investments and increase their collective influence.

Goal 3: Foster sustainable livelihoods: A livelihood comprises the capabilities, assets and activities required for a means of living. It is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets, while not undermining the natural resource base. Fairtrade aims to foster sustainable livelihoods among small producers and workers by enabling (via producer and worker organizations) improvements in income, decent working conditions, improved living conditions and sustainable ecosystems.

³ The Theory of Change focuses on aspects of Fairtrade which are assumed to remain relatively stable. These will be reviewed periodically using data generated by the MEL system, to assess whether adjustments may be required.

Fairtrade Approach

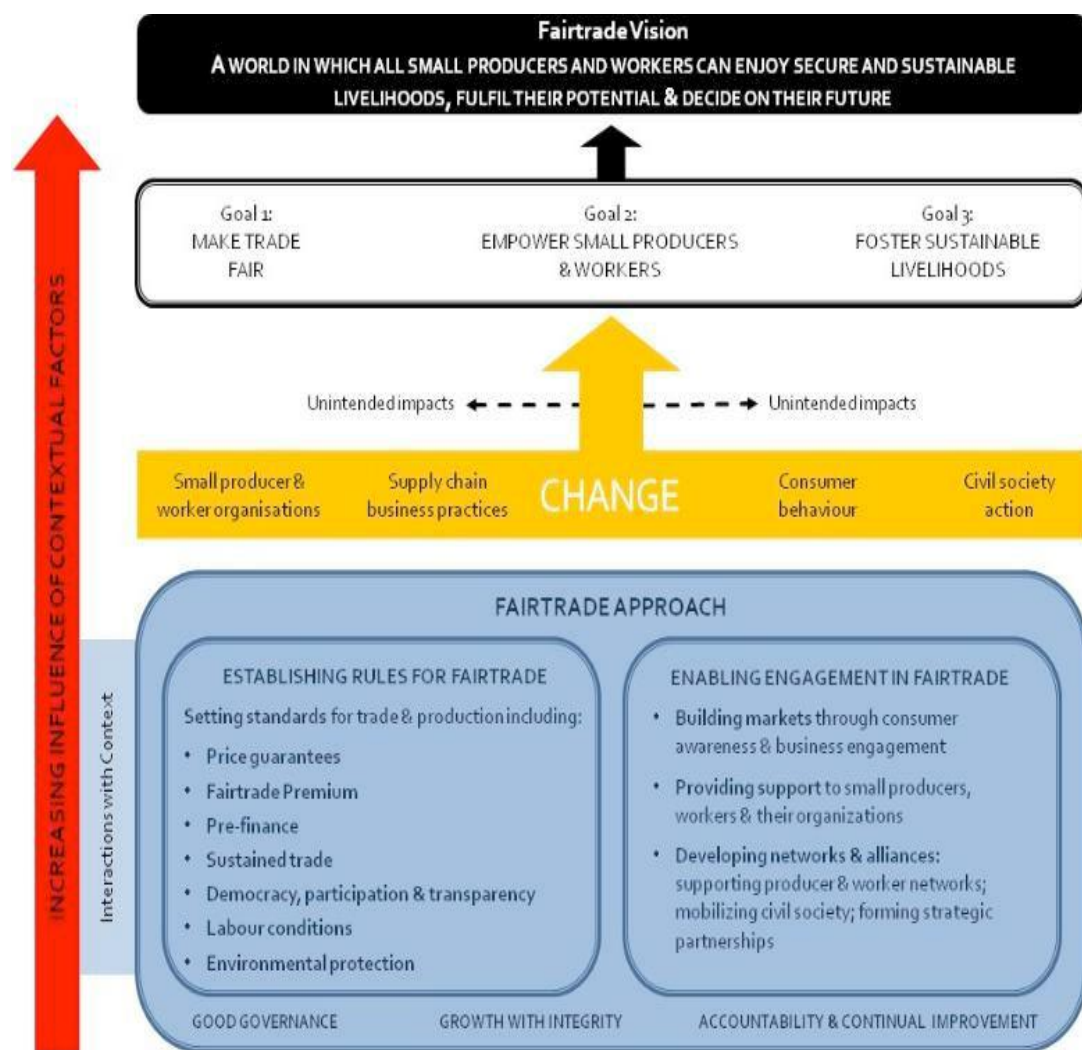
To achieve its goals, Fairtrade aims to bring about simultaneous change in four spheres:

- Small producer and worker organizations
- Supply chain business practices (including labour practices)
- Consumer behaviour
- Civil society action

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

- Standards which establish the 'rules' for fair trading practices and engagement in Fairtrade. The standards include rules for supply chain businesses which wish to trade in Fairtrade products (including Hired Labour companies and Promoting Bodies in contract production systems), and rules for small producer and worker organizations. They codify key principles of Fairtrade, including: sustainable and equitable trading relations; good governance in organizations (democracy, participation and transparency); respect for human rights (particularly labour, child and gender rights) and protection of the environment. The standards also incorporate key tools used in Fairtrade:
 - Economic protection policies which aim to offset price volatility and risk for Producer Organizations. These include minimum price guarantees to ensure Producer Organizations receive prices which cover the average cost of sustainable production, access to pre-finance (credit), and provision of sourcing plans.
 - Empowerment policies which support independent organizations of small producers and workers to develop and implement their strategies for sustainable development based on their own aspirations and priorities.
 - The Fairtrade Premium which is paid to small producer and worker organizations based on sales and enables small producers and workers to invest in economic, social and environmental development, in line with their democratically-agreed priorities.
 - The FAIRTRADE Mark used on products which have been traded according to the Fairtrade standards. The Mark enables consumers to actively choose products that embody Fairtrade principles. It also makes demand for Fairtrade products more visible to businesses and to policy makers.
- Strategies and policies which enable engagement in Fairtrade by small producers, workers, employers, supply chain businesses, consumers and civil society organizations, and leverage this engagement to bring about wider changes in support of greater justice and sustainability in trade. These include strategies to:
 - Build Fairtrade markets through raising consumer awareness and engaging with businesses.
 - Provide support to small producers and workers to build strong, independent organizations, achieve compliance with Fairtrade standards, and access markets.

- Develop networks and alliances, including supporting networks of small producers and workers, mobilizing civil society to take action around trade justice, and forming strategic partnerships with organizations, which have common goals.
- Intensify advocacy and campaigning for change in the policies and practices of international trade, including lobbying and campaigning by Fairtrade organizations themselves as well as collaborative action with other civil society organizations.



Fairtrade interventions lead directly to one or more tangible outputs, such as improved prices, investments using the Fairtrade Premium, or increased consumer awareness. These **outputs** then contribute to a range of short- and medium-term outcomes, such as more viable and resilient small producer businesses, improved infrastructure in communities, and growth in Fairtrade markets. **Outcomes** in turn contribute to various **long-term impacts**, such as improved household income and assets, enhanced influence for small producers and workers, and more sustainable trading systems. The results of Fairtrade include all the outputs, outcomes and impacts which Fairtrade interventions contribute to, both directly and indirectly, intended and unintended, and positive and negative.

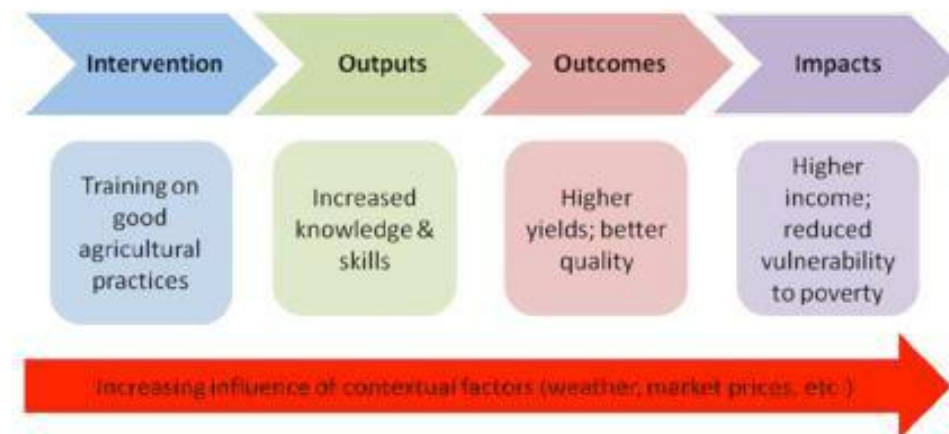


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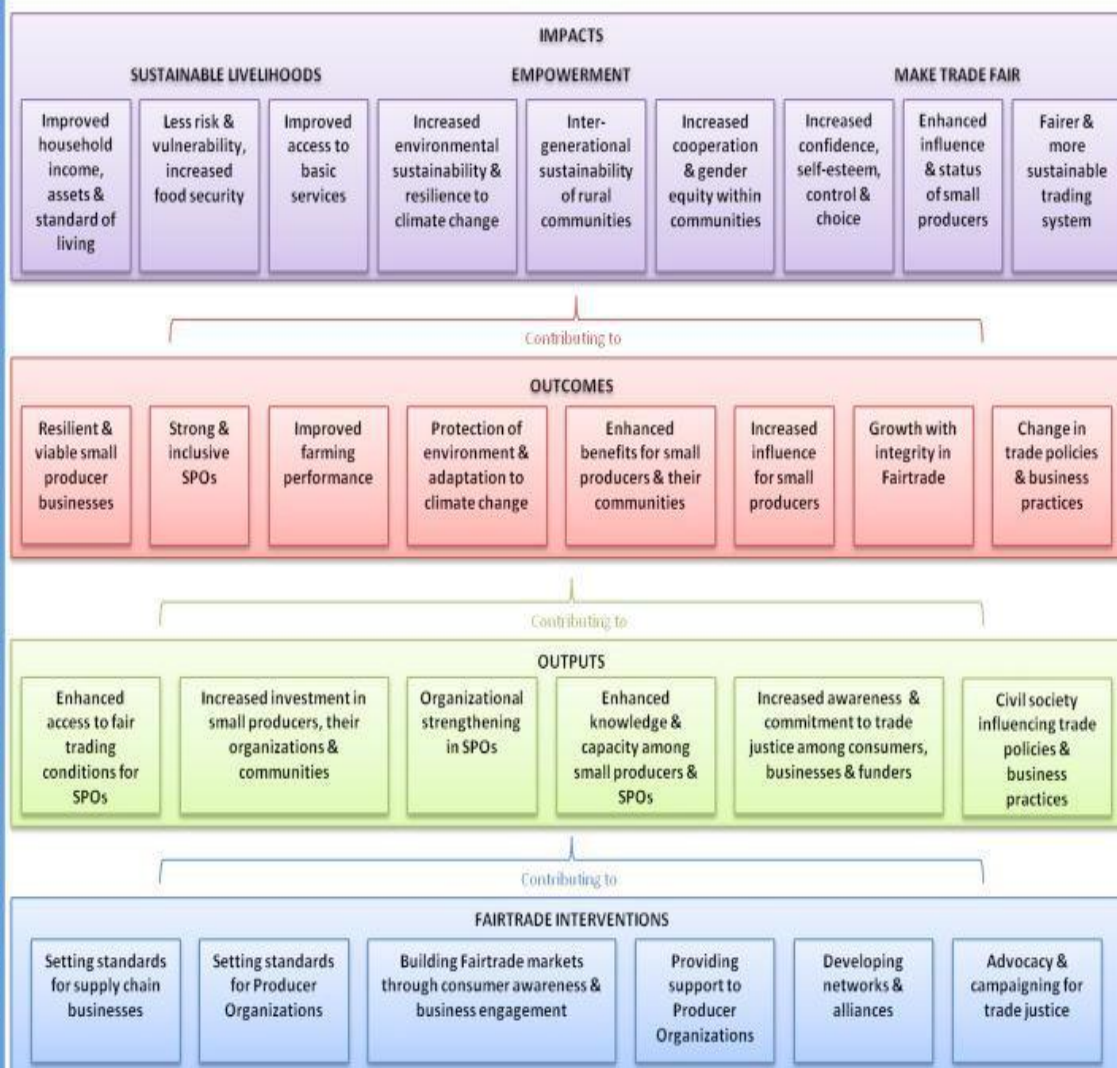
Attribution to Fairtrade depends on the degree to which results are dependent on Fairtrade interventions versus other contributory factors. A **simplified example of this 'results chain'** is shown below.



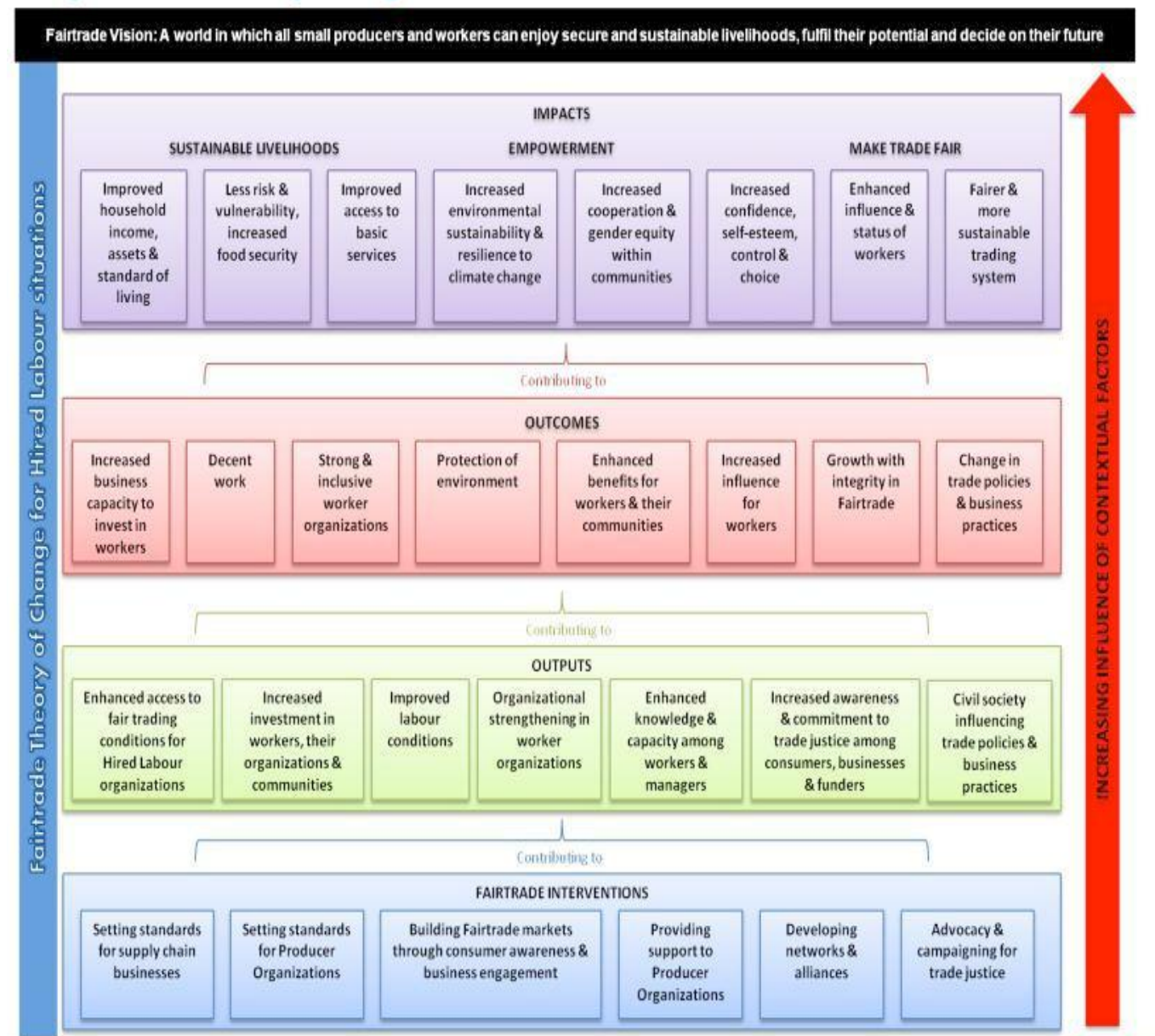
Fairtrade Theory of Change for Small Producer Organizations

Fairtrade Vision: A world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfil their potential and decide on their future

Fairtrade Theory of Change for Small Producer Organization situations



Fairtrade Theory of Change for Hired Labour setups



Notes to Accounts

1. For 2014 accounts, NAPP is being audited by KPMG (as on May 31, 2015) in compliance with Hong Kong Laws.
2. Prudential Scope: All direct receipts and excludes fiscal sponsors. Fiscal sponsors are separately audited. The scope of the audit excludes pre-incorporation items except for incorporation expenses.
3. A detailed statement of accounts is prepared. The accounts statement have been reconciled with Fairtrade International.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2014

[Expressed in EUROS unless otherwise indicated]

Corporate Information

Network of Asian and Pacific Producers Limited [NAPP] was incorporated in Hong Kong, on February 28, 2014 and is engaged in the business of supporting & promoting the spirit and practice of fair trade in a manner appropriate to producer realities in Asia & Pacific, as per accepted norms of Fairtrade Networks and Organizations. The Company also promotes, conducts and supports economic, social and environmental development activities and welfare activities for the benefit of producers and workers associated with Fairtrade, their families and their communities and also others residing in the production regions.

Significant Accounting Policies

a. Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 of that Ordinance. These financial statements also comply

with the applicable disclosure provisions of the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the group is set out below.

b. Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis, on accrual basis.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

c. Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis, over their estimated useful lives as follows:

Tangible Assets	Period
Plant & Machinery	10 years
Other Assets	3-5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognized in the statement of profit and loss when the asset is derecognized.

d. Intangible assets (other than Goodwill)

Intangible assets acquired by the group are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Amortization of intangible assets with finite useful lives, is charged to the profit and loss on a straight-line basis over the assets' estimated useful lives. Both the period and method of amortization are reviewed annually.

e. Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease. Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease. Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

f. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- **Services Income**

Revenues from service contracts are recognized pro-rata over the period of the contract as and when services are rendered.

- **Interest**

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of profit and loss.

- **Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

i. Foreign currency translation

▪ **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

▪ **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

▪ **Exchange differences**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

j. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, any adjustment to tax payable in respect of previous years. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed

depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

k. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

l. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

m. Employee Benefits

The company is in its first year of operation and has no employees. Therefore, there is no expenditure made or provided for, towards employee costs & benefits, in the books.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Trade receivables and payables

Trade and other receivables are initially recognized at fair value, less allowance for impairment of doubtful debts.

Trade and other payables are initially recognized at fair value.

p. Related party disclosures

A person, or a close member of that person's family, is related to the company if that person

- Has control or joint control over the company
- Has significant influence over the company; or
- Is a member of the key management personnel of the company or the company's parent

An entity is related to the company if any of the following conditions applies:

- a. The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- b. One entity is an associate or joint venture of the other entity
- c. Both entities are joint ventures of the same third party
- d. The entity is controlled or jointly controlled by a person defined above, in this section
- e. The entity is controlled or jointly controlled by a person identified above
- f. A person identified above has significant influence over the entity or is a member of the key management personnel of the entity

This being the first year of operation, previous year figures have not been furnished.

For and on behalf of the Board, **NETWORK OF ASIA AND PACIFIC PRODUCERS,**

Director

Director

Place

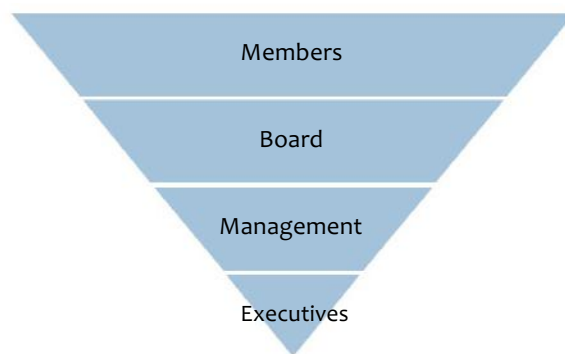
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NAPP, Present and looking into the Future

What is NAPP?

The Network of Asia and Pacific Producers (NAPP), registered in Hong Kong on February 28, 2014, with the intent to be a network that provides a suite of services to the listed producer organizations. The membership and beneficiary base of NAPP comprise of Fairtrade certified producers in the Asia Pacific (APAC) region. The producers are not investors or shareholders in the conventional sense, but by virtue of being Fairtrade certified they are members of NAPP, the official representative of Fairtrade producers in the Asia and Pacific region. To reflect producer empowerment, in common parlance, we hail that NAPP is 'owned' by the producers.

From amongst the membership, NAPP elects a representative Board every three years, first of which was in February, 2014; thereby, the producers are also governors of the system.



NAPP as a business

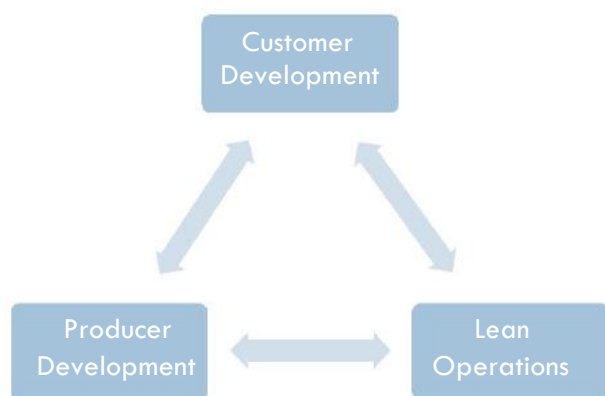
NAPP is a Mission based, Service oriented Social Enterprise (SE). The mission of NAPP is to bring benefits to workers and small holder farmers across APAC region.

While the focus is not on making profits, the focus is on maximising the “value for money” proposition. This will be core to all decision making. Thereby, **NAPP will look into the social impact, social returns on investment (SROI) and keep an eye on the multiple bottom-line behind each operating decision.**

“If you don’t know where you are going, you’ll end up some place else” - Yogi Berra

Therefore, Operations at NAPP: Lean, Efficient and Effective

In order for the benefits of a network organization be realised NAPP needs to be organized in a Lean, effective and efficient manner.



Quick and agile functional teams that can get working on producer needs while collaborating with different stake holders will be key to NAPP success. Key Performance parameters of NAPP will guide such a team.

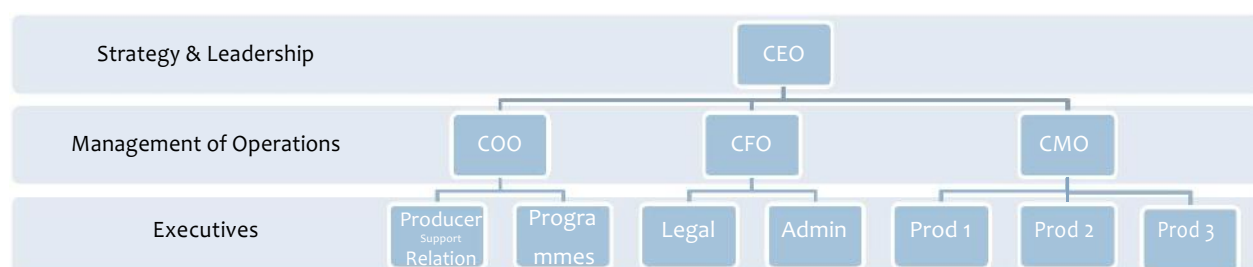
This will necessitate building a strong culture of working together, collaboration and teamwork. From the team meetings of the Asia and Pacific in Bangkok and previous such endeavors, this has been an area of much focus and concerted steps are being taken in this direction. A solid teamwork of field staff as well as existing central office staff will pave the way to superior service to producers.



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Therefore, within a possible flat structure, we will engage to ensure that accountability is the highest. To that end, NAPP embraced the term ‘Program Lead’ at the operational level to be implemented from 2015. This means that each functional area (product networks, national

networks, standards etc.) will develop into an area of expertise. And the Program Lead will be expected to be an ‘intrapreneur’ – understand, lead, manage and deliver producer needs. In summary, the specific programmes (as a series of interrelated projects) will be the key responsibility of the Program lead. First, this will allow people to be in cross - functional teams. Second, instead of increasing human resources, time-slices can be allocated for relevant projects from time to time by the functional specialists. By clearly defining Accountability and Responsibility the team can work across to the benefit of the goal. Key performance metrics take precedence over hierarchy and seniority. This is the ‘network’ organization and has worked well for many an industry (eg. IT industry, management consulting firms). A Chief Operating Officer (COO), part of the management, along with the Chief Financial Officer (CFO) will oversee the entire programmatic approach. Since a significant part of our work concerns ‘aid through trade’ and fighting poverty by providing business - like solutions, a Chief Markets Officer (CMO) will lead the markets vertical. Together, we work to make producer centric projects successful, operations seamless and efficient & effective across the APAC region.



One Region, One Team: Raison d'être of Transition

NAPP is now in the phase of transformation through the transition of Producer Support and Services (PSR) from Fairtrade International to NAPP. With this increased responsibility, NAPP will therefore be able to provide more effective producer services to its membership. The closer on-ground presence of a team and established operating procedures will allow the existing central office team to work together and better so as to deliver better producer centric results. The transition will allow a more coherent, consolidated and regionalized context from within the region to operate. The balance of centralization and decentralization is what NAPP will work towards to get the best quality of on-ground delivery of services to the producer organizations.

In 2014, after several rounds of consultations and discussions within the Steering Committee to include NAPP Chair, NAPP CEO, Fairtrade Australia and New Zealand (FANZ) CEO and Fairtrade International Development Director, a final proposal and pathway for 2015 and was drawn out. It was also ratified by both the NAPP Board in September 2014 and the Fairtrade International Board in October 2014. Therefore by the start of 2016, NAPP will also have the responsibility of 'on ground' field staff and thereby have about 25-30 personnel strong support its direct programmatic work. A significant growth from the current 2 program staff in 2014.

This transition is key to the success of NAPP and effective change management can help us achieve one single integrated team for the region. In 2015 NAPP will be preparing and presenting an integrated strategic plan for 2016-2020 period and an operational plan year-on-year that will fit the larger picture.

Appreciating Diversity of APAC Region

As Kofi Anan, Former Secretary General of UN, said, ***"Our ability to engage successfully with other countries, organisations and people will depend to a large extent on whether we possess the necessary intercultural and foreign language skills to make fruitful connections, whether in trade and investment, charity/NGO programmes or as government and international organisations. This is fundamentally changing the way in which employers value and seek to develop intercultural skills in the workplace"***.



It's a well-known fact that APAC houses the largest population in the world. Interesting is the fact that it is also a treasure trove as far as richness of cultures and languages is concerned. Asia has around 2,269 living languages and Pacific has 1,310. Culturally, there has been little unity or common history for many of the cultures and people of Asia. Art, music, and cuisine, as well as literature, are important parts of culture. Eastern philosophy and religion also plays a major role, with Hinduism, Taoism, Confucianism, Buddhism, Judaism and Islam all playing major roles. Culture comes in many shapes and sizes. It includes areas such as politics, history, faith, mentality, behaviour and lifestyle.

Given a glimpse of this diversity in the region we operate, **NAPP has the challenge (and opportunity!) to work in 14 different languages for its current producer base.** We recognise that the absence of sufficient intercultural skills make us susceptible to loss of clients, damage of reputation and conflict within teams. Cultural differences, religious sensitivities, subtle signals; to be taken into account when doing business in Asia Pacific. It has been and will continue to be an area of active intervention and dialogue at all levels – peer-to-peer and top-down; producers, board members, management and operational staff.

The NAPP Board

Mr Bharath Mandanna, NAPP Chair

Bharath Mandanna is Vice President of the Plantation Division of Bombay Burmah Trading Corporation Ltd, where he has worked for over three decades. He is responsible for the corporation's tea & coffee plantations in India and Tanzania. All the tea plantations are Fairtrade certified since two decades.

He has been an active board member of the Network of Asia and Pacific Producers (NAPP) for five years and was elected Chair of NAPP at the General Assembly in January 2012, re-elected in 2014. He is also on the board of Fairtrade International (FI), the Chair of the Nominations Committee of FI and a member of the Finance Committee of FI.

Bharath was the Chair of the Indian Fairtrade certified producers network (AIFP) for four years.

Mr R Gnanasekran, NAPP Vice Chair

Mr. R Gnanasekran is the Project Manager of Idulgashina Bio Tea Project of Stassen Natural Foods (Pvt) Ltd. (Idulgashina Bio Tea Garden), Sri Lanka, which is a certified producer of organic Fairtrade tea for more than a decade as a hired labour set-up. He has a High School Diploma and professional qualification in Business Management & Human Resources. He is also trained in FLO CERT certification system, ISO 22000 and JASS.

Mr Bijumon Kurien, NAPP Treasurer

Bijumon Kurien is the President of the Manarcadu Social Service Society, an SPO in Kerala, India where he has been a member for more than 15 years. His SPO has been fairtrade certified since 2009, and produces Coffee, Cocoa, Herbs & Spices, Fruits and Nuts.

Bijumon has a Business Administration diploma and a graduation degree in Chemistry. He has also been trained on Skill developments in Organic farming (Lacon / Control Union India) spices value addition (Spices Board, CFTRA), coffee practices(Coffee Board), effective international Marketing and strategic planning of Producer at SES, Germany& PUM Netherlands.

Mr Djumhur Bin Abu Bakar, Member

Djumhur Bin Abu Bakar is the Certification Manager of Permata Gayo Cooperative, Indonesia, where he has been working for more than five years. His SPO has been Fairtrade certified since 2008, and produces Coffee.

Djumhur has a Bachelor degree in Forestry and is completing a Masters in Medium agricultural land resource conservation. He has received training on Resource Gathering based Spatial Ecosystem and Encouraging Environmental Services, Standard Fairtrade Certificate, and Standard Comprehension Training Network Rainforest Alliance for sustainable agriculture.

Mr Bahadur Singh Bajwal, Member

Mr. Bahadur Singh Bajwal is the President of Fair Farming Foundation Ramnagar which is promoted by Nature Bio-Foods Ltd, India. This contract production set up has been Fairtrade certified for Basmati rice since the last two years. He represents the workers in the contract product setups in India.

Bahadur has completed his intermediate education (A levels). He has been trained on Organic farming, Basics on Fair Trade, Promoting body representatives, Pest & Disease management in Paddy and Floriculture.

Ms Meena Tamang, Member

Ms Meena has been a community health worker for 17 years at Makaibari Tea Estate, she represents the workers in North Indian tea estates (Assam and Darjeeling) the Fairtrade Hired Labour set-up. Makaibari has been Fairtrade certified for more than two decades.

She has completed her matriculation and has received professional training in nursing and midwifery.

Mr Nguyen Dinh Hao, Member

Mr. Nguyen Dinh Hao is the Chair of the Cudliemnong Fair Agriculture Cooperative, Vietnam, a small producer organisation. His SPO has been Fairtrade certified for more than five years as a producer of coffee. As a farmer himself, he received training on FLO-CERT standards, value chain of coffee products, sustainable coffee processing, food hygiene and safety, protection of human rights, safe working environment in India.

He has completed high school education.

Mr Prem C Tamang, Member

Mr. Prem Tamang is the Executive Director of Tea Promoters (India) Pvt. Ltd. His organisation has been Fairtrade certified producer of Herbs, Tea, herbal tea & spices, as a hired labour set up for more than two decades. He represents the managers in the North Indian tea estates (Assam and Darjeeling) of Fairtrade Hired Labour set-up.

Prem has a Bachelor degree in Arts, and has also received many training programs both in-house and external.

Mr Prasannakumar G N, Member

Mr. Prasannakumar G N is the founder, Director for marketing and also a producer member of Prasanna Ganapathi Farmers Foundation, India. This Small Producers' Organisation has been a Fairtrade certified producer of Coffee, Herbs, herbal tea & spices since last 2 years.

Mr. Prasanna has a Bachelor's degree in Science (BSc) and Law (LLB). He has received trainings on organic standards, Fairtrade Standard Human Relation & Man Management, and Soft Skill Training, Qualified Trainer from JCI International Florida, USA.

He also was trained on 'Kapi shastra' - a coffee quality production, post-harvest management and brewing technology training, administrating office and business by IACC, and Post-harvest technology of Black Pepper by Spices Board of India.

Mr Romualdo Noble, Member

Mr. Romualdo Noble represents Asosasyon Sang Mamumugon Sang Nolan (AMANO), Philippines. The SPO is a certified producer of Fairtrade sugarcane for last two years.

Romualdo has been a smallholder sugarcane farmer for many decades, and represents the small producers in the Fairtrade system at NAPP.

Mr R Murali, Member

Mr. R Murali represents the hired labour set up of Adisham tea estate, India, a Fairtrade producer of tea for last seven years. He is employed as a watcher in the tea estate. He represents the workers in Sri Lanka of the Fairtrade Hired labour setup at NAPP. He has completed his Grade 10.

Mr Tapan Ray, Member

Mr. Tapan Ray is the MD & CEO of Nature Bio-Foods Ltd, India, a contract production set up for Certified Fairtrade rice.

Tapan has a Master of Science in Agriculture. He has also done a course in foreign trade from Indian Institute of Foreign Trade (IIFT) Delhi.

Mr V Muneeswaran, Member

Mr. V Muneeswaran is a worker at The United Nilgiri Tea Estates Co. Ltd., India, a Hired Labour organization certified by Fairtrade for tea since two decades.

He is educated till high school. He represents the workers of South Indian Tea Estates in the Fairtrade Hired Labour setup at NAPP.

Mrs Yu Jing Hong, Member

Mrs Yu Jing Hong is the Chairperson of Jiangxi Wuyuan Xitou Tea Farmers Association, China, a Fairtrade certified Fairtrade tea producer since 2005.

She is a farmer herself, educated in Jiangxi Wuyuan Tea School and is an Economic Engineer. She has also received training in Organic tea production held by ECODERT.

Mr Parbindar Singh, Member

Mr Parbindar Singh is the President of Lautoka Cane Producers' Association, Fiji, a Fairtrade certified sugarcane producer from last two years. Mr. Parbinder is a cane growing farmer himself and has also received training on child labour prevention and management. He holds a high school diploma.

Mr. Mohammad Assad, Member

Mr. Assad is General Manager at Talon Sports Pvt. Ltd., Pakistan, a Hired labour organization certified by Fairtrade for sports ball since 1997. Mr. Assad earned his Master's in 1994 and is also the Lead Auditor for EMS 14001, OHSAS 18001.

The Team

Ayan Banerjee – Chief Executive Officer

Ayan serves as the Chief Executive of the Network of Asia and Pacific Producers, the official member, stakeholder and representative of producers from the Asian & Pacific region at Fairtrade International.

According to Ayan, working with 200+ Small Producer Organizations (SPOs), Hired-Labor and Contract Production set-ups across the agro-climatic diversity of Asia and Pacific region has been a source of incredible energy. As a consultant, a board member or researcher, Ayan has enjoyed working in the overlap of policy, business and development through all-encompassing strategic advisory roles. Fairtrade NAPP squarely falls in this area of interest.

Though Ayan enjoys a diverse portfolio of endeavors, his core areas of interest are leadership and organization development. In an earlier avatar, as an angel investor and serial social entrepreneur with a particular interest in high (social) impact investments he founded seven social enterprise initiatives to address some of the ingrained socio-economic problems and leadership and change management concerns to drive inclusive growth in India, with 2 successful sell-outs. His mainstream experience is across ICT, management consulting and investment banking. Transitioning from working on multimillion dollar investments in the private equity space, in recent times the conscious choice has been to work in the “development sector” with increasingly areas of specialization in agribusiness and microfinance.

He immensely appreciates and inspires breakthrough ideation and the power of innovative incubations to social change. In his rare spare time, he is constantly striving to build radical growth enterprises with a potential for disruptive innovation.

Ayan also brings in rich scholastic and analytic experience. Inter Alia, has a doctorate (Thesis: “Impact Investments”), is an alumnus of Columbia Business School and The London School of Economics.

Rakesh Supkar – Chief Operating Officer

Rakesh is an agri-business and development professional with 16+ years of experience across India, Nepal, and Bangladesh. His focus has been on helping smallholders capture increased value from the value chain and fostering entrepreneurship. As the COO of NAPP, Rakesh will be leading the entire producer facing role of NAPP (including PSR).

Prior to joining NAPP Rakesh spent 8+ years with TechnoServe India (TNS) in various positions, the last three years as Associate Program Director for the India office. TNS is a leading global non-profit institution operating across 30+ countries doing pioneering work on agricultural value chains looking for creating business solutions to poverty in partnership with smallholder producer groups and corporate / donor partners. As part of the leadership team at TNS, his work covered project operations, developing and executing systems for M&E and operations, new program development, team building, and strategic planning. Rakesh also functioned as an interim Country Director for TNS India in 2011 during a critical transition phase. Before TNS, Rakesh worked with Catalyst Management Services Bangalore, where he helped establish the Livelihood Resource Centre ‘Vrutti’; Center for Development Finance (CDF) at IFMR Chennai on applied research on rural infrastructure financing; and with CARE Odisha where he focused on livelihood restoration, health and nutrition projects.

Rakesh is part of Aspire circle of social leadership, a forum promoting enlightened social leadership in India.

Rakesh is an Engineer from NIT Surat. He has a Masters in Development Studies (majoring in rural livelihoods, and minor in environment) from ISS in The Hague, The Netherlands and MBA in Rural Management from IRMA, arguably the best institutes in India on development and rural management.

Sujatha Krishnaswamy – Chief Finance Officer

Sujatha comes with 26+ years of experience in the areas of finance and administration. Sujatha is responsible for all finance and compliance related functions of NAPP and part of NAPP management team. This would include, but not be limited to, aid decision making as well as support in strengthening / setting up of accounting & documentation of policies & procedures, communication with employees/management, finalization of accounts, liaison with the statutory auditors, statutory compliances/filings under tax laws, Company law and various Labour laws, expenses management, MIS & accounting ERP, payroll generation & advisory on commercial & compliance matters to the Board & Management.

Sujatha is an MBA from Georgia Institute of Technology (USA), a qualified Chartered Accountant and a Company Secretary.

Senthil Nathan – Chief Markets Officer

Senthil Nathan is the Chief Markets Officer handling the market facing role for the Asia Pacific region for Fairtrade, Network of Asia Pacific producers. Senthil brings the experience of more than 12 years of sales and marketing roles across different MNCs.

Prior to joining Fairtrade Movement, Senthil was headed the Organized trade & Tropicana business for PepsiCo India in the states of Andhra Pradesh & Telengana, leading all Foods and Beverages business under the PepsiCo's globally significant project "Better Together", and driving the business of key brands like Lays, Pepsi, Quaker and Tropicana etc. In his 10 years at PepsiCo, Senthil was instrumental in planning & executing the company's sales & distribution strategies across various markets in South & North of India. He is credited with successfully working in few of the strongest and most challenged markets of PepsiCo India such as Tamil Nadu, Haryana, Punjab, Telengana & Andhra Pradesh. Prior to Pepsico, in the early stages of his career Senthil worked with MNCs such as General mills and ConAgra Foods.

Despite the steady rise in the corporate ladder, Senthil chose to work in the development sector. His deep deeply passion stems from his humble beginning in a small village in South India. Born to an economically backward farming family, has personally seen most of the sustainability challenges in his own life. This career change towards this commitment, belief that Fair trade has a strong value proposition led him to join NAPP.

He is also the Cofounder of 'Itsmyright'; which worked on the 2 Million Development Goals of providing primary education & nutrition for 60 slum children in Jalandhar district Punjab.

Senthil is an MBA from Faculty of Management, Alagappa University.

Mariam Thomas - Program Lead (Products and Markets)

Mariam comes with over 13 years of experience in the development sector. She has been with Fairtrade NAPP for the last three years. She leads the programmatic engagement with the product networks of producers in the Asia Pacific region.

Prior to joining NAPP, Mariam worked for four years with recognized artisan groups, organisations and crafts people across India and offering them greater access to urban markets through Kala Madhyam, a social entrepreneurship venture founded on the principles of Fair Trade. She was also responsible for driving sales, promoting the organization, raising funds, identifying strategic partners and scaling up the reach and impact of the organization's crafts bazaar to make it one of the most recognized crafts events in Bangalore. Before this, Mariam worked on children's issues with organisations such as Centre for Child and the Law (a unit of National Law School of India University), Ministry of Community Youth and Sports (MCYS) Singapore and Child Relief and You (CRY). Across these organisations her role included policy and advocacy, assessment frameworks, programme development, capacity building, networking and partnerships, events and communication.

Mariam is a science graduate from Mount Carmel College and Masters in Social Work from the Tata Institute of Social Sciences (TISS), one of the most reputed social science institutes in India.

Kuldeep Singh Chauhan - Program Lead (National Networks)

Kuldeep is a development professional with more than six years of managerial experience in international non-government organizations. Kuldeep has been with Fairtrade NAPP for the last three years. He leads the programmatic engagement with the national networks of producers in the Asia Pacific region.

Prior to joining Fairtrade NAPP, Kuldeep worked in the South Asia regional office of Leonard Cheshire Disability as Regional Manager responsible for sustainability of operations in India, Sri Lanka, Bangladesh and Pakistan. Before that Kuldeep worked with Oxfam India in different capacities starting as a consultant and finishing the term as Head of region, Pune.

Kuldeep is an Engineer from University of Pune and MBA in Marketing and Human Resource Development, Indian Business Academy.

Harveen Kour - Monitoring, Evaluation and Learning Manager

Harveen Kour leads Fairtrade NAPP's work in monitoring, evaluation and learning. She has been working with key players in the development space in India on diverse issues like sustainable development, women and political leadership, urban poverty, environment and education. Her core responsibilities have ranged from monitoring and evaluations, overall program management to research & policy development.

Prior to joining NAPP she worked with Confederation of Indian Industries' ITC Centre of Excellence for Sustainable Development conducting impact evaluation of CSR programmes. She also spear-headed the development of indicators for the world's first corporate sustainability label-Sustainable Plus as well as creating an online tool for it through various collaborations. She previously worked at IIM Bangalore, managing a programme on political involvement of women through i-WIL: India-Women in Leadership (supported by UN Women & UNDP). Before that she worked at LBSNAA, Mussoorie on introducing urban modules in the curriculum of Indian Administrative Services (IAS) officers training.

Throughout her education she has volunteered for various issues, including at AIESEC where she led high performing multi-cultural teams, and interacted with youth across India and 100 countries. During this time, she conceptualized and managed a project on education- Project Worldview for which 18 individuals from 8 countries joined her to work with students from 10 schools over a period of 4 months. She was awarded the Youth Leadership Award (instituted by EduCARE-India in support of UN's World Programme of Action for youth).

Harveen has a Masters in Development Studies at London School of Economics (LSE). She won the prestigious Commonwealth Shared Scholarship for her scholarship at LSE.

Meenakshi Gairola – Partnership Lead

Meenakshi Gairola has joined NAPP as Partnerships Lead to foster strong and viable partnerships by capitalizing on the collective power of producers across Asia and Pacific region.

Meenakshi has over 13 years of experience in various roles in corporate and development sector. She started her career with the Tata group as a Supply chain consultant. After a decade in the IT industry she moved to the development sector to manage outreach for a Bangalore based NGO, Unnati - SGBS Trust. She had the opportunity to work with

underprivileged youth, understand their psyche and effectively reach out. She was very successful in raising funds for the NGO and establish partnerships with Government agencies and private sector.

Meenakshi moved to the Philippines, where she worked as a Researcher for Asian Institute of Management, Manila. There she worked on a DFAT project to propose policy that could guide foreign investment in the Mining sector in the ASEAN region. She worked closely with the Board of Investments, Philippines and 10 major international mining companies. She moved back to Bangalore and before joining NAPP, worked on a short project for Social Venture Partners India.

Meenakshi holds a M.B.A. from S. P. Jain, Mumbai and a Master's degree in Technology from BITS, Pilani, India, both premier league institutes in India.



Registered Address: 3307, Lippo Centre, 89 Queensway, Hong Kong

Communication Address: 4, Jupiter Nivas Market Road, 23/2 Maillikaarjuna Swamy Temple St.

Netkallappa Circle, Near Gandhi Bazaar, Bangalore, 560004, India.

www.fairtradenapp.org