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Guidance Document No. 7

FairTSA Community Development

1. Objective


The objective of this guidance document is to clarify FairTSA policy regarding community development activities and reporting obligations by participating producers.

2. General Requirements per Standard Version 3.2

Standard version 3.2 defines the fields of community development and makes community projects mandatory once a minimum of \$1,000 has been received in Social Premium. Acceptable areas of community development according to the standard section 31.2.2.2 are the following:

- **Environmental Projects** such as improving or restoring the natural environment, intelligent water use and protection including water security, and Waste and Waste Water Treatment
- **Health Care Projects** such as prevention education, treatment and providing difficult to obtain medicines for diseases such as Malaria, HIV-Virus, etc., building/supporting hospitals and community-based health institutions, and health care support for especially vulnerable members of the community (pregnant mothers, infants, etc.)
- **Food Security Projects** geared to secure and expand the available food sources for workers and small farmers
- **Educational Projects** to improve access to education for children and adults. Examples are transportation to school, uniforms or tuition payments for children of families that could otherwise not afford schooling. Literacy campaigns and vocational training or training to be able to open and successfully run small businesses are also eligible.
- **Agricultural Production and Post-Harvest Treatment Projects** (only admissible for small farms and cooperative members). A whole array of measures such as training for sustainable farming practices, crop quality development, improved post-harvest treatment, capital investment for equipment and storage buildings, and many other possible projects are admissible.

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- **Improving Workers’ Living Conditions** such as measures geared toward improving workers’ (including seasonal and migrant workers) living conditions such as building new living quarters, improvement of sanitary conditions etc. are acceptable.
- **Small Business and Vocational Training** geared to empower workers or community members to establish their own business or learn a trade that will help them to sustain themselves and their families are admissible.

Please note: The examples given below are by no means comprehensive. If a cooperative or producer feels that they have a project with potentially significant impact on the producer community that does not fit into the above categories, we encourage them to put in a request with FairTSA to approve the project anyway.

3. Non-Admissible Projects

Contributions to organizations made from the Social Premium are generally not admissible. Exceptions:

1. They have a direct connection to producer or worker communities
2. The use of the money by the organization that received the money is well documented
3. FairTSA has approved the donation to the organization prior to the donation based on documentation submitted by the organization.

Also, management of cooperatives, farms or processing facilities must not benefit from the Social Premium in any way.


4. General Approach to Community Development

The general approach to community development is starting with small, relatively inexpensive projects that show quick results. The longer a producer is part of the FairTSA network and with increased premium flow, the projects should become more sophisticated, mid-to long-term and more geared to increasing sustained income possibilities or infrastructure projects with long-lasting effects on the farming or worker communities.

5. Reporting Requirements

Reporting requirements start once the \$1,000 threshold of Social Premium contributions has been reached. The first community development proposal

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is due not later than 2 months after that date. Subsequently community development proposals and annual project evaluations are due every year on February 15. Document templates for the community development proposal and the project evaluation can be downloaded from our web site at <http://fairtsa.org/producers/producer-info/> under "Community Development Forms". **It is paramount that we hear from you by February 15 regarding the status of your community development efforts. Not complying with this requirement could lead to suspension or revocation of certification.**

6. FairTSA Committee

The deliberations and the decision about the community development proposal must be made by a committee that must include members from the producer communities or in the case of processing facilities representatives of the concerned workers. Decisions should be made unanimously whenever possible. Simple notes and minutes of the deliberation process should be kept on file for at least three years and must be available for the inspector to review.

7. Support

FairTSA is committed to supporting you with all questions regarding community development. From developing a compliant community development proposal, to setting up the committee to supporting you with the evaluation or any other questions- you can contact us and we will do our very best to solve the problem in a collaborative manner.

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