

Annual Review

2020/2021



TRAIIDCRAFT
Exchange

A year in review and a new direction

Photo: Traidcraft Exchange / Michael Goima



Charlotte Timson, CEO, explains why Traidcraft Exchange is at a pivotal moment.

The past year has been one of unprecedented change and challenge throughout the world. In this review, we report on the impact you have helped us achieve despite the pandemic.

On the pages that follow you can read about support for bonded labourers, home-workers, small-scale farmers, garment workers who supply UK fast fashion brands and the communities facing the on-going challenge of climate change.

This year has also been the moment we embarked on a process of change which will, we hope, set a radical new direction for Traidcraft Exchange over the next few years.

We know that real change only happens when communities of people living in poverty take centre stage – when their ideas, their expertise and their solutions are recognised and supported. But – like many organisations committed to people-centred change – we have been frustrated by top-down funding which comes with its own strategies and time frames.

This year we have taken a bold decision to do things differently. In future we plan to work directly with grassroots groups and organisations in longer term partnerships, providing both funding and practical support. We aim to be community-led and shift power to those living in poverty.

One approach we are piloting is ‘participatory grant making’. You can read more about our plans, and opportunities to be part of them, on pages 12-15.

Our roots lie in the alternative trade movement, which challenges international trade based on the exploitation of cheap labour and natural resources from the global South. Just as this injustice in trade is a legacy of the colonial past, so also is the system of ‘international development’ in which we operate. And just as racism is embedded in trade – with power concentrated in the hands of largely white decision-makers – so it is in international development.

We are challenged by recent instances of racism within the sector. As we aim to ‘shift the power’ to communities living in poverty, we are also committing ourselves to becoming an anti-racist organisation.

We will be putting a deeper understanding of power imbalances at the heart of our work, and challenging ourselves to change. This has implications not just for our funding but for our governance, staffing, systems and culture.

We know this transformation will take time. We don’t have all the answers – and if we did, it could not be a truly participatory process. We need to work collaboratively.

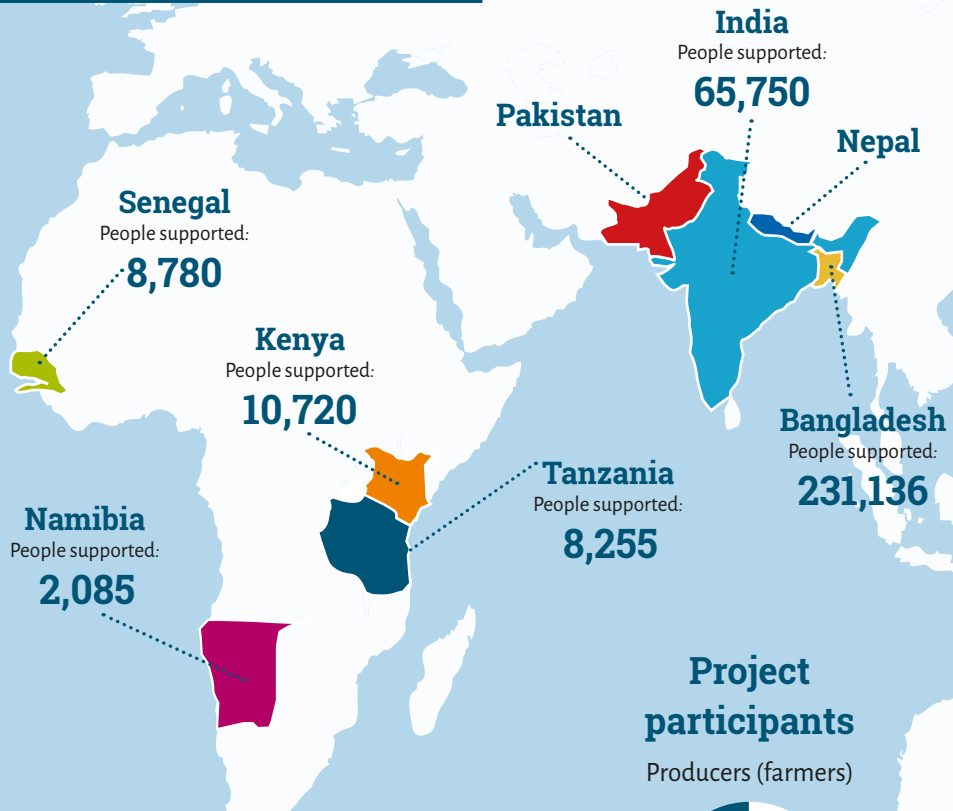
There will be false starts and dead ends. But we are on this journey.

We need like-minded funders to join us – people and organisations who are committed to justice, equity and solidarity in trade and want to be a catalyst for change led by communities themselves.

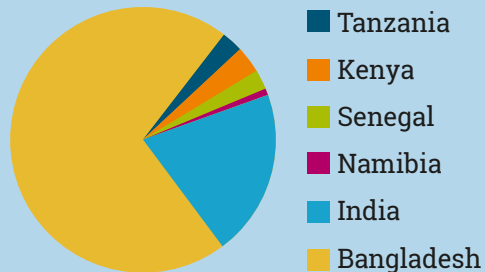
Despite the challenges, this year has opened opportunities for global solidarity. So I want to end by thanking the many individuals and organisations who have contributed to everything we have been able to do, and by inviting you to join us on the journey ahead.

A handwritten signature in black ink that reads "Charlotte Timson".

Where we work

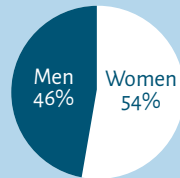


Project participants by country

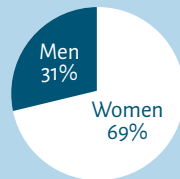


Project participants

Producers (farmers)



Workers & Business People



Tackling bonded labour in South Asia

Millions of south Asians are trapped in a cycle of debt bondage – and the COVID-19 pandemic has only made things worse.



Rumali at home with her mother

Photo: Traidcraft Exchange/CMB Akash

Over 8 million people worldwide live in conditions of debt bondage – forced to do unpaid labour to repay high interest loans taken out just to survive. The debt is sometimes passed down through the generations, and affects entire communities. Traidcraft Exchange's Muktee (meaning 'Freedom') project is working alongside people in debt bondage and forced labour in northern Bangladesh, with our partner ASSEDO, and Madhya Pradesh, India, with our partner Jan Sahas. Many of these people come from Dalit or Adivasi communities which already experience social discrimination. Through the project, thousands of people at risk of bonded labour have been able to come together in groups which give them a stronger

collective voice. Through the groups they have learnt new skills so they can earn a decent income and break free of the debt cycle for good. These communities have been particularly hard hit by the economic consequences of COVID-19. 20-year-old Rumali Tudu (above and front cover) comes from the Santal community in Bangladesh. The project helped her train as an electrician and find work in Dhaka. She was able to support her parents financially and says 'I had become a hero in the eyes of the young girls in our community.' But when COVID-19 struck, the factory closed and Rumali had to return home. Now the family has been forced to borrow again. 'Yesterday my mother again went to the landlord to take out a loan... We only can repay this loan

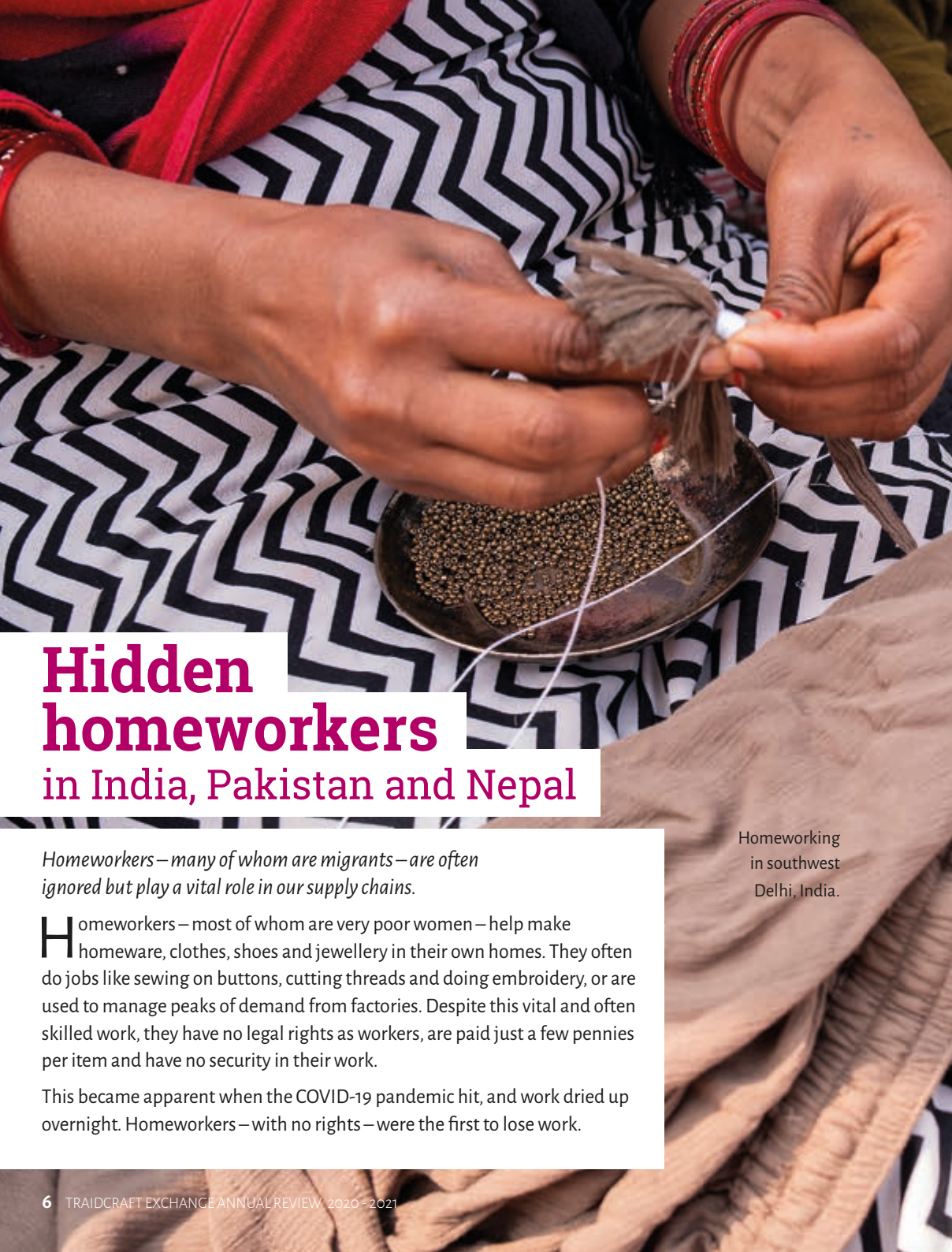
by working in the landlord's paddy fields... This will take a minimum of 2 years.' Through the pandemic, Traidcraft Exchange provided a free crisis helpline and food supplies for the worst affected families. *The Muktee project is co-funded by the European Union and others including The Allan and Nesta Ferguson Charitable Trust and Society of the Sacred Heart. This work was also generously supported by individual donors to Traidcraft Exchange's 'Not this Christmas' appeal.*

NOT THIS CHRISTMAS



Co-funded by the European Union





Hidden homeworkers in India, Pakistan and Nepal

Homeworkers – many of whom are migrants – are often ignored but play a vital role in our supply chains.

Homeworkers – most of whom are very poor women – help make homeware, clothes, shoes and jewellery in their own homes. They often do jobs like sewing on buttons, cutting threads and doing embroidery, or are used to manage peaks of demand from factories. Despite this vital and often skilled work, they have no legal rights as workers, are paid just a few pennies per item and have no security in their work.

This became apparent when the COVID-19 pandemic hit, and work dried up overnight. Homeworkers – with no rights – were the first to lose work.

Homeworking in southwest Delhi, India.

Supporting homeworkers during the pandemic

Thanks to the generosity of individuals and funders in the UK, and working with partners HomeNet South Asia and Homeworkers Worldwide, Traidcraft Exchange was able to support homeworkers during the pandemic. Without work, many faced destitution. Many homeworkers are also migrants and so were not eligible for any government support during the pandemic.

Traidcraft Exchange's partners distributed basic ration kits and sanitisation kits, including hand sanitiser, detergent, disinfectant, soap, face masks and sanitary pads.

Another problem was lack of accurate information about COVID-19. Partners made phone calls, sent WhatsApp messages and distributed information leaflets. Local women leaders reached out to community members, sharing training on protective measures against COVID-19, home care, domestic violence, and psychological trauma and care.

Without work they could do at home, many homeworkers needed new skills in order for them to earn an income until the garment sector supply chain work resumes. Some had training on making face masks, soap and sanitisers – groups have now sold over 3500 face masks at local markets, supporting their own families while helping stop the spread of COVID-19. Others have had training on agriculture and food processing, helping them diversify their income in a way which will last beyond the pandemic.

Campaigning for homeworkers rights

Alongside the practical support, Traidcraft Exchange has also been calling for homeworkers to have the same rights as all workers.

Many UK fashion brands continue to turn a blind eye to homeworkers in their supply chains. The solution is not to ban homeworking – which can just drive the practice further underground – but to recognise and support homeworkers for the valuable role they play.

In 2020, nearly 10,000 Traidcraft Exchange campaigners joined the call for women homeworkers to have the same rights as all workers.

The Hidden Homeworkers project is co-funded by the European Union, and other funders including World Day of Prayer.

The Hidden Hands campaign was co-funded by the European Union as part of the Trade Fair, Live Fair project.



Co-funded by the European Union



The Fast Fashion Crisis: holding fashion brands to their word

Traidcraft Exchange campaigned for UK fashion brands to honour their contracts with suppliers at the start of the COVID-19 pandemic, and is now looking at longer term solutions.

In March 2020, as the first lockdown was introduced, Traidcraft Exchange began to hear from garment manufacturers in Bangladesh and India who were having orders cancelled or delayed by UK fashion retailers.

During the spring and summer of 2020, brands and retailers were renegeing on contracts, demanding discounts and refusing to pay for orders which were in production or

even already shipped to the UK. This left suppliers struggling to keep their factories open, and hundreds of thousands of garment workers without pay, or even jobs.

Traidcraft Exchange swiftly launched the Fast Fashion Crisis campaign, calling on the brands to honour their promises.

16,688 people have taken action to call for the big fashion brands to **#PayUp**

16,688 of us contacted major UK fashion retailers, including John Lewis, Primark, Edinburgh Woollen Mill and Marks & Spencer.

Since then, nine of these brands have responded to the campaign with a statement. Sainsbury, Primark, Tesco, and Next all agreed eventually

to pay their suppliers for finished products. Other brands paid smaller amounts after our campaigning.



Photo: Traidcraft Exchange/Syed Shoaib Hosen

Time for a Fashion Watchdog?

The situation at the start of the pandemic was not a one-off. Fashion retailers routinely make demands on supplier factories including faster delivery times and discounts on previously agreed prices. Many retailers pay several months after receiving the products, meaning factories have to take out loans to pay for materials for upcoming orders. As an example, Marks & Spencer pays clothing suppliers in 120 days but food suppliers in just 19 days.

The way fashion retailers buy in goods causes job losses, poverty wages and unsafe conditions

for the people who make our clothes. Factories and workers are under incredible pressure to keep working faster and harder.

Fundamentally the way UK fashion brands do business needs to change. This is why Traidcraft Exchange is calling for a new regulator of UK garment retailers. More than ten years ago, Traidcraft Exchange campaigned for similar regulation of the supermarket industry, which resulted in the government setting up a supermarket watchdog, the Groceries Code Adjudicator. Marks & Spencer's faster payment of food suppliers shows just one of the differences that has made.

In December 2020, Traidcraft Exchange gave evidence to the influential Environmental Audit Committee of MPs calling for a regulator or 'Garment Trading Adjudicator'. The committee included this call in their recommendations to government and we are continuing to ask the relevant ministers to adopt this proposal.

The Fast Fashion Crisis campaign was co-funded by the European Union as part of the Trade Fair, Live Fair project.



Co-funded by the European Union

Photo: Traidcraft Exchange/Michael Coima



Mwanaidi preparing land for planting.

By signing up, the UK would be signalling a strong commitment to tackling climate change, and using its trade policy as a tool to do so. Cutting subsidies for fossil fuels – which currently outpace subsidies for green energy – would make a real difference. 14,436 of us asked the government to consider joining ACCTS, and the government has told us they are strongly considering this.

Traidcraft Exchange is also working with some of the communities most affected by climate change to help them adapt. In Tanzania, we will be starting a new project with our partner TANGSEN to help people living in the coastal regions which are increasingly subject to both drought and floods as a result of climate change. The project will create alternative livelihoods and build new supply chains in climate-friendly crops.

Mwanaidi explains how climate change is affecting her community: “This year the floods have caused the cashew trees to die, our maize and rice swept away by water and at the end of the rains we don't have anything to eat. These changes, especially floods, have caused our incomes to go down. I would like to have a garden where I can plant vegetables.”

Thanks to generous donations to Traidcraft Exchange's Regenerators Appeal, the 'People, prosperity and planet' project in Tanzania will be funded by the UK government through UK Aid Match. Trusts and foundations donating to the appeal included The Squires Foundation, The Jusaca Charitable Trust, The MacDaibhidh Charitable Trust and Society of the Sacred Heart.



Trade and climate

Climate change threatens the lives and livelihoods of millions of people around the world. Trade is a contributor to carbon emissions but also potentially part of the solution.

This year Traidcraft Exchange campaigned for the UK to sign up to the Agreement on Climate Change, Trade and Sustainability (ACCTS). Existing member countries include New Zealand, Iceland, Costa Rica and Norway. This innovative trade agreement commits member countries to:

- End subsidies on fossil fuels.
- Eliminate tariffs on green products, technologies and services, making them cheaper and easier to share wherever they are needed around the world.
- Agree guidelines for eco-labels to help consumers make good choices.

Responding to the challenge of COVID-19

Traidcraft Exchange's work is usually about long-term systemic change, but the COVID-19 pandemic forced us to respond.

In Kenya, the government imposed a partial lockdown and women farmers who were participating in a Traidcraft Exchange project found that they could no longer get to market to sell their products. Project activities like training and group meetings had to be suspended. On top of this, in April 2020 floods devastated some areas, destroying crops and causing huge losses.

With the generous support of donors to the Traidcraft Exchange Recovery appeal, and following consultation with project participants, the team were able to provide farmers with seeds to enable them to get started again the following planting season. Women traders were supported to rebuild their businesses and reach new buyers by strengthening community saving and lending schemes.

In Tanzania, we have been working with people with disabilities to help them integrate into cocoa, coffee and palm oil supply chains. A key challenge for people with disabilities during the pandemic is getting information about current guidelines, as it is rarely provided in an inclusive format. Many people need personal support to get around and cannot socially distance.

We were able to provide more than a thousand people with a kit including sanitiser, soap, masks, gloves and customised buckets that do not require the use of hands and to run community awareness meetings.

The support given to homeworkers and people at risk of bonded labour is described on pages 5-7. We were also able to distribute food rations to communities in Jharkhand, Assam and West Bengal, India.

In Bangladesh, the initial lockdown brought challenges to small-scale farmers and to workers. As highlighted on page 8, many factories in the garment sector were forced to close as orders from retailers dried up. In rural areas, markets were closed and farmers were unable to harvest their rice meaning that crops were rotting in the fields while people went hungry.

The good news however is that many of the long-established 'producer groups' which Traidcraft Exchange helped to set up more than ten years ago, were able to cope and support their own members and others from their communities through the pandemic. Collectively these groups distributed more than £60,000 from their own savings and investment funds to support their poorest and most vulnerable members, and contribute to government relief efforts.

Traidcraft Exchange's Recovery Appeal was supported by thousands of individual donors, groups and businesses, including The Paget Charitable Trust and The Ceniarth Foundation. We are also very grateful to funders including the EU, the UK Government, the National Lottery Community Fund and Oak Foundation for allowing flexibility to adapt to changing situations.

Recovery Appeal



Traidcraft Exchange's new direction



What's changing...?



We will **stop implementing projects directly and become a participatory funder and partner**, investing in grassroots communities, civil society organisations and ethical businesses who are transforming trade, supporting them to strengthen their organisations and networks.



We will **adopt community-led approaches** throughout our work and will pilot 'participatory grant-making' as one tool to shift power towards people living in poverty (see page 15).



We will **reduce our dependence on institutional project grants** and will instead **invest in longer term partnerships** within different portfolio areas, with the support of innovative funders committed to locally-led systemic change.



We will **support advocacy** by the communities and partners we work with, and amplify their voices by campaigning in solidarity.



We will work towards **transforming our own organisation** and modelling the change we want to see in the world, learning and adapting as we move forward.

...And what's not?



We will still be working on trade, and **remain committed to justice in trade.**



We will still be **working in the UK, south Asia and Africa.**



We will still **prioritise the needs of women, and people affected by climate change.**



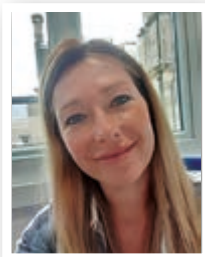
We will still **work with groups of farmers, artisans or workers** because we believe that by coming together they have more power in trade.



We will still **advocate and campaign in the UK** to bring about justice in trade for people and planet and challenge the power of big corporations.

An invitation to join us

Amy Wilson, Head of Partnerships and Investment, sets out opportunities to partner with Traidcraft Exchange.



Partnership – that's what it's all about. Working in partnership will bring about change which lasts well beyond a 'project period' or 'intervention'.

Grassroots groups are our partners. The farmers, artisans and workers that we support need to shape their own journeys of change. We play our part by bringing to them some of the tools and investment they need to help them challenge injustice in trade. We want to strengthen our methods of engagement and develop our community-led approach further to ensure all our programmes are truly led by, and therefore in the best interests of, our partners.

Local and national civil society organisations are our partners. Their knowledge, skills and close connections with the people they represent mean these organisations are essential actors in the eco-systems bringing real change to

communities. We can support them by connecting their issues with decision-makers in the UK and beyond.

Our funders are our partners. Funders have a huge role to play in helping to support people to bring about the change they want to see in their lives, in their communities and in the wider world. We're very lucky at Traidcraft Exchange to have on board some amazing funders who help the people we work with realise change. But we need more funders willing to support community-led work as it evolves.

We believe change should be community-led not funder-led. We're looking for more funders who are committed to de-colonising aid and shifting power to the people who know best how to make big change happen within their own communities. We are looking for more funders who believe the people they support are



In the future, Traidcraft Exchange will be working with community-based organisations like this women farmers' association in Senegal to develop their own plans to trade more sustainably.

Photo: Traidcraft Exchange/Ricci Shryock

the best designers, monitors and evaluators of success. We believe we can offer funders a lot. We're locally rooted and have been developing partnerships at the grassroots in India, Bangladesh and East Africa for many years with a lot of success. Our participatory methods of listening and learning, and our commitment to shift power to communities ensures we are striving to get to the root of the real issues facing people and can therefore co-create lasting solutions within an equal power dynamic.

Through our participatory grant-making pilots, we will have the means to bring the real issues to the funder and work closely with all our partners to co-create and implement the solutions which local communities believe will have the most impact. We're looking for more funding partners who can journey with us to shift power and deliver real change to communities.

Please get in touch!

Amy Wilson
amy.wilson@traidcraft.org

Putting communities at the heart of decision-making through participatory grant making

As we develop our plans to work more directly with grassroots groups, and shift power and decision-making, we are exploring 'participatory grant making'.

Participatory grant making is a community-led approach to funding which puts people living in poverty at the heart of decision-making. It turns traditional top-down funding approaches on their head – with communities and local organisations themselves deciding who and what to fund. It is an innovative approach and completely new to Traidcraft Exchange.

To explore how this could work, we are identifying partners in Senegal and Kenya – all grassroots organisations – including some from existing and previous Traidcraft Exchange projects and others who are new to us.

During the pilot, we will support these organisations to develop their own vision and plans to build their trading capacity and economic sustainability. We aim to try out different participatory approaches. We will work with local facilitators and partners and aim to 'learn by doing' together, and build a network of local partners who are committed to shifting power to local communities.

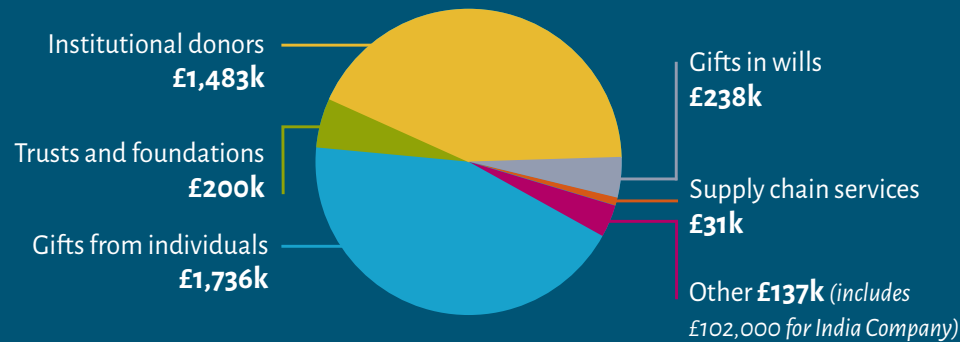
Financial summary 2020-21

These figures include income and expenditure of our subsidiary company in India.

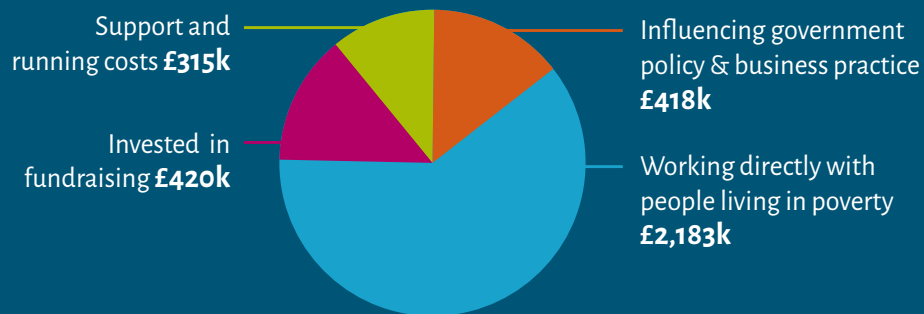
We would like to thank all of our donors, supporters and partners who have helped us have an impact during 2020-21.

We are committed to keeping our overhead costs as low as possible, to ensure that the vast majority of our income goes directly towards changing trade and improving the lives of vulnerable farmers, workers and artisans worldwide.

Income in 2020/21



Expenditure in 2020/21



These figures include income and expenditure of our subsidiary company in India.

Publications 2020-21

Policy reports

- ▶ Bailing out the supply chain: Covid-19 and the impact for workers in supply chains (April 2020)
- ▶ At risk of forced labour (June 2020)
- ▶ Response to the government's Reforming Regulation initiative (June 2020)
- ▶ Building business back better (August 2020)
- ▶ How a regulator could support the enforcement of a human rights due diligence law (August 2020)
- ▶ A fair and global Britain: how the UK's post-Brexit FTAs can support development (September 2020)
- ▶ Post-Brexit trade with Ghana and Cameroon (November 2020)
- ▶ Getting in on the ACCTS: how the UK can use its independent trade policy to tackle climate change

These and other policy briefings are available to download:
www.traidcraftexchange.org/policy-resources



Programme Briefings

A series of briefings reviewing our learning in different sectors including tea, cotton, textiles, honey and climate-resilient agriculture are available to download:

www.traidcraftexchange.org/research-reports



With **thanks** to our funding partners

We are grateful to our funders and partners, including:

The European Commission

The UK Government Foreign, Commonwealth and Development Office (formerly the Department for International Development)

Oak Foundation

National Lottery Community Fund

Laudes Foundation

Comic Relief

Joseph Rowntree Charitable Trust

The Ceniarth Foundation

Society of the Sacred Heart

United Nations Development Programme (UNDP)

The Allan and Nesta Ferguson Trust

The Squires Foundation

The Beatrice Laing Trust

The MacDaibhidh Charitable Trust

Network for Social Change

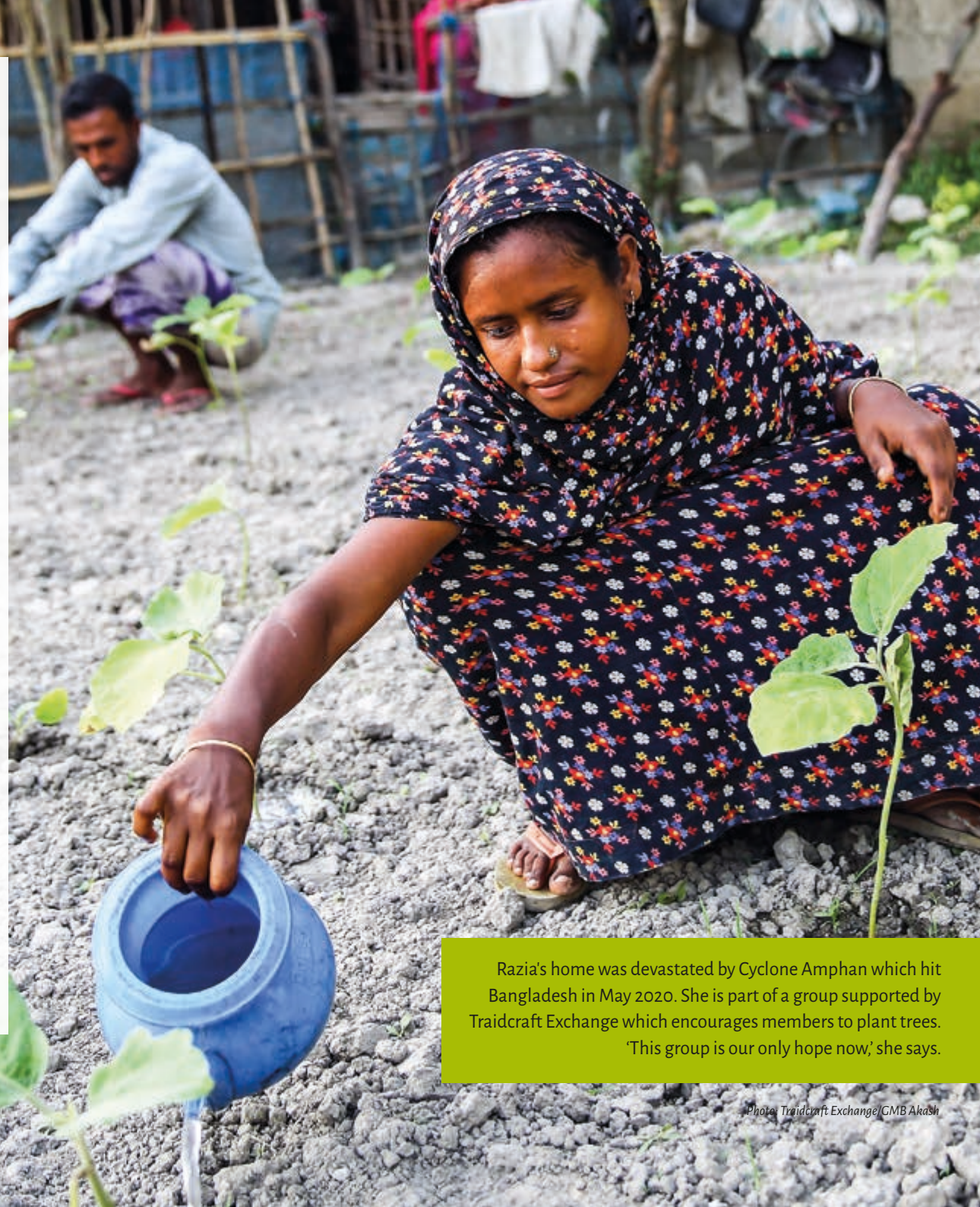
Matrix Causes Fund

The Bryan Guinness Charitable Trust

World Day of Prayer

We are also grateful to the following trusts and foundations: Belacqua Charitable Trust, The Paget Charitable Trust, Worshipful Company of World Traders Charitable Trust, The Fulmer Charitable Trust, The Jusaca Charitable Trust, The Rainford Trust, W F Southall Trust, Nelson New Forest Foundation, Peter Cowley Africa Trust, The CMW Charitable Trust, Ann Jane Green Trust, Austin Bailey Foundation, The Maidenhead Malachi Trust, The Steni Trust, Tisbury Telegraph Trust, Treeside Trust, The Rothley Trust, Wyatt-Spearman Charitable Trust, Dorema Charitable Trust, Gateway Development Trust Ltd, The Dennis Alan Yardy Charitable Trust, The Hedley Denton Charitable Trust, Waylan Trust, Soroptimist International of Great Britain and Ireland, Arimathea Charitable Trust, Harbinson Charitable Trust, The Cumberland Trust, The J P Jacobs Charitable Trust, The Calpe Trust, The Carpenter Charitable Trust, Jill Franklin Trust, Navigator Trust CIO, R&A Trust, Blandford Lake Trust.

We are also grateful to individual supporters and the families and friends of those who have generously remembered Traidcraft Exchange in their wills. This year we received £238,000 in legacy income.



Razia's home was devastated by Cyclone Amphan which hit Bangladesh in May 2020. She is part of a group supported by Traidcraft Exchange which encourages members to plant trees. 'This group is our only hope now,' she says.

Photo: Traidcraft Exchange/CMB Akash

Traidcraft Exchange is an international organisation which uses the power of trade to bring about lasting solutions to poverty. It runs programmes in South Asia and Africa, works directly with businesses to improve their supply chains, and does advocacy and campaigning in the UK to promote justice and fairness in international trade. It works closely with specialist fair trade company Traidcraft plc.

www.traidcraftexchange.org

 @TraidcraftExch
 @TraidcraftDepth



Registered charity no. 1048752



Front cover photo (and above): Rumali Tudu trained as an electrician with support from Traidcraft Exchange but has had to return to her village because of the COVID-19 pandemic. See page 5 for more.

Photo: Traidcraft Exchange/GMB Akash

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