



# **TRAINERS' MANUAL**

**ON RECORD KEEPING FOR PRODUCER**

**ORGANIZATIONS (POs)**

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## List of Acronyms:

|      |                              |
|------|------------------------------|
| AGM  | Annual General Meeting       |
| FTA  | Fairtrade Africa             |
| HLOs | Hire Labour Organizations    |
| POs  | Producer Organizations       |
| SDF  | Set up-Delivery-Finish       |
| SPOs | Small Producer Organizations |



# 1.0 Introduction

## 1.1 What is this manual about?

This manual has been put together as standardised training material for training of Fairtrade Producer Organizations (POs) in Africa. This manual has been designed for use by trainers providing support services in strengthening and building effective POs.

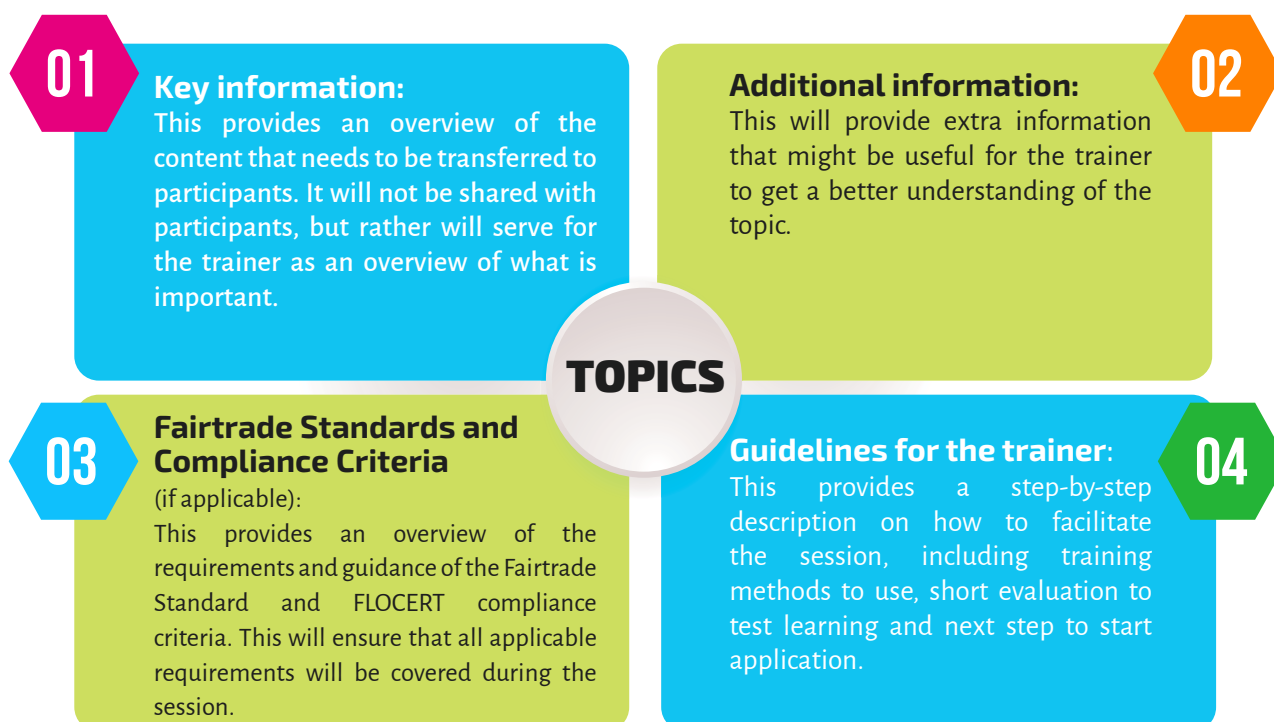
The trainers' reference material incorporates adult learning techniques that identify and build on experience in respect of knowledge, skills and attitudes. As in all adult training, the training would be practical, demonstrative and participatory. Mix training techniques such as presentations, structured discussions, group discussions and presentations, participatory exercises, case studies, assessment/course evaluations etc. have been incorporated into the training sessions to enable learning that is relevant, and applicable to the job situation and meet the standard requirement of Fairtrade certified Producer Organizations.



This trainer's manual consists of all relevant content and information that the training wants to convey. This has been presented as a training kit providing guidelines on how to deliver the training. This manual contains instructional guidelines for trainers to deliver training on record keeping.

## 1.2 How does this trainers manual work?

The trainers manual consists of three (3) modules while each of the modules contains a number of subtopics. Every topic contains the following sections;





The training sessions recommended for the training have been set up according to the Set up-Delivery-Finish (SDF) model. This approach is a user-friendly model with a variety of training techniques to keep participants actively engaged. Training methods proposed to be used by the trainers are structured discussions, participatory exercises, peer-learning techniques, role plays, brainstorming, case study, etc.



## The SDF model consists of the following detailed steps:

### 01 Set Up

#### Attention:

Get the attention of participants, for example by asking a question, showing something, telling a story related to the topic, etc. to gain their attention.

#### Title:

The title of the topic.

#### Objectives:

Explain what will be learned during the session.

#### Benefits:

Explain the advantages when applying the knowledge (what is in it for them?).

#### Direction:

Set the boundaries of session by explaining what will be discussed and what not.

### 02 Delivery

#### Explanation:

Provide details on the topic

#### Demonstration:

Visualize the topic; use pictures, visuals, real materials but also examples and role plays. An activity to display or demonstrate knowledge or skill to be acquired by participants

#### Exercise:

Get participants to do an exercise to learn through practice (doing). Learning by doing method

#### Guidance:

Guide participants throughout the topic to ensure facilitator/ trainer stay within the topic.

### 03 Finish

#### Summary:

Summarize the key information. The trainer just mentions the key points to participants. This can also be activity based where participants are asked to share key lessons learnt during the training.

#### Questions:

Allow the participants to ask any question or provide additional comments.

#### Evaluation:

Test the understanding of participants by asking questions about the key information.

#### Next step:

Mention how the learning can be put into practice.

## 1.3 Welcome, Opening and Introductions

### Objectives:

By the end of this session, participants will:

- Introduce themselves to each other
- Be able to explain the objectives and set-up of the training
- Set objectives with respect to their own participation in the training
- Clarify expectations with respect to what the training will offer and demand
- Establish ground rules for their interaction as a group.

**Time:** 30 Minutes

**Method:** Individual presentations

**Training materials:** Flip chart, markers

## PROCEDURE

### STEP ONE 01

Welcome all present to the training. Ask one person to pray

### STEP TWO 02

Trainer should introduce him/herself to participants and the name to be used during the training. Your organization, what it does, what you have been doing

### STEP THREE 03

Ask participants to introduce themselves and describe their background (apart from getting to know the participants, this will also allow a quick assessment of the level of knowledge, skills and experience of participants in terms of knowledge translation)

### STEP FOUR 04

Trainer invites participants to share their expectation during the training. List them on the flip chart

### STEP FIVE 05

Lead participants to set ground rules for the training and list them on the flip chart

### STEP SIX 06

Review the training programme with participants based on their expectations

### STEP SEVEN 07

Ask for questions about the training

### STEP EIGHT 08

Agree on the time schedules



## 2.0 Module 1: Record keeping

### Module framework

| Topics                                                                                                                                                                                                                                                                                                                                                         | Learning objectives                                                                                                                                                                                                                  | Time    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <ul style="list-style-type: none"> <li>Understanding Record and Record keeping</li> <li>Types of Records</li> <li>Record keeping systems</li> <li>Why keep Records</li> <li>Component of a good record keeping system</li> <li>Benefits of a good record keeping system</li> <li>Record management responsibility</li> <li>Documentary traceability</li> </ul> | <ul style="list-style-type: none"> <li>Explain what records are</li> <li>State why they need to keep records</li> <li>State the component of a good record keeping</li> <li>Explain how to set up a record keeping system</li> </ul> | 3 Hours |

### Key information

#### Record

A record is a written prove of activities, programmes or happenings within the organization e.g. activity report, project report. It is also a written report of what was discussed, who said what and who is assigned a responsibility e.g. Minutes of meetings.

#### Characteristics of records

Records must be accurate, clear and readable, complete, easy to keep and retrieve and reliable.

Producer Organizations should not only be interested in keeping financial records but must keep records of all activities or happenings within the organization. Records form the basis

for accurate communication with internal and external users of information. Records should be kept in a place where it is safe and can be easily accessed when needed.

To promote transparency and accountability, POs should ensure that records and other recording books are accessible to all members. Thus members should have access to all information relating to the organization, including internal regulations, Minutes of meetings, supervisory committee reports, accounts and inventories except confidential matters like personnel information.

#### Record keeping

Record keeping refers to:

- The act of storing raw or processed records in an orderly or systematic manner
- The systematic collection of certain types of data or information for present or future purposes to help Producer Organizations make the right decisions.



The type of record keeping system that organizations will adopt will depend largely on the reporting needs, requirements and the financial resources of Producer Organizations.

Small producer organizations should keep the following type of records;

- ✦ Expenditure records
- ✦ Records of training products attended
- ✦ Records of products sourced from members
- ✦ Records of processed products
- ✦ Complaints and follow up actions
- ✦ Product flow
- ✦ Attendance records at meetings
- ✦ Record of agrochemicals in the storage area
- ✦ Purchase/collection records for the products from members
- ✦ Processing records (batch/lot numbers, outturn ratio)
- ✦ Storage records (own storage, external warehouse where applicable)
- ✦ Sales records (local and international sales)
- ✦ Workers records
- ✦ Declaration in writing of the right to join workers' organization and collective bargaining.
- ✦ Documented justification of any dismissal of a workers' organization representative (to be sent to the certification body).
- ✦ Records of all terminated contracts.
- ✦ Records of trainings on workers' rights and duties
- ✦ Membership records (member name, contact information, gender, date of birth, registration date with the SPO, farm location and size)

## Hire Labour Organization (HLOs)

In line with the activities of Hire Labour Organizations (HLOs), they are required specifically to maintain the following records to meet Fairtrade Standards and compliance criteria;

- ✦ Contracts
- ✦ Payslips
- ✦ Overtime records
- ✦ Health records
- ✦ Records on training activities (information on topics, time, duration, names of attendees and trainers)
- ✦ Records of terminated contracts (reason for termination and indicate if workers are members of a trade union or are elected worker representatives)
- ✦ Records of workers (age, gender, identification papers, migratory status and other relevant data)
- ✦ Records of subcontracted workers (number of workers, their payment and their working hours)
- ✦ Records of pesticides used
- ✦ Records of energy consumption (in processing facilities where non-renewable energy is used)
- ✦ Record of Fairtrade sales (volume sold, the name of the buyer and its Fairtrade International ID number, the date of the transaction and a reference to sales documents)
- ✦ Minutes of meetings of Fairtrade Premium Committee and workers



## Record keeping systems

| Record keeping system                                                                                                                                                                   | Advantages                                                                                                                                                                                                                      | Disadvantages                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Manual system:</b><br> <p>Records are kept in labelled files and folders in an office cabinet</p>   | <ul style="list-style-type: none"> <li>Requires little financial investment to set up</li> <li>Requires little technical know-how</li> <li>Risk of corrupted data is less</li> </ul>                                            | <ul style="list-style-type: none"> <li>Tedious retrieving information</li> <li>Requires more storage space</li> <li>Loss of data in case of unforeseen event like fire outbreak, theft, or flood</li> </ul>                |
| <b>Electronic system:</b><br> <p>Records are captured and stored on computers and sometimes online</p> | <ul style="list-style-type: none"> <li>Faster means of retrieving information</li> <li>Easy means of organising and managing data</li> <li>Access to information can be controlled and secured from authorized users</li> </ul> | <ul style="list-style-type: none"> <li>Requires some level of technical competencies</li> <li>Requires some form of investment to set up and maintain</li> <li>Loss of information when hacked or not backed up</li> </ul> |

## Why keep records

Fairtrade Producer Organizations must keep records because it helps them to be;

- **Accountable:** Records inform who did what and how it can be traced or verified
- **Transparent:** Records mean that POs can see clearly how their financial resources were used
- **Democratic:** If records are kept they can be discussed at meetings and members can understand what is being done and why

## Component of a good record keeping system

The purpose of a good recordkeeping system is to manage records throughout their life cycle. A good record keeping system at least is made of record creation, record storage, record usage and record disposal. To have a good record keeping system, Fairtrade producer organizations should develop a records policy.

The components of a record keeping system then are record creation, record storage, record usage and record disposal or archival.

## Benefits of a good record keeping system

Some of the benefits of good record keeping are;

- ✓ Saves time and effort in retrieving information
- ✓ Contributes in assessing the performance of the organization
- ✓ Accurate data helps to make the right decisions and put in the necessary control measures where needed
- ✓ Evidence in case of legal issues

## Record management responsibility

To ensure that POs put in place and keep good records management system, it is important to define and assign record management responsibilities to a committed individual who has the competencies to effectively manage the records. The roles and responsibilities should be clearly defined to be able to hold the record managers accountable. Where producers have the financial capacity to recruit, they can recruit a records manager who will be in charge of records within the PO.

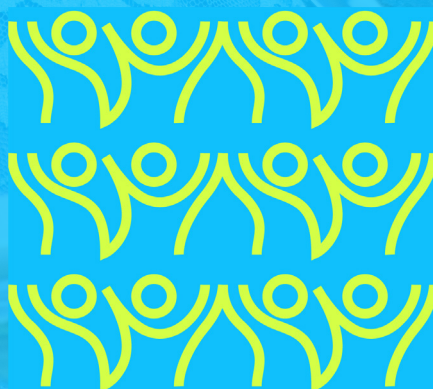
## Documentary traceability

All Fairtrade operators must show documentary traceability – written records of traceability. This means that they have to write down and keep records of how products move from members to buyers. In developing the documentary traceability, answers are sought for the following questions;

- ✦ Do members bring their products to a collection point or does the organization pick products up at members' farms?
- ✦ What happens to the products within the organization (processing, storage) and how do they sell products to the first buyer (how do you deliver your product?)

In order to clearly establish how many members, deliver individually or as a whole, Producer Organizations have to keep records of products bought from members.

- ✦ In cases where there are members who are also members of another Fairtrade certified organization for the same certified product, it is important to pay special attention to the traceability of the products from those members.
- ✦ Fairtrade products have to be identified in all documents with an identification mark, for example with the words "Fairtrade International" and the buyer's Fairtrade International ID. Contracts, bills of lading, delivery notes, invoices etc. will demonstrate which volumes of Fairtrade product were handled. The following information must be documented:
  - ✦ Sale of the Fairtrade product: What was sold (product form, volumes)? When?
  - ✦ Processing of the product: Type of processing? Yields?



The ultimate objective of documentary traceability is to ensure that those who produced the Fairtrade products are also those who received the Fairtrade payments, the Premium and other benefits of being part of the Fairtrade system. POs need to be able to comply with the traceability requirements and prove that Fairtrade products were only sourced from members (through detailed member records and lists).



# Fairtrade Standards And Compliance Criteria For Small Producer Organizations (SPOs)

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                      | Standard Guidance                                                                                                                                                                                                                                                                                                              | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                      | FLOCERT Rank 5 (best practice)                                |
|---------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------|---------------------------------------------------------------|
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 1.1.3</b><br><br>You demonstrate that you are an established organization by providing the following documents: <ul style="list-style-type: none"> <li>• Legal registration,</li> <li>• Records of commercialization and</li> <li>• Financial statements.</li> </ul> Records of commercialization and financial statements can be replaced by a recommendation from a Fairtrade Producer Network. | None                                                                                                                                                                                                                                                                                                                           | 1.1.0.18                           | The documents provided cover the required details    | None                                                          |
|               |                                 | <b>Fairtrade standard 1.1.4</b><br><br>You demonstrate that there is Fairtrade market potential for your product                                                                                                                                                                                                                                                                                                        | Market potential or demand for your product can be demonstrated through a letter of intent, or a similar document of a (prospect) trade partner that indicates a commitment and estimated volumes to be bought under Fairtrade terms.<br><br>The certification body will check this requirement only during the initial audit. |                                    |                                                      |                                                               |
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 2.1.2</b><br><br>You write down the product flow from members to the first buyer                                                                                                                                                                                                                                                                                                                  | The product flow should include a description of the collection process from your members and the transfer to your buyers.                                                                                                                                                                                                     | 2.1.0.06                           | Basic written/drawn Description of the Product flow. | Full description as part of a Written traceability procedure. |

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                     | FLOCERT Rank 5 (best practice)                                                                                           |
|---------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 2.1.3</b><br><br>You keep records of products sourced from members. Records indicate the name of the individual member, date of purchase, product name, volume and the price received by the member                                                                                                                                         | None              | 2.1.0.07                           | Complete sourcing records.                                                                                          | Complete records as part of a database of stock, purchases and sales and fully up to date.                               |
| 0             | 2nd grade, 3rd grade            |                                                                                                                                                                                                                                                                                                                                                                   |                   | 2.1.0.08                           | Total and Fairtrade Production and sales figures are available but there are some unclarities.                      | Total and Fairtrade production and sales figures are available and there are no mistakes and all figures are up to date. |
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 2.1.4</b><br><br>When you sell a Fairtrade product you identify clearly in the related documents (e.g. invoices, delivery notes) that the product is sourced and traded on Fairtrade terms.                                                                                                                                                 | None              | 2.1.0.09                           | Term "Fairtrade" or similar is mentioned in all invoices AND it is possible to find a reference in Other documents. | Term "Fairtrade" AND the FLO-ID are mentioned in all contracts, invoices, B/L, delivery notes, packing lists, etc.       |
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 2.1.5</b><br><br>You keep records of all your Fairtrade sales. Those records indicate the volume sold, the name of the buyer and its certification ID number, the date of the transaction and a reference to sales documents in such a way that the certification body is able to link these records with the corresponding sales documents | None              | 2.1.0.10                           | Complete Fairtrade Sales records with a reference to sales documents. Premium Correctly invoiced.                   | Complete records as part of a database of stock, purchases and sales and fully up to date. Premium correctly invoiced.   |
|               | 2nd grade, 3rd grade            |                                                                                                                                                                                                                                                                                                                                                                   |                   | 2.1.0.11                           | The majority of contracts distinguishes between Fairtrade and non-Fairtrade sales.                                  | All contracts distinguish Between Fairtrade And non-Fairtrade sales. AND documented Traceability system in place.        |
|               | 1st grade, 2nd grade, 3rd grade |                                                                                                                                                                                                                                                                                                                                                                   |                   | 2.1.0.27                           | Complete processing And Fairtrade sales records with a reference to sales documents.                                | Complete records as part of a database of stock, processed volumes, purchases and sales and fully up to date.            |



| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                                                   | FLOCERT Rank 5 (best practice)                                                                                                                              |
|---------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 2.1.6</b><br><br>If you process Fairtrade products, you keep records that specify the amount of product before and after processing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | None              | 2.1.0.28                           | Organization creates/ obtains a record showing calculated yearly average yields.                                                                  | Organization creates/ Obtains records showing real yields of each processing batch AND organization shares real yields of each processing batch with buyer. |
| 3             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard Cocoa 3.1.3</b><br><br>(1 January 2019) (Cocoa) You implement a system which enables you to manage compliance with Fairtrade requirements for all cocoa producers of the organization that includes: <ul style="list-style-type: none"> <li>• A documented management structure</li> <li>• One person responsible for the Internal Management System (IMS)</li> <li>• An internal regulation to ensure compliance</li> <li>• Identified internal inspectors</li> <li>• Training of the person responsible and the internal inspector</li> <li>• Annual inspections and reports, and feedback to the members</li> <li>• Use of internal sanctions</li> <li>• Regularly updated members list</li> <li>• Use of risk assessment to address risks and threats to the integrity of the IM</li> </ul> |                   | 3.1.0.07                           | The Internal Management System is in place and allows the organizations' control but lacks some clarity OR slightly differs from its description. | The Internal management System is in place and Followed and contains all Necessary details and follows the defined procedure AND detailed records exist.    |

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                          | Standard Guidance                                                                                                                                                                                                                                   | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                                               | FLOCERT Rank 5 (best practice)                                                                                                                                                                                                                                                              |
|---------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3             | 2nd grade, 3rd grade            | <b>Fairtrade standard 3.1.4</b><br>(1 January 2019) (Cocoa) You define with your 1st grade or 2nd grade member organizations the appropriate allocation of tasks and responsibilities (at least covering responsibility for collecting member information, updating member records and checking member compliance against Fairtrade standards) to effectively maintain an Internal Management System (IMS). |                                                                                                                                                                                                                                                     | 3.1.0.08                           | At least the responsibility or collecting member information, updating member records and checking member compliance has been defined.        | At least the responsibility or collecting member information, updating member records and checking member compliance has been defined and further tasks /responsibilities have been allocated amongst member organizations.                                                                 |
| 3             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 3.2.43</b><br>In central processing facilities where non-renewable energy is used, you take measures to use energy more efficiently. You replace non-renewable sources by renewable ones as far as possible.                                                                                                                                                                          | Record keeping on energy consumption is a tool that can help you to identify measures and make informed decisions on how to reduce energy consumption. An example of more efficient energy use is the adequate maintenance of processing equipment. | 3.2.7.01                           | The organization is Measuring energy Consumption AND Knows sources of Renewable energy to Compare AND has Planned energy Efficiency measures. | The organization is Measuring energy consumption AND has taken energy efficiency measures (maintenance of equipment, use of renewable energy, etc.) OR has changed to renewable sources AND the organization can prove energy consumption was indeed, reduced since record-keeping started. |
|               | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 3.3.15</b><br>You and your members keep a record of all terminated contracts. These records include the reason for termination and indicate if workers are members of a workers' organization                                                                                                                                                                                         |                                                                                                                                                                                                                                                     | 3.3.4.07                           | Organization maintains Complete records for Own workers and makes Individual producers aware of this requirement (if applicable).             | Organization maintains Complete records for own and individual farms' workers (if applicable) and workers' representatives signs them.                                                                                                                                                      |

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                   | Standard Guidance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                      | FLOCERT Rank 5 (best practice)                                                                    |
|---------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 0             | 1st grade, 2nd grade, 3rd grade | <p>Fairtrade standard 4.2.2</p> <p>It needs to be clear who is a member of your organization. Therefore, you have written rules to determine who can become a member and you keep a record of your members on an annual basis. At a minimum, member records should include: member name, contact information, gender, date of birth, registration date with the SPO, farm location and farm size</p> | <p>Keeping records helps to improve your management practices (see requirements 3.1.1 and 3.1.2), to have a better overview of your organization and to gain understanding of members.</p> <p>If any of your members are also members of any other Fairtrade certified organization, it is recommended that this practice is endorsed in the status of your organization. You are encouraged to list all the members that are also members of any other Fairtrade certified organization and to ensure the traceability of the products coming from those members</p> | 4.2.0.08                           | Member list with required Information and no errors. | Complete member list with all required information AND system in place to ensure regular updates. |



| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                                    | FLOCERT Rank 5 (best practice)                                                                                                                                                                                                        |
|---------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1             | 1st grade, 2nd grade, 3rd grade | <p><b>Fairtrade standard Coffee 4.3.11</b></p> <p>Coffee) The producer organization invests a minimum of 5 cents per pound of the total Premium amount of the last financial year in productivity and quality improvement activities, all which are previously approved by the General Assembly. Investments are made at the level of the producer organization or individual members. The producer organization keeps records of the expenditures according to the approved plan and explains in which way it contributes to the improvement of productivity and/or quality.</p> |                   | 4.1.0.13                           | 5 cents per pound invested, basic records and plan available and approved by the General Assembly.                                 | 5 cents per pound invested, basic records and plan available and approved by the General Assembly AND clear records available, including a detailed work plan AND more than 5 cents per pound invested, and a clear strategy in place |
| 1             | 1st grade, 2nd grade, 3rd grade | <p>Fairtrade standard 4.1.8</p> <p>You have an accounting system that accurately tracks the Fairtrade Development Plan expenses, and in particular identifies the Fairtrade Premium transparently. You are able to prove that the Fairtrade Premium is used in line with applicable rules.</p>                                                                                                                                                                                                                                                                                    | None              |                                    | <p>Any system that allows Tracking income and Expenditure and identify Premium but unintentional</p> <p>Mistakes &lt;1% found.</p> | Up to date accounting system, possible to track Premium AND no mistakes.                                                                                                                                                              |

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                            | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                                                 | FLOCERT Rank 5 (best practice)                                                                                                                                                                                                                                  |
|---------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard 4.2.9</b><br><br>You keep records and books that are accessible to all members                                                                                                                                                                                                                          |                   | 4.2.0.18                           | The organization has Reasonable updated records and books. Mistakes may happen but are corrected at year-end AND members have potential access. | The organization has fully Updated records and books (if computer-based there is a working back-up system) AND members have potential access AND organization proactively makes documents available<br><br>(for example When calling for the General Assembly). |
| 1             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard</b><br><b>Cocoa 3.1.2</b><br><br>(1 January 2018) (Cocoa) Your member records include: up-to-date information related<br><br>to training programs attended, Fairtrade-related inspections performed on the farm and their outcomes, cocoa sales of the previous season and estimated member production. |                   | 4.2.0.28                           | Updated member records with required information in place with maximum of 10 % errors.                                                          | Updated member records with required information in place without any errors. AND there is a system to periodically update records.                                                                                                                             |

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                               | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                        | FLOCERT Rank 5 (best practice)                                                                                                                                                                                                                                   |
|---------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1             | 1st grade, 2nd grade, 3rd grade | <b>Fairtrade standard</b><br><b>Cocoa 4.6.1</b><br>(1 January 2018) (Cocoa) You discuss if investing the Fairtrade Premium in activities<br>that increase quality and productivity would help your members to have more secure incomes. You present the results of this discussion to the GA before approving the Fairtrade Development Plan.                                    |                   | 4.2.0.30                           | Discussions have taken place, premium invested, Basic records and Plan available and approved by the General Assembly. | Discussions have taken place, premium invested, Basic records and Plan available And approved by the General Assembly AND clear records available, including a detailed work plan AND at least 25 % of premium invested in productivity and quality improvement. |
| 1             | 1st grade, 2nd grade, 3rd grade | <b>FLOCERT Requirement</b><br>(Only applicable if you receive a complaint related to compliance with requirements of the applicable Fairtrade Standards or a Fairtrade product) You handle and document all complaints and follow-up actions relating to compliance with requirements of the applicable Fairtrade Standards. These records must be made available to the auditor |                   | 1.1.0.08                           | There is a proper documentation of the Actions taken on the Complaints and its follow up and documents.                | There is a written Procedure for complaint management and complaints are handled in line with the procedure AND complaints and follow up are documented.                                                                                                         |





## Fairtrade Standards And Compliance Criteria For Hire Labour Organizations (HLOs)

| Year of audit | Core requirement  | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                | FLOCERT Rank 5 (best practice) |
|---------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|--------------------------------------------------------------------------------|--------------------------------|
| 0             | Single plantation | <b>Fairtrade standard</b><br><b>Sports Balls 1.1.2</b><br>(Sports balls) Records are kept of all subcontracted units which include: <ul style="list-style-type: none"> <li>• Name of subcontracted unit</li> <li>• Name of person in charge of unit</li> <li>• Location</li> <li>• Contracts between the unit and sports ball company</li> </ul> Above information is kept updated on regular basis and FLOCERT is informed of all changes, especially when a subcontractor is no longer used or when the company has a new subcontractor. |                   | 1.1.0.10                           | The records are complete And FLOCERT is informed as per the requirement of CC. |                                |
| 0             | Single plantation | <b>Fairtrade standard</b><br><b>Sports Balls 1.1.3</b><br>(Sportsballs) Documentation includes records of inspections, findings and any action taken. Records are made available on request to FLOCERT.                                                                                                                                                                                                                                                                                                                                    |                   | 1.2.0.16                           | The records are complete and made available to FLOCERT.                        |                                |

| Year of audit | Core requirement  | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Standard Guidance | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                      | FLOCERT Rank 5 (best practice)                                                                                                                        |
|---------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                   | <b>Fairtrade standard</b><br><br><b>Sports Balls 1.1.4</b><br><br>(Sports balls) Records are kept in the stitching centres and subcontracted units and include the following: <ul style="list-style-type: none"> <li>• Name, address, age of workers</li> <li>• Daily attendance</li> <li>• Number of sports balls stitched on each working day per worker</li> <li>• Wages paid per worker (and all deductions made)</li> <li>• Advances paid to workers and the current balance of advance payments provided</li> <li>• Number of balls received for stitching per working day</li> <li>• Total number of balls stitched per working day</li> </ul> |                   | 1.2.0.17                           | The records are complete and FLOCERT is informed as per the requirement of CC.       |                                                                                                                                                       |
| 0             | Single plantation | <b>Fairtrade standard</b><br><br><b>Sports Balls 1.1.5</b><br><br>(Sports balls) Inspectors from the sports ball company will regularly (on a monthly basis at least and without prior notice to the contractor) inspect the premises and records of its subcontractors.                                                                                                                                                                                                                                                                                                                                                                              |                   | 1.2.0.18                           | There is a monthly Inspection for each subcontractors and the findings are recorded. | The organization records Actions taken to tackle any negative findings as outcome of audits AND periodic audits by external third party are conducted |
|               |                   | Sportsballs) Inspections and their results are recorded, documented and made available to Fairtrade auditors as and when required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   | 1.2.0.19                           | The inspections are periodic and records are made available to FLOCERT.              |                                                                                                                                                       |

| Year of audit | Core requirement                | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Standard Guidance                                                                                                                                                                                                                       | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                                     | FLOCERT Rank 5 (best practice)                                                                                                                                                                                                                         |
|---------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0             | Single plantation               | <b>Fairtrade standard</b><br><b>Sports Balls 1.1.7</b><br>Sportsballs) (Only applicable after Fairtrade sales and only if a contract has been terminated with a subcontractor) The Fairtrade Premium Committee has developed a workplan to ensure that workers will have access to Fairtrade Premium benefits for a certain period of time in case the contract between the sports ball company and the subcontractor has been discontinued.                                                       |                                                                                                                                                                                                                                         | 1.2.0.23                           | Records and plans are operational but still lack Some details.                                                      | Records and plans fully Operational and followed by the organization AND records are fully up to date.                                                                                                                                                 |
| 0             | Multi estate, Single plantation | <b>Fairtrade standard 2.1.11</b><br>The Fairtrade Premium Committee <b>meets</b> regularly during working hours. Minutes of the meetings <b>are taken</b> .                                                                                                                                                                                                                                                                                                                                        | Frequency of meetings can take place once a month, once every 3 months, or twice a year, depending on amounts and flow of Fairtrade Premium received.                                                                                   | 2.1.0.26                           | Most Minutes can be found, even in loose sheets AND the decisions are recorded, even if not fully clear and signed. | All Minutes are found in book/file(s) and signed, decisions are recorded with total clarity and annexes are included in the book AND Minutes are registered before local authorities and/or notary public OR other situation considered best practise. |
| 3             | Multi estate, Single plantation | <b>Fairtrade standard 2.1.14</b><br>The Fairtrade Premium Committee <b>meets</b> and <b>consults</b> with the workers to understand workers' needs and to discuss project ideas regularly. These information and consultation meetings <b>are held</b> during working hours and according to a meeting schedule previously approved by the management, but do not necessarily have to be held during a general assembly of all workers.<br><br>The results of these meetings <b>are recorded</b> . | The needs of all types of workers are to be considered. In the case of migrant and temporary workers, a needs assessment of their home community should be considered to determine how best they can benefit from the Fairtrade Premium | 2.1.0.34                           | Most Minutes can be found, even in loose sheets AND the decisions are recorded, even if not fully clear and signed. | All Minutes are found in book/file(s) and signed, decisions are recorded with total clarity and annexes are included in the book AND Minutes are registered before local authorities and/or notary public OR other situation considered best practise. |

| Year of audit | Core requirement                      | Fairtrade standard                                                                                                                                                                                                                                                | Standard Guidance                                                                                                                                                              | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                     | FLOCERT Rank 5 (best practice)                                                                                                                                                                                                                                                                                                       |
|---------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3             | Multi estate,<br>Single<br>plantation | <b>Fairtrade standard 2.2.4</b><br><br>Your company <b>records</b> all training activities. Records <b>include</b> information on topics, time, duration, names of attendees and trainers.                                                                        | Training for workers is essential in order to achieve empowerment. Training can be provided by trade unions, Fairtrade International or other relevant external organizations. | 2.2.0.08                           | Yes                                                                                 |                                                                                                                                                                                                                                                                                                                                      |
| 3             | Multi estate,<br>Single<br>plantation | <b>Fairtrade standard 3.1.8</b><br><br>Your company <b>keeps</b> a record of all terminated contracts. These records <b>include</b> the reason for termination and <b>indicate</b> if workers are members of a trade union or are elected worker representatives. |                                                                                                                                                                                | 3.1.0.19                           | There are complete records of all terminated contracts.                             |                                                                                                                                                                                                                                                                                                                                      |
| 1             | Multi estate,<br>Single<br>plantation | <b>Fairtrade standard 3.5.25</b><br><br>If your company subcontracts workers, you <b>have records</b> of contracted workers (from the contractor) that indicate the number of workers, their payment and their working hours.                                     |                                                                                                                                                                                | 3.5.0.68                           | Yes                                                                                 |                                                                                                                                                                                                                                                                                                                                      |
| 0             | Multi estate,<br>Single<br>plantation | <b>Fairtrade standard 3.6.6, Flowers 3.3.5</b><br><br>Records <b>are kept</b> of these training activities indicating information on topics, time, duration, names of attendees and trainers                                                                      | The training includes making workers aware of their right to remove themselves from unsafe situations without being penalized for doing so                                     | 3.6.0.15                           | At least one training has been undertaken in an year and complete records are kept. | At least one training has been undertaken in a year and complete records are kept AND the training is done as per a prepared schedule. It includes making workers aware of their right to remove themselves from unsafe situations without being penalized for doing so AND the frequency of the training is more than one in a year |





| Year of audit | Core requirement                       | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Standard Guidance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                                             | FLOCERT Rank 5 (best practice)                                                                                                    |
|---------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 0             | Multi estate,<br><br>Single plantation | <b>Fairtrade standard 3.6.7</b><br><br>Records <b>are kept</b> of these training activities indicating information on topics, time, duration, names of attendees and trainers.                                                                                                                                                                                                                                                                                                      | Hazardous work includes, but is not limited to spraying, and working with hazardous chemicals as well as operating vehicles and machinery such as forklift trucks and hydraulic presses and working at heights.                                                                                                                                                                                                                                                                                                                                  | 3.6.0.16                           | All workers engaged in Potentially hazardous work have been trained AND content of training was sufficient. | Workers are trained accordingly and complete records are maintained AND the frequency of the training is more than one in a year. |
| 1             | Multi estate,<br><br>Single plantation | <b>Fairtrade standard 3.6.28</b><br><br>Individual health records <b>are established</b> for all workers at the beginning of their employment. These records <b>are kept</b> confidential and management <b>does not have</b> access to them.                                                                                                                                                                                                                                       | Medical records should be held confidential by the medical practitioner. Anonymized medical data are to be reported to the employer to be used in managing health and safety. Personal medical information is not to be disclosed to the employer without consent from the employee.                                                                                                                                                                                                                                                             | 3.6.0.81                           | Yes                                                                                                         |                                                                                                                                   |
|               |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | This requirement does not apply to small companies unless otherwise required by national legislation                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3.6.0.82                           | Yes                                                                                                         |                                                                                                                                   |
| 0             | Multi estate,<br><br>Single plantation | <b>Fairtrade standard 4.2.15</b><br><br>Your company records pesticides used. Your company indicates which of those materials are on the Fairtrade International HML (Part 1 Red List; Part 2 Orange List and Part 3 Yellow List; see annex 2). At minimum is the name of person who applied the pesticides, name of active ingredient, commercial brand name and amount of pesticide used, method of application, name of target pest or disease, crop, date and site are included | Recording pesticides will increase your company's awareness of the relationship between the amounts of pesticides used and the resulting impact it has on controlling pests by cross referencing this information with pest monitoring. The company will be able to analyse trends and establish goals on reduction and maximum amounts. It is good practice to record the commercial name as well as the active ingredient. It is suggested that the amount of pesticide used be recorded as amount of active ingredient used per unit of area. | 4.2.3.11                           | Yes                                                                                                         | Yes, AND the company uses the records to analyse trends and establish goals on reduction and maximum amounts.                     |
|               |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 'Method of application' is the type of equipment or type of formulation used. For 'target pest or disease' the common name may be recorded. It is suggested to include the plot.                                                                                                                                                                                                                                                                                                                                                                 | 4.2.3.12                           | Yes                                                                                                         |                                                                                                                                   |

| Year of audit | Core requirement                       | Fairtrade standard                                                                                                                                                                                                                                                                                                                                                                                  | Standard Guidance                                                                                                                                                                                                                 | FLOCERT Compliance Criteria Number | FLOCERT Rank 3 (minimum needed)                                                 | FLOCERT Rank 5 (best practice)                                                                                                                             |
|---------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1             | Multi estate,<br><br>Single plantation | <b>Fairtrade standard 4.7.1</b><br><br>In processing facilities where non-renewable energy is used your company <b>keeps records</b> of energy consumption, <b>takes measures</b> to use energy more efficiently and <b>replaces</b> non-renewable sources by renewable ones as far as possible.                                                                                                    | Records help to identify measures for efficient use and make informed decisions on how to reduce energy consumption.<br><br>A possible measure to use energy more efficiently is the adequate maintenance of processing equipment | 4.7.0.01                           | The records are comprehensive and is Constantly updated.                        | The energy audit system is certified under a recognized accredited or legal authority.                                                                     |
| 0             | Multi estate,<br><br>Single plantation | <b>Fairtrade standard 5.1.2</b><br><br>Your company <b>keeps records</b> of all its Fairtrade sales. Those records <b>indicate</b> the volume sold, the name of the buyer and its Fairtrade International ID number, the date of the transaction and a reference to sales documents in such a way that the certification body is able to link these records with the corresponding sales documents. | None                                                                                                                                                                                                                              | 5.1.0.02                           | Complete Fairtrade sales records with a reference to sales documents.           | Complete records as part of a database of stock, purchases and sales and fully up to date.                                                                 |
| 0             | Multi estate,<br><br>Single plantation | <b>Fairtrade standard 5.1.3</b><br><br>If your company processes Fairtrade products, you <b>keep records</b> that specify the amount of product before and after processing.                                                                                                                                                                                                                        |                                                                                                                                                                                                                                   | 5.1.0.04                           | The company creates/ obtains a record showing calculated yearly average yields. | The company creates/ Obtains records showing real yields of each processing batch AND organization shares real yields of each processing batch with buyer. |



# Guidelines for the Trainer

## Materials needed:

- ✦ Flip-sheets and markers
- ✦ LCD projector, Laptop, Projector screen
- ✦ Copies of case study
- ✦ Copies of Fairtrade standards and compliance criteria for SPOs and HLOs
- ✦ Copies of assessments

**Time needed:** 3 Hours

## Preparations:

- ✦ Print enough copies of supporting training materials
- ✦ Review the trainees manual and participants' materials
- ✦ Ensure that all materials required for the session are available
- ✦ Carefully read the key information, Fairtrade Standards and Compliance guidelines in this manual, the trainees manual



## Note for the trainer:

Control the time especially during open discussions and try to work within time. The use of local languages is also recommended where necessary to facilitate learning, skills and knowledge acquisition. Make the training lively by engaging participants through open discussions, experience sharing, group exercises and presentations etc. Explain to participants that in an adult class there is no wrong answer to encourage them to share their views openly without any hesitation

## Session in Short

- **Set up:** 10 Minutes
- **Delivery:** 2 Hours 30 Minutes
  - ✦ Understanding record and record keeping
  - ✦ Types of records
  - ✦ Record keeping systems
  - ✦ Why keep records
  - ✦ Component of a good record keeping system
  - ✦ Benefits of a good record keeping system
  - ✦ Record management responsibility
  - ✦ Documentary traceability
- **Finish:** 20 Minutes

## Set up – 10 Minutes

**Attention:** Ask among the participants who keeps records and how it has helped them in their personal lives and their organization as a whole. Let participants raise their hands and answer. After several answers from participants, say that it is important to keep records at the individual level as well as organizational levels.

**Title:** Tell the title/topic of the session: **Records Keeping**

**Objectives:** Explain to participants that, at the end of the training session, they will be able to:

- ✦ Explain the concepts of records and record keeping
- ✦ Implement standard record keeping systems
- ✦ State why they need to keep records
- ✦ State the component of a good record keeping
- ✦ Explain how to set up a record keeping system

**Benefits:** Keeping records enables Producer Organizations to monitor their activities and be in compliance with regulatory and Fairtrade standards.

**Direction:** Discussions will be limited to record keeping requirements in the Fairtrade system as required of Fairtrade Small Producer Organizations and Hire Labour Organizations.

How many are in compliance with Fairtrade record keeping standards

2. After several responses from the participants, facilitate plenary discussions alongside PowerPoint presentation on record keeping (what is a record, characteristics of records and what is record keeping). Tell participants that for producer organizations to promote transparency and accountability, producer organizations should ensure that records and books are accessible to all members. Records should be kept in a place where it is safe and can be easily accessed when needed.
3. Ask to know if there are any questions. In case there are, answer questions with inputs from the participants.
4. Engage participants to know the types of records they keep in their organizations either as SPOs or HLOs. Ask participants from SPO and HLOs to share on this. Ask the following questions
  - What types of records do you keep in your producer organizations?
  - Who is in charge of record keeping
  - Have you had any training on record keeping?
  - Whether these records are kept in compliance with Fairtrade standards and compliance criteria.
  - Do you have any challenges in meeting the standards and criteria? If yes
    - a. Mention some of the challenges
    - b. How did you solve the challenges?
5. After listening to participants from both sides (SPOs and HLOs). Tell participants that there are a number of records that needs to be kept by SPOs and HLOs to be in compliance with Fairtrade standards and principles. Tell participants that there is also product specific requirement apart from compliance levels at organizational levels.
6. Distribute copies of the Fairtrade standards and compliance criteria on record keeping requirement for SPOs and HLOs.
7. Start with the requirements of SPOs and continue with that of HLOs. Ask a participant to read aloud while others listen. Facilitate a discussion around the requirements by going through it step and step. Guide participants through the step by step discussions and address their concerns always making reference to the Fairtrade standards and compliance criteria. Tell participants that, to ensure

## Delivery- 2 Hours 20 Minutes

**Explanation, Demonstration, Case study, Exercise, Guidance and Application:**

1. Find out from participants how records are kept in their respective Producer Organizations and whether they are done with reference to the Fairtrade standards and compliance criteria. Ask the following questions:
  - How many keep complete record?
  - How many keep incomplete records
  - How many do not keep records



good administration, there needs to be **at least one person** taking care of the administrative side of the organization, including **record-keeping**. Take time and guide participants to make sure they understand all that is required of them based on the standards and compliance criteria. Add that participants can always make reference to Explanatory document for the Fairtrade Standard on Small Producer Organizations and Hired Labour.

8. In discussing the various requirements ask the following questions;

- a. Do you already do this? If not
  - i. What do you intend to do differently now?
  - ii. Do you have the capacity (technical ability)?

9. Continue to tell participants that records can also be classified as:

- a. **Active Records (current):** Documents which are still actively being used by the organization. They are usually referenced on a daily, weekly or monthly basis
- b. **Semi-active Records (semi-current):** Referred to only occasionally but is of primary value, less than 1 reference per quarter
- c. **Inactive Records (non-current):** Documents which are no longer referenced or have reached their cut-off as defined on a Records Retention Schedule

10. Continue with a group discussion on record keeping systems followed by a presentation on same. Move round and guide participants to carry out the group activity. Group participants taking into consideration the number of participants. In the group discussion ask participants to answer the following questions:

- a. What are record keeping systems
- b. What are the record keeping systems adopted by their respective organizations?
- c. What are the advantages and disadvantages of the adopted record keeping system?

11. Discuss the results. Allow participants to make a brief presentation on the outcome of their group discussion. Ask questions for clarification and add information where necessary. Tell participants that the choice of any of the methods depends on the technical and financial capacity of the Producer Organization. Even if Producer Organizations choose to keep their records electronically (soft

copies), source documents and hard copies of other documents should be maintained.

12. Continue with a discussion and presentation on why producer organizations need to keep records. Write participants' responses on flip chart for reference during the discussions. Tell participants that keeping records ensures the following:

- a. **Accountable** – records inform who did what and how it can be traced
- b. **Transparent** – records mean that POs can see clearly how their financial resources were used
- c. **Democratic** – if records are kept they can be discussed at meetings and members can understand what is being done and why.

13. Engage participants with a case study to enable them apply knowledge acquired. Put participants to work in a group after which you allow each group to present their results for discussion and clarification. Go through the case study (Annex 3.1 Kata Muduga Multipurpose Farmers' Cooperative Union) with participants to make sure they understand.

14. Facilitate a discussion and presentation on the components and benefits of a good record keeping system. Tell participants that a good record keeping system should be made up of at least the following;

- a. Record creation
- b. Record storage
- c. Record usage and
- d. Record disposal or archival.

Also tell participants that to have a good record keeping system, Fairtrade producer organizations should develop a records policy.

15. Continue to facilitate a discussion and presentation to find out the record management responsibility within the respective organizations by asking the following questions

- a. Who is responsible for record management in your organizations? If more than one person then ask
  - i. Are the roles and responsibilities clearly defined?
  - ii. If the roles and responsibilities are defined ask to know whether they are respected?



16. End the session with a discussion and presentation on documentary traceability. Tell participants that **all Fairtrade operators** must show **written records** of traceability. This means that they have to write down and keep records of how products move from members to buyers. Ask participants to share their experiences in developing documentary traceability by answering the following questions;

Do members bring their products to a collection point or does the organization pick products up at members' farms?

What happens to the products within the organization (processing, storage) and how do they sell products to the first buyer (how do you deliver your product?)

17. Tell participants that producer organizations need to comply with the traceability requirements and prove that Fairtrade products were only sourced from members (through detailed member records and lists).



## FINISH – 20 MINUTES

**Summary:** Summarise the session by sharing some key lessons from the training. You can equally ask each of the participants to share what they have learnt from the training.

**Questions:** Ask if anyone has a question or comment.

**Evaluation:** Share copies of the assessment on the module with participants allowing them to take the assessment.

**Next step:** Tell them "We have discussed into detail how records must be maintained and its importance in the work of producer organizations. When you go back to your respective producer organizations do your best to implement lessons learnt and how best you can improve upon your record keeping systems to be in compliance with Fairtrade standards and compliance criteria".



## 3.0 Annexes

### 3.1 Case study – Kata Muduga Multipurpose Farmers' Cooperative Union

#### **KATA MUDUGA MULTIPURPOSE FARMERS' COOPERATIVE UNION -RECORD KEEPING**

Kata Muduga Multipurpose Farmers' Cooperative Union is a small producer organization based in Ethiopia. Kata Muduga Multipurpose Farmers' Cooperative Union is preparing to be certified with Fairtrade to trade under the Fairtrade market system.

As part of preparatory works to ensure that all records are up to date, Kata Muduga Multipurpose Farmers' Cooperative Union recruited the services of a service provider to help it put its records in shape to be able to meet Fairtrade certification requirements. They do not want to have problems when auditors come around. Leaders of the cooperative union are resolved to keep good records of activities carried out in the Cooperative so as to be certified under the Fairtrade certification system.

As a consultant, you are required to advise Kata Muduga Multipurpose Farmers' Cooperative Union on the following issues;

- a) Types of Records to maintain before the certification process
- b) Vital Records to maintain after the certification process
- c) What record keeping system should Kata Muduga Multipurpose Farmers' Cooperative Union use and why?

### Proposed Solution

#### **a) Types of Records to maintain before the certification process**

The following records must be ready before the certification process

- ✦ Legal registration documents- example cooperative certificate
- ✦ Records of commercialization
- ✦ Financial statements
- ✦ General Assembly Minutes establishing decision to join Fairtrade
- ✦ Audit report
- ✦ Constitution and bylaws
- ✦ Letter of intent, or a similar document of a (prospective) trade partner that indicates a commitment and estimated volumes to be bought under Fairtrade terms
- ✦ Attendance records at meetings
- ✦ Membership records (member name, contact information, gender, date of birth, registration date with the SPO, farm location and size)
- ✦ Records of products sourced from members
- ✦ Production flow process (standard operating procedure)
- ✦ Record of agrochemicals in the storage area
- ✦ Purchase/collection records for the products from members



**NB:** Records of commercialization and financial statements can be replaced by a recommendation from a Fairtrade Producer Network.





## **b) Vital Records to maintain after the certification process**

Per Fairtrade standards and principles Kata Muduga Multipurpose Farmers' Cooperative Union is required to keep the following records after the certification process:

- ✦ The financial statements presented to the General Assembly
- ✦ Budget presented to the General Assembly
- ✦ Updated information on Premium income, expenditure and balance to inspector during inspection
- ✦ Financial records - source documents and financial statements
- ✦ Minutes of meetings (General and extraordinary meetings)
- ✦ Reports –Annual reports, project reports, audit report, election report
- ✦ Records of terminated contracts (indicating for example the reason for termination)
- ✦ Sales records (e.g. invoices, delivery notes)
- ✦ Expenditure records

- ✦ Records of training programmes attended
- ✦ Storage records (own storage, external warehouse where applicable)
- ✦ Sales records (local and international sales)
- ✦ Records of trainings on workers' rights and duties

## **c) What record keeping system should Kata Muduga Multipurpose Farmers' Cooperative Union use and why?**

For now, the cooperative can consider the manual system of record keeping which involves keeping records in labelled files and folders in an office cabinet because of the following reasons:

- ✦ Requires little financial investment to set up
- ✦ Requires little technical know-how
- ✦ Risk of corrupted data is less





### 3.2 Sales records template

| Sales Records |      |               |                  |             |                                 |
|---------------|------|---------------|------------------|-------------|---------------------------------|
| Name of SPO   |      |               |                  |             |                                 |
| Year          |      |               |                  |             |                                 |
| S/N           | Date | Name of buyer | Certification ID | Volume Sold | Transaction reference documents |
|               |      |               |                  |             |                                 |
|               |      |               |                  |             |                                 |
|               |      |               |                  |             |                                 |
|               |      |               |                  |             |                                 |
|               |      |               |                  |             |                                 |
|               |      |               |                  |             |                                 |
|               |      |               |                  |             |                                 |

### 3.3 Records of Products Sourced from Members

| Records of Products Sourced from Members |                  |                  |              |                |                              |
|------------------------------------------|------------------|------------------|--------------|----------------|------------------------------|
| Name of SPO                              |                  |                  |              |                |                              |
| Year                                     |                  |                  |              |                |                              |
| S/N                                      | Name of producer | Date of purchase | Product Name | Product Volume | Price received by the member |
|                                          |                  |                  |              |                |                              |
|                                          |                  |                  |              |                |                              |
|                                          |                  |                  |              |                |                              |



## 3.4 Proposed solution for Assessment on Record Keeping

Answer all questions. Choose the right answer from the possible answers provided



1. .... is a written prove of activities, programmes or happenings within the organization e.g. activity report, project report.
  - a) **A record ✓**
  - b) A document
  - c) A note
2. Records must be complete and .....
  - a) Incomplete
  - b) **Easy to retrieve ✓**
  - c) Inaccurate
3. Producer Organizations can adopt either the manual or ..... of record keeping.
  - a) **Electronic system ✓**
  - b) Hard copy
  - c) Soft copy
4. .... result from engaging in financial transactions.
  - a) **Financial records ✓**
  - b) Administrative records
  - c) Easy to read records
5. Minute of meetings, membership records etc. are some examples of .....
  - a) **Administrative records ✓**
  - b) Financial records
  - c) Accurate records
6. Record keeping enables Fairtrade producer organizations to be accountable, transparent and democratic.
  - a) **True ✓**
  - b) False
7. A good record keeping system at least is made of record creation, record storage, record usage and record disposal.
  - a) **True ✓**
  - b) False
8. Records created/received should be adequate and necessary to meet organizational needs.
  - a) **True ✓**
  - b) False
9. .... is the length of time for which an organization has formally decided to keep particular records, based on business or legal requirements.
  - a) **Retention schedule ✓**
  - b) Documents plan
  - c) Disposal time
10. A good record keeping system helps producer organizations to make the right decisions based on accurate and complete data.
  - a) **True ✓**
  - b) False



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