

## BRINGING RELIEF AND RESILIENCE TO PRODUCERS: 3.1M EUR IN FUNDING ANNOUNCED BY FAIRTRADE INTERNATIONAL

On World Fair Trade Day, May 09, 2020, Fairtrade International announces the launch of a “Fairtrade Producer Relief Fund” and establishment of a “Fairtrade Producer Resilience Fund” in response to the global COVID-19 pandemic. The two funding mechanisms, with initial investments of €3.1 million, are intended to meet immediate needs of farmers, workers and their communities, while also establishing a foundation for longer-term economic recovery efforts.

Darío Soto Abril, CEO of Fairtrade International, said, “As a system, Fairtrade works every day to change trade so that farmers and workers can earn decent livelihoods. In times of crisis, we must do even more to ensure the health, safety, and future of those who work so hard to supply us with the products we love. We realize these funds aren’t enough to meet all the needs of every producer affected by the pandemic, which is why we’re committed to continuing to look for additional funding sources within the system, as well as with partners.”

The Fairtrade Producer Relief Fund initially makes €2.1 million available to Fairtrade certified producer organizations for urgently needed investment in safety and livelihoods. Relief initiatives could include purchase of masks and basic protective and medical equipment, temporary payment of wages for suspended workers, setting up local food security initiatives, raising awareness of safety precautions, building emergency medical facilities, and business continuity costs, among others. The fund has been established through contributions by national Fairtrade organizations.

“Producer organizations quickly mobilized themselves to support their members and communities, like coffee producers in Colombia distributing food and hygiene packages to the elderly in their community, Brazilians helping to sanitize their cities, or Belizeans delivering masks. This has been the case in most of the producer organizations around the world. Having this additional financial support will make a significant difference in the level of relief that can be provided to some of the communities that are in the most need of assistance,” said Xiomara Parades, Executive Director of CLAC, the Fairtrade Producer Network in Latin America and the Caribbean.

While the Relief Fund targets immediate needs, it is clear that the pandemic will also have an extreme effect on global supply chains and trade worldwide, often with the impact only to be felt in the next planting/harvest season. The Fairtrade Producer Resilience Fund, currently funded at €1,000,000 by members of the Fairtrade system, is being established to meet the longer-term needs of producers as they begin to look at life after COVID-19.

The Fairtrade Producer Resilience Fund is intended to support longer-term economic interventions, such as business restoration, technology-based capacity building, addressing human rights risks in value chains through programmatic interventions, support for strengthening finances to tackle future risks, and advocacy, as a few examples.

“In addition asking our national organizations to contribute funds, we are looking for partners to help us grow this forward-looking fund to ensure that, as farmers and workers start to recover from the effects of COVID-19, they are able to secure their livelihoods, while building resilience in supply chains,” said Soto Abril.

Fairtrade invites contributions to the Producer Resilience Fund from retailers, businesses, non-governmental organizations, and government agencies. The monies from both the Fairtrade Producer Relief Fund and Fairtrade Producer Resilience Funds will be allocated proportionally to the three regional Fairtrade Producer Networks. The Producer Networks will, in turn, administer and manage the distribution, monitoring, and impact of the funds to Fairtrade certified producer organizations on the frontline of the COVID-19 crisis.

“The crisis won’t end when COVID-19 stops spreading. We’re already seeing a global economic crisis looming,” said Nyagoy Nyong’o, Executive Director of Fairtrade Africa, the producer network covering Africa and the Middle East. “Farmers and workers are resilient and creative. This additional fund will enable them to identify opportunities or alternative business models, as well as continuing to invest in the future of their communities.”

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