

QUARTERLY RETURN 114 • WINTER 2019/2020

EMPOWERED WOMEN CREATE STRONGER COMMUNITIES

TRIBUTE TO OUR FOUNDER

Patricia Alexander reflects on the massive contribution made by Mark Hayes who sadly passed away in December.

WOMEN IN THE COFFEE INDUSTRY

In this issue, we feature three co-operatives that show how men and women are united in achieving gender equality.

30 YEARS OF SHARED INTEREST

This year we celebrate our 30th anniversary. We invite you to join us in Gateshead for our celebratory event in March 2020.

SHARED-INTEREST.COM





TRIBUTE TO MARK HAYES, FOUNDER AND RETIRED MANAGING DIRECTOR OF SHARED INTEREST SOCIETY.

As we enter our 30th year, it is with heartfelt sadness we share news that our founder Mark Hayes passed away on the 15th December after a long illness. I am sure you will join me in sending sincere condolences to his family.

Mark was a strong supporter of fair trade and the co-operative movement and will be sadly missed by many. As a former Fellow and Director of Studies in Economics at Robinson College and an Affiliated Lecturer in the Faculty of Economics, at the University of Cambridge, Mark was a well-respected academic in the fields of Economics and Theology. He was also an Honorary Fellow in the Department of Theology and Religion and the former holder of the St Hilda Chair in Catholic Social Thought and Practice at Durham University.

Mark first came up with the concept of Shared Interest while he was an Investment Manager at 3i. The Finance Director at 3i told him “You are trying to do the impossible, but good luck!”

Undeterred and with tremendous perseverance and determination, Mark brought industry leaders and influencers together and at the end of 1989, raised £100,000 towards the launch costs. In April 1990, with funds from the Ecumenical Development Co-operative Society (ECDS) Shared Interest was established and by the end of that year, 708 Share Accounts had opened with a combined Share Capital of £400,000. Mark was formally appointed as Managing Director in the same year. Roger Sawtell, Council member said “and thereafter he was the lynch-pin round which Shared Interest revolved and developed.”

It was reported in the Independent on the 22nd Sept 1990, that Shared Interest was “a new concept in ethical investment.” A remarkable achievement and some would consider the pioneer in crowd funding, in the same year the World Wide Web (WWW) came into being. Mark stood down as MD in 1998 but maintained a very strong relationship with the Society, offering friendly advice, holding a position on the Board and also representing members on Council.

It is testament to Mark and his colleagues that the organisation has become such a success, transforming the lives of millions of people around the world. From those early beginnings, membership has grown to nearly 12,000 investors with a total pot of £43 million in Share Capital. Last year alone, we supported 174 producer groups, representing 400,000 farmers and artisans in 55 countries.

Thirty years on, countries have developed and economies grown but Shared Interest’s role in alleviating poverty, through trade, has never been more relevant. Globally, 2.5 billion individuals consider smallholder farming as an integral part of their livelihood but access to finance remains a significant challenge especially in low-income countries. We remain true to Mark’s vision, supporting those disadvantaged producers now and in the future.

As one of our employees said, “We wouldn’t be here without his incredible passion and enthusiasm to see Shared Interest exist and develop. What a legacy he created.”

Mark kept in touch and was committed to supporting Shared Interest, only weeks ago he contributed to our 30th Anniversary film, which we will show at our member events, this year.

I would personally like to thank Mark for his intellect, vision and creativity and his family should be extremely proud of the impact Shared Interest has made over the last 30 years.

Patricia Alexander
Managing Director



WOMEN IN THE COFFEE INDUSTRY

Gender equality is one of the 17 Sustainable Development Goals (SDGs) agreed by the United Nations in 2015 as ways of building a better world by 2030.

Nevertheless, according to research carried out by the Economic and Social Council Secretary General in May 2019, 'only 27% of managerial positions in the world were occupied by women in 2018, up only marginally from 26% in 2015.' Female farmers in remote communities, in particular, face challenges such as lack of opportunity for land ownership, access to finance, or the potential for leadership roles, and this is particularly prevalent within the coffee industry. Women play vital roles within the value chain, tending to the crop and co-ordinating the harvest but many do not receive the recognition or rights they deserve.

"IMPROVING GENDER EQUALITY IN COFFEE COMMUNITIES HAS THE POTENTIAL TO IMPROVE CROP PRODUCTION, HOUSEHOLD WELFARE, AND COMMUNITY DEVELOPMENT. HOWEVER, THE STEPS AND INTERVENTIONS NECESSARY TO ACHIEVE THIS EQUALITY ARE NOT WIDELY UNDERSTOOD."

However, we are beginning to see a change in the landscape of coffee production amongst organisations financed by Shared Interest. Across both Africa and Latin America, women-led initiatives are beginning to emerge within a growing number of Fairtrade coffee co-operatives. In this issue, we have featured three co-operatives that show how men and women are united in addressing this longterm power imbalance.

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PRODUCER: COCAGI REGION: RWANDA

In Rwanda, approximately 400,000 farmers earn a living from coffee production but face many challenges, including the introduction of a 'zoning' policy, which was implemented by the Rwandan government in 2016.

This scheme, run by The National Agriculture Exports Development Board (NAEB), was designed to improve the traceability and quality of coffee by ensuring coffee cherries are taken to a nearby washing station and therefore processed within the shortest possible period after harvest.

However, some co-operatives have experienced disadvantages following the introduction of this legislation. For Coffee Co-operative of Gichoma (COCAGI), it has meant that they lost 40% of their farmers who were based outside of the zone where their washing station is based.

To overcome this challenge, they decided to begin a recruitment drive within their own zone and now have over 1,100 members. To help those farmers who could not access their existing washing stations, they are hoping to purchase stations in different zones.

They also began a tree-planting project, which saw the co-operative plant an additional 100,000 trees. Japhet Habimana, COCAGI Manager said:

"IT HAS BEEN A POSITIVE EXPERIENCE TO WORK WITH SHARED INTEREST, THE FUNDS ARE ALWAYS DISTRIBUTED ON TIME AND SINCE WORKING TOGETHER WE HAVE BEEN ABLE TO IMPROVE OUR PRODUCTION, AND SUBSEQUENTLY INCREASE THE INCOME OF THE FARMERS. SHARED INTEREST FUNDS WERE DISBURSED ON TIME IN COMPARISON TO THEIR LOCAL BANKS."

COCAGI has been a Shared Interest customer for over ten years, receiving loans to purchase a pulping machine

for their washing station, as well as a truck to transport coffee cherries from buying centres. The truck is also rented out in order to generate extra income for the co-operative. Last year, COCAGI moved to their new offices, which they built using the Fairtrade Premium.

COCAGI has introduced a separate brand of coffee produced only by women, as well as providing direct employment for women working at the washing stations. The role of a washing station in Rwanda is more than just to process the coffee, it has become symbolic of how the role of women in the industry is changing:

"In the case of Rwanda in particular, before the country's push to produce quality 'fully washed' coffee, women's role in the supply chain was a great deal more laborious and insecure than it even is today. Women worked harder in order to produce lower yields and quality due to lack of access to technical training and support, and were limited in their access to stable markets and ownership over the income generated by their labour. Since then, the development of washing stations has helped relieve some of this burden. The time consuming nature of processing coffee cherries at home is now carried out by mechanical equipment, leaving a woman producer with both more time and opportunities to participate in other activities outside of her home." (Source: 'Developing Ourselves: Examining Women Coffee Producer Empowerment and its Facilitation in Rwanda' by Aleida Stone 2018).

COCAGI carries out a number of community development projects, including training farmers on product diversification, climate change, and tree replanting programmes to prevent soil erosion. They provide milk for farmers' children and manure for their coffee plants, as well as an education fund, which they can use to pay children's school fees and buy materials.



Andrew Twagiramungu is a coffee producer with COCAGI, he has nine children, with the youngest 13 and oldest 28. He currently farms 300 coffee trees, and also grows maize, beans and bananas.

"I AM HAPPY THAT COCAGI BUY MY COFFEE, BUT MORE IMPORTANTLY THAT THEY PAY A GOOD PRICE AND THEY PAY PROMPTLY. THROUGH SELLING COFFEE TO COCAGI, I HAVE BEEN ABLE TO BUILD MY OWN HOUSE, WHICH HAS ELECTRICITY AND RUNNING WATER AND HAVE ALSO BEEN ABLE TO BUY A CAR."



John Basabose farms 200 coffee trees for COCAGI. He has seven children the youngest is 8 and the oldest 14. He also grows maize, beans and bananas.

"SINCE WORKING WITH COCAGI I HAVE BEEN ABLE TO BUILD MY OWN HOUSE AND ALSO PAY FOR HEALTH INSURANCE FOR MY FAMILY. I HOPE THAT MY CHILDREN WILL FOLLOW IN MY FOOTSTEPS AND MANAGE THE FARM IN FUTURE."

SOCIAL ACCOUNTS

Each year we compile a set of externally audited Social Accounts, which detail our social, economic and environmental impact.

The full document is available to download on our website at:
WWW.SHARED-INTEREST.COM/IMPACT-REPORT

OUR MISSION

Our mission is to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty.

We work collaboratively and innovatively with those who share our commitment to fair and just trade. With a community of investors, and the support of donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.

OUR MEMBERS

We are able to achieve this impact because of the support of our loyal membership. Every £1 invested by members this year was lent 1.6 times.

This year, we reached 10,000 Share Accounts, closing the year with 10,009 members. Investment increased significantly, with a closing Share Capital total of £43.1 million, a net increase of £1.7 million. This investment allowed Shared Interest to lend to 204 customers across the globe, and thereby increased their access to finance to grow their business; generate more employment; and improve the lives of producers and their communities.

IN 2019 WE LENT MONEY TO:



OUR LENDING

We lend in two ways: directly to fair trade producer groups (producer lending), and to fair trade wholesale or retail businesses (buyer lending). Our portfolio is split into three regions; Africa, Latin America and Northern Hemisphere and Pacific Rim.

AFRICA

Of the 174 producer groups in our lending portfolio, 93 of these are based in Africa (53%). This represents 343,124 producer individuals, including 112,203 women.

We made £13.3 million worth of payments to these producers, an increase of 38% compared to last year and representing 28% of the total payments sent to producers. A large proportion of the world's Fairtrade-certified cocoa is produced in West Africa and consequently payments totalling £8.8 million were made to 12 customers in Côte d'Ivoire (last year £6.4 million), with customers applying for short term lending.

NORTHERN HEMISPHERE AND PACIFIC RIM

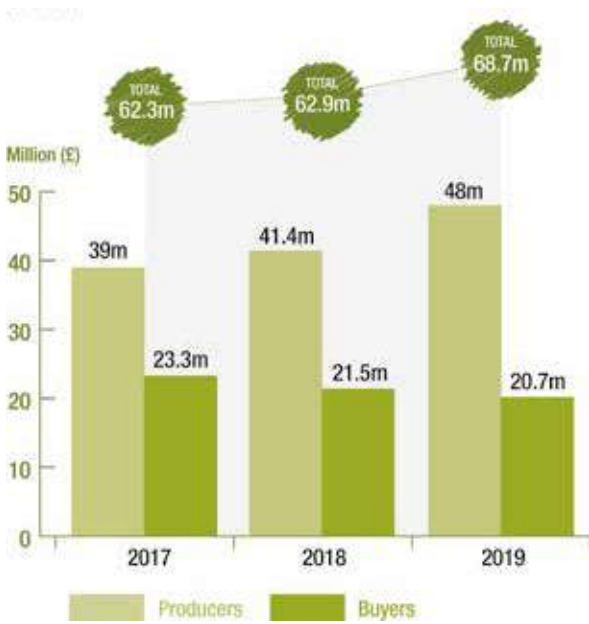
This region consists mainly of buyer organisations based in North America and Europe (30) with only one producer in Asia. Shared Interest is one of the few social lenders to provide credit facilities to buyer organisations in the Northern Hemisphere. Without these buyer organisations, many producer groups would have limited market access. We made 1,412 payments on behalf of buyer organisations, to 202 organisations in 52 countries totalling £20.8 million, a slight decrease from £21.4 million last year.

LATIN AMERICA

Forty-six percent of our producer groups are located in Latin America and this represents 53,719 individuals (54% are women) out of the total of 396,973 people.

Payments made to producers in this region totalled £34.7 million (£31.5 million last year). During this financial year, 16 new lending proposals were approved for Latin America.

TOTAL PAYMENTS MADE



MEMBERSHIP



SHARE CAPITAL

NET INCREASE IN SHARE CAPITAL: £1.7m



EMPOWERED WOMEN CREATE STRONGER COMMUNITIES

You may remember customer Cecanor, a coffee co-operative based in Chiclayo city, on the northern coast of Peru, from our International Women's Day feature in QR 111. Here we bring you an update on the co-operative, and in particular the success of the Café Femenino project.

Women in remote and rural coffee communities face a host of challenges that keep them trapped in poverty. Many of these isolated women live in male-dominated societies and have very little financial control or decision-making power. While women have always been crucial to coffee production in Peru, traditionally it was the men who held the economic power.

In 2004 that changed, when over 450 Peruvian female coffee producers united to take a step towards empowerment, by creating the first Café Femenino co-operative. These women decided to separate their coffee production from men to gain visibility and a voice inside their community. Now, they feel proud to instil in their daughters the expectation that they will grow up to become leaders in their community—just like their mothers and grandmothers.

"WE HAVE USED THE MONEY WE'VE RECEIVED FROM THE CAFÉ FEMENINO PREMIUM TO INVEST IN IMPROVING OUR HOMES, PROVIDING EDUCATION FOR OUR DAUGHTERS, AND IMPROVING THE FOOD THAT WE FEED OUR FAMILIES. CAFÉ FEMENINO HAS BEEN WONDERFUL IN IMPROVING THE SELF-ESTEEM AND EMPOWERMENT OF THE WOMEN IN OUR COMMUNITY."

Sabina Hernandez, CECANOR member



The programme, which was created by the women of Cecanor, developed a never-before-existing market for coffee produced only by women to serve as an important vehicle for social change and the empowerment of disadvantaged women coffee farmers. The Café Femenino movement now includes thousands of women farmers from nine countries across the world.

Café Femenino requires participating co-operatives to give their women farmers control of revenues, land ownership, and acknowledgement for their exceptional coffee. With economic control in their hands, the women farmers of Cecanor have used Café Femenino funds to invest in community improvement projects including children's libraries, schools, health and nutritional education, and programmes that build confidence, human rights awareness, and literacy.

In elevating their voices, the women are finding solutions to community problems on their own terms.

Since their first meeting in 2004, the women of the Café Femenino programme have assembled widespread social change into their communities. They have overcome barriers—including gender prejudice, adverse living conditions, and lack of self-confidence stemming from insecurities about their lack of formal education—the women have successfully stood up against generations of gender inequality.

After almost 15 years: malnutrition rates have reduced, education and income equality rates have risen, and the women are no longer nervous to speak. They now make group presentations, and hold several elected positions on the boards of the coffee associations of Cecanor. Their hard work and courage means the women in their community have more decision-making power, more income, and more dignity than ever before.

"WITH THE CAFÉ FEMENINO PERU PROGRAM WE ARE MORE ORGANIZED NOW. WE ARE GETTING MORE MONEY FOR OUR HARVEST AND NOW ALL MY PRODUCTION IS CAFÉ FEMENINO. WITH CAFÉ FEMENINO, I KNOW I WILL GET A CONSISTENT PRICE AND I KNOW THAT I WILL HAVE CONTROL OVER ALL THAT MONEY. FOR ME THAT IS HUGE."

Elena Quintos Cornonel, CECANOR member

Shared Interest continues to support Cecanor providing loans to pre-finance orders, and to carry out a crop fertilisation programme for members with low production yields.

Cecanor has a positive impact on their members by facilitating the trading of coffee at competitive prices and guaranteeing a reliable market. They also run projects that impact their members directly, such as providing training and workshops aimed at improving girls' and women's health, nutrition and education, as well as the installation of vegetable gardens for personal consumption and to raise their income. In addition, Cecanor has encouraged women to participate in community projects and serve as leaders in their local towns. As a large percentage of Cecanor's members are women, they work with Café Femenino Foundation, which provides funding to support grant requests from women in coffee producing regions around the world.

"COFFEE HELPS US TO TAKE CARE OF ALL OUR NEEDS, FOOD AND MEDICINE. OUR COFFEE IS EVERYTHING FOR US."

Edelmina Suarez, CECANOR member

ABOUT CECANOR

PARTICIPATING WOMEN MEMBERS:
800 women in six associations within Cecanor

WOMEN IN LEADERSHIP ROLES: 50

COFFEE PROFILE: Coffee features floral aromas of almond, cashew, and chocolate, with flavours of dark chocolate, bright citrus, and maple syrup.

TYPES: Tipica, Catimor, Bourbon, Gran Colombia, Villa Sarchi

ELEVATION: 1,000-2,050 metres



TOP IMAGE: CECANOR member, Edelmina Suarez.
BOTTOM IMAGE: CECANOR member Sabina Hernandez.



PRODUCER: CAPUCAS REGION: HONDURAS

Co-operativa Cafetalera Capucas Limitada (CAPUCAS) is a large Fairtrade coffee co-operative based in the San Pedro region of Honduras, with most of its farms nestled around the outskirts of the Celaque National Park. As this is a protected area, it means that farmers have additional requirements to use organic and environmentally friendly production techniques.

A group of 55 coffee farmers created the co-operative 20 years ago after deciding they would like to sell directly to international buyers. They went on to acquire land and build their own coffee nurseries, along with wet and dry mills, using any profits they made with the support of local banks. Following a Roya outbreak in 2013, CAPUCAS decided to grow specific Arabica coffee varieties, which are more resilient to coffee fungus disease.

The group leads on a number of community projects, including the provision of salaries at a local hospital and scholarships at a village school. They have also built a resource centre on their own land where they provide IT lessons to farmers and their children.

Shared Interest has provided CAPUCAS with finance to support their export to Germany, the Netherlands, New Zealand, Switzerland, the USA, and Canada. In 2016, they received the International Fairtrade Award “Small Producer Organization of the Year”, that acknowledges smallholder farmers who have excelled in production, sustaining markets, meeting consumer demands, and enhancing livelihoods. They are currently looking at diversifying gradually into the production of honey, lemongrass, and passion fruit, as well as organic fertilisers.

When CAPUCAS was first established, a group of 25 women came together to counteract the traditional leadership role of men in the coffee industry. Married to the coffee farmers of CAPUCAS, the women wanted to create their own income stream, and so came up with their own coffee brand. The Flor del Campo

group, which means ‘Field Flower’, specialises in coffee roasting, grinding and packaging, under the brand Capuqueño, which has been nationally recognised as high quality roasted coffee.

There are now almost 100 members and the group has an open membership policy, where they actively invite women of all ages to join.

Iris Alvarado, Flor del Campo member, said: “Each woman represents a family and by believing in them, we are investing in each child of these homes. With their husbands, and with the help of God, they are in charge of raising successful kids to build a better world. Flor del Campo has grown, and the producers daughters are now involved in the coffee industry. If we want sustainable coffee farms, we must involve the whole family, fall in love with our work, and see our farms as a business that can give us profits and improve the quality of life of all the members’ families.”

CAPUCAS has supported Flor del Campo in many different ways, giving training in areas such as business development, roasting practices, and food security. They have also provided furnished office space, product marketing services, processing equipment, raw materials, and working capital at cost price.

In 2020, Flor del Campo will start constructing their own processing plant. This project aims to develop an alliance with the government institution, Comrural and a local bank. In addition, the organisation is interested in developing coffee based by-products.



DON'T GIVE UP HOPE!

COUNCIL COMMENT

My six years on Council is coming to an end. During that time, I have been so gratified to see a dramatic growth in Shared Interest's level of investment, the reaching of 10,000 members and, through the Investor survey, a heightened awareness of the importance of climate change.

Recently in Leeds I have attended two really thought provoking events. The first was the Schools Climate Strike event. It was so heartening to see so many young people (and older people!) so committed to addressing the issues that will affect all of us, and are already affecting many of Shared Interest's producers in the developing world.

The second was a lecture at Leeds University highlighting increasing extreme weather events in Africa, the building of capacity to forecast such events, and the need for farmers to review what crops they grow to mitigate the local effects of climate change (africanswift.org). The challenges are formidable, but so are the efforts going into addressing these challenges.

At both events - it was clear that many people are working towards addressing these serious challenges, and not giving up hope. For me, investing in Shared Interest is one very practical way of fulfilling our moral obligation to begin to address the key issues of the current era, and the way in which they are affecting the most vulnerable in the world. It has been a privilege to play a small part in an organisation that has a big impact!

Ashley Wyatt

Member of Council and Joint Moderator (retiring from Council in March 2020)

DATES FOR THE DIARY

We are delighted to invite you all to our 30th Celebration event, which will start at 10:30am on Friday 13 March 2020, at the Baltic Centre for Contemporary Arts, on the Gateshead bank of the Tyne.

This will be followed by our AGM, which will start at the later time of 1.40pm, and will be held at the same venue.

UPCOMING EVENTS

We will be visiting Leeds, Glasgow, London and Bristol in May/June 2020.

This is your chance to meet staff together with members of our Board and Council. We would love to see you at one of the events and would encourage you to bring a guest along to introduce them to Shared Interest. Your Spring edition of QR will include a Member Invite for you to complete.



Quarterly Return is the newsletter of Shared Interest Society. Shared Interest Society Ltd is a fair trade lending organisation, which is a member of Co-operatives UK. It uses the pooled investments of its members in the UK to make real and lasting improvements to people's lives in the developing world.

HELP RAISE OUR PROFILE


Please follow us on social media and keep up to date with our activities and share our posts with friends.

 **@SHAREDINTERESTSOCIETY**

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 **@SHAREDINTEREST**

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Shared Interest Society Ltd is registered with the Registrar of Mutual Societies, number 27093R. The Directors decide on what the interest rate payable to members will be. The interest rate since 1 November 2018 has been 0.25%.

BECAUSE WE CARE:

