



SIZA CAPACITY BUILDING PROGRAMME IN COLLABORATION WITH / DOA WESTERN CAPE FOR MARKET READINESS

31 March 2018 – 30 June 2018

1. ACTIVITY REPORT

Ref No	Project	Activity	Beneficiaries	Progress & Planning	Timeframes	Budget Allocated	Itemized Expenditure
7.1	Training & Development	EFT Basic and Intermediate Training	Training Workshops in 5 Western Cape areas	<p>Two workshops for SIZA Consultants/Trainers, with the possibility of a third one due to demand, were held in the Grabouw-area. Another workshop was held in Somerset West for 40 growers. Training was provided on the SIZA methodology, the online process, market requirements, why SIZA requirements are sometimes more than SA labour legislation, as well as the SIZA standard and the interpretation of criteria. The reasoning behind the competency requirements for Consultants / Trainers was discussed and how this is going to be linked to the beyond audit/remedy section on the SIZA Platform.</p> <p>A growing need exists for all growers to understand what is required and for them to have the necessary skills to implement such requirements to enable them to access all markets. Four workshops have been held over the last 3 months which resulted in a bigger demand than we could supply. We will continue to present these workshops in the year to come, although we will have to source additional funding for the other provinces.</p>	Oct 17 – Jun 18	100 000	87 346

		Environmental Assurance Module	Training/Information workshops in 6 Western Cape Areas	<p><u>Environmental Self-Assessment Questionnaires:</u></p> <p>To date 311 SIZA members have completed their Environmental SAQ's on the platform. 300 of these completed SAQ's were approved and 11 were reviewed and sent back to make the necessary corrections. All 300 of the approved SAQ's were transferred to Sedex in order to provide visibility to the UK supply base. Please find attached the updated list of the approved Environmental SAQ's.</p> <p><u>SIZA Environmental Workshops:</u></p> <p>With the recent addition of the environmental module, SIZA rolled out a number of training workshops throughout South Africa to assist SIZA members with a better understanding of the Environmental standard, the process and to provide guidance on how to complete the Self-Assessment Questionnaire (SAQ). In total SIZA held 14 Environmental Workshops across South Africa, of which 9 were held in the Western Cape. In total 310 growers attended the workshops and 190 of the attendees were from the Western Cape.</p> <p>As from 2019, once the verification process for the module has been finalised, the following additional technical capacity building training workshops will be held:</p> <ul style="list-style-type: none"> ▪ Training for those who will implement the SIZA Environmental Standard (consultants, extension officers, technical advisors and potential verification partners); ▪ Training for producers who will be using the results to better manage their environmental risk and reports to markets; ▪ Upliftment training on base-level environmental practices to train employees on environmental stewardship and the importance thereof in a farming environment. 	May 2018	240 000	147 192
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7.2	Training & Development of Material/ documentation	Update and review of SIZA Standard documentation and Guidance notes	<ul style="list-style-type: none"> • Design, translate and print written documentation on the SIZA Ethical and Environmental Standard. • Write, design and upload changed documentation to platforms. • Write, translate and design documentation for online Platform 	<p>To date SIZA printed a poster where the 8 Environmental Principles, based on the SIZA Environmental Standard, are listed. These posters are currently being handed out to producers free of charge.</p> <p>SIZA also updated the website to accommodate the environmental aspects and information. The development of templates to support the Environmental Self-Assessment Questionnaire (SAQ) is in process and will be uploaded to the Library section of the website as guidance documents.</p> <p>Both the social brochure as well as the posters were also submitted for a re-print.</p>	Jul 17 – April 18	70 000	27 727
7.3	Training & Development	Auditor Training and Calibration	<p>Mentoring and oversight of 10 Auditors</p> <p>Auditor Shadowing (8 Auditors)</p> <p>Disputes – Farm worker complaints procedure</p>	<p>Shadowing of auditors is in process and is an ongoing process. SIZA also have additional external reviews on all audit reports so that we can monitor consistency, correctness and the calibration of findings across all auditors. This proved to be successful and a couple of issues were address over the last months.</p> <p>A Golden Report which can serve as a template for auditors will be implemented in the next month.</p>	Oct 17 – Jun 18	165 000	129 416
7.4	Training & Development	Smallholder Development follow up	Smallholder producers capable of responding to market demand for demonstration of ethical compliance and registration on the SIZA Platform	To ensure ongoing compliance and management of business in line with the scope of the SIZA compliance criteria and relevant local labour legislation, it is important to have continuance support for smallholder farmers on ground level. A Continuance plan was agreed with HORTGRO which was accepted for implementation as part of the ongoing Job Fund	Feb 18 – Jun 18	300 000	300 000

				project. (A separate and comprehensive report is available on request and will be added as an Annexure).			
7.5	Contractor Development (TES)	Getting Labour Contactors compliant with the Labour Laws – manage risk for growers	TES Training pre-audit assessments and assistance to ensure that gaps identified have been addressed as well as post audit support	<p>SIZA and WIETA started a process to assist Labour Brokers (TES) through training, capacity building and the implementation of managements systems, which in the end would assist them to prove fair labour practices and compliance to both Labour Laws as well as the SIZA and WIETA standards. Meetings were arranged with Labour Brokers from different areas to better understand their needs and problem areas. We identified Labour Brokers that are willing and able to be audited, but do not have the funds to do so.</p> <p>It was noted that very little progress has been made with the TES programme due to very obvious issues. We still need to get the DoL interested in this programme. Therefore it was decided to re-allocate the allocated funds for the TES programme to another area such as the Smallholder Continuance programme or the Environmental Training and Information sessions.</p>	Oct 17 – Mar 18	50 000	5 000
7.6	Global and Local Marketing (Value Chain)	Global and Local Marketing (Value Chain)	<ul style="list-style-type: none"> • Global Ethical Trade Relations: Fruit Logistica • UK Market visits to meet with buyers/market access requirement • Media Releases and Editorials in 	<p>As part of the SIZA Global Engagement strategy and market access programme, we met with various big retailers, fruit importers and ethical trade bodies in the UK during our last visit. From our discussions the following was clear:</p> <p>a) UK corporates are under increasing pressure from the ETI, the UK Government and the UN to act more responsibly.</p> <p>b) The competition between the UK retailers is fierce. (Tesco is hoping to take over Carrefour. Asda and Sainsbury’s are planning to merge. The Co-op has just bought a chain of small convenience stores. High street shops are closing</p>	Feb 18 & Apr 18	120 000	156 629

			<p>Local Newspapers</p>	<p>at a rate of knots. (The latter blamed on online purchasing). Times are tough!)</p> <p>c) Historically the UK retailers have addressed their ethical trade challenges by auditing their first tier suppliers. They are now being told to look at the areas of highest risk in their supply chains.</p> <p>Systemic challenges like in-work poverty, modern day slavery and gender equality now need to be addressed. These challenges cannot be addressed by the retailers acting independently. The entire food industry needs to work collaboratively with their suppliers, competitors and stakeholders to resolve them.</p> <p>d) This is a new way of working. It was therefore no surprise to us that all the people we met were having a re-think about how to manage their social and environmental risks. It's a huge ask for them to go from managing their first tier suppliers to managing their 2nd, 3rd 4th and 5th tier suppliers!</p> <p>e) Besides SEDEX and ETI workgroups, there is a new body called FNET (Foods Network Ethical Trade). The former are quite retailer/corporate-centric while the latter is quite fruit importer-centric. All these groups are working to find common approaches to fix the systemic challenges in the supply chain.</p> <p>For SIZA to appear on their doorsteps with the good news that SIZA was well established, performing well on both social and environmental fronts, was extremely well received.</p> <p>SIZA was making things a lot easier for them in South Africa. Every single person we met was delighted to hear of our progress since 2014/5.</p>			
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7.7	Monitoring & Evaluation	Monitoring & Evaluation	<ul style="list-style-type: none"> • Analysis of Statistical Data on the Platform • Oversight on Technical Platform • Monitoring and Evaluation reporting and oversight on training interventions 	The Monitoring and Evaluation (M&E) is conducted by an M&E appointee with the necessary expertise in the field of ethical assurance and evaluation. Informal evaluation takes place on a quarterly and continuance basis which gives us a good idea if programmes and processes have resulted into desired outcomes.	Oct 17; Feb 18; Apr 18 & Jun 18	75 000	54 750
7.8	Administration Fee					100 000	100 000
	Total					1 220 000	1 008 059

Membership Fees

The SIZA membership pricing structure was changed and implemented without resistance, from the 1st of April 2018. The pricing structure depends on the use of the different SIZA modules and the level of visibility to be provided to the market, i.e. GlobalG.A.P (GRASP) and/or Sedex. The chosen membership level option is the base fee, plus add-on modules and current selection options such as SIZA Social and/or SIZA Environmental will be additional.

Market Acceptance

After a one year probation period, Walmart decided to add SIZA to its list of accepted social audit programmes. They also informed us that from the 1st of February 2019, they will require that audit reports that are used to satisfy Walmart's Responsible Sourcing audit requirements, be conducted by an APSCA-registered auditor (acknowledged as such on the report itself). Up until now, SIZA endorsed the adoption of the Global Social Compliance Programme (GSCP) Reference tools as the platform for its audit scheme. The GSCP is also in the process of changing their own approach and from the beginning of next year, their new system called the CGF SSCI programme will also endorse APSCA as one of their reference tools. SIZA will have to implement these changes to keep up with market requirements.

Board Composition

Four Board members (Anton Rabe, Nigel Mudge, Konanani Liphadzi, and Inge Kotze) were re-elected to serve another two-year cycle on the SIZA Board. SIZA is also pleased to announce that Alana Snyman, Export Compliance Manager of the Komati Fruit Group, was nominated and elected to serve on the SIZA Board.

Operational Structure

Tom McLaughlin (Woolworths) resigned and is now residing on the Isle of Wight in the UK. After his resignation from Woolworths and the SIZA Board, he was appointed as the SIZA liaison on the UK market. Tom is an experienced sustainability professional and is looking forward to interfacing with UK fruit buying organizations in order to help build more socially and environmentally sustainable business models.

SIZA appointed an Operational Manager (Surina Spangenberg) to focus on the day-to-day office operational activities. This will assist SIZA to have a more strategic focus on aspects such as the provision of leadership, vision, advocacy and strategic direction by engaging with clients, funders, government, media, the trade and other relevant stakeholders in both the local and international agricultural value chain. Werner van Dyk has been appointed to oversee audit oversight activities since Natalie Thomas has decided to resign after her maternity leave period.

Remedy Programmes / Beyond Audit Approach for sustainability

SIZA is in the process of implementing a remedy and beyond audit programme. This essentially means that for all the Various Code Principles, best practice programmes will be identified and made available to producers online on the SIZA Platform. For areas where non-conformances have been identified, they will have access to a list of programmes / service providers which will assist with best practice guidance on corrective action measures / remedial actions, etc. Wellness programmes to compliment and support these online developments will be implemented with WC DOA funding on ground level to ensure sustainable practices and a beyond audit approach.

Modern Slavery Indicators

The indicators on Forced and Bonded Labour and Freedom of Association in the SIZA Audit Checklist were also expanded to cover the topics more comprehensively. Although it seems that the different aspects covered under the UK Modern slavery act (Stronger Together programme) are covered in the SIZA standard, it was decided to expand the SIZA Audit checklist so that we can ensure that auditors report on all indicators in a comprehensive and specific manner regarding the issues relating to the above. UK Retailers will specifically be asked for information on these topics and it needs to be incorporated in audit reports under recognised headings and findings.

QCTO Qualification for Social Auditors

In terms of these requirements, Auditors, Trainers and Consultants who are responsible to perform social audits/training/assistance against the SIZA Standard, need to meet certain criteria in order to be considered compliant/qualified by the markets. There are currently a shortage of skilled Auditors. Looking at the unemployment figures in South Africa, it provides an opportunity for individuals to qualify themselves as Auditors, or even to become entrepreneurs by establishing an audit company or consultancy/training business. SIZA approached AgriSETA to investigate possibilities to develop a formal qualification for Social Auditing. For SIZA to proceed with the above, we need industry and national (even international) support.

RETHA LOUW

BONGISWA MATOTI