

Placing fairness at the heart of climate ambitions



...the fight against climate change is fundamentally about human rights and securing justice for those suffering from its impact -vulnerable communities- ...

I call it climate justice - putting people at the heart of the solution



Mary Robinson, UN Special Envoy on Climate Change

The urgency to act is high. We all need a healthy planet to thrive. However, even if we are all impacted by the effects of the climate crisis, we do not all suffer them to the same extent. There are big differences in what people can do to protect and adapt themselves to severe consequences, depending on the social, economic and political conditions in which they live. A deep inequality which has arisen from an outdated and unfair trade model that equally harms people and planet, and which now, with the current pandemic, becomes more visible. Climate change is a global issue that urges us all to be mindful while scaling fairness in trade. There is no climate justice without trade justice. The Fair Trade movement stands united in its call to address current crises together. The voices within us, especially those of farmers and workers, urge us to reflect on current and future threats to sustainable livelihoods. In Fair Trade, we believe that farmers and workers are a key part of the solution to achieve a sustainable future, and that ensuring them with living income and wages is a critical step to move forward. A fair income is part of the necessary preconditions to reverse the trend of environmental degradation and build back from the pandemic in a fair way.

Mainstream genuine fairness in trade

The COVID pandemic has confirmed the stark structural inequalities that span our globe, and the increasingly urgent need to rebuild our economic system in a way which is socially-just and planet-friendly. We need a new way to understand business relations. Continuing down the path of business-as-usual for the only purpose of profit will have catastrophic consequences for our present and future generations.

The number of companies committed to social responsibility has, indeed, increased in recent years. However, there is still room for improvement and legislation has a key role to play. Voluntary commitments will not be enough to achieve breakthroughs towards sustainable production and trade. We therefore welcome initiatives at national, international and multilateral level, which continues to advocate that companies are held accountable when it comes to the protection of human, labour, and environmental rights along their supply chains.

The Fair Trade Movement has long brought attention to the need to transform business models that perpetuate poverty in marginalized communities across the world. This type of business behaviour has been a staple of agricultural supply chains. But we know it transcends this sector, occurring in industries including garments and textiles, mining, and footwear and sports goods, among many others. In all of them, producers, workers and artisans at the beginning of supply chains toil under harsh and uncertain conditions while having limited access to the right market opportunities which enable a sustainable living.

Many buying companies are profiting from the efforts of such producers and workers due to a disparate bargaining power between the different actors involved. This behaviour becomes even more problematic when it comes to climate change and the expectation that producers and workers has to invest to increase its climate resilience. Changing weather and seasonal patterns put further pressure on the low earnings of small-scale farmers, who are ever more squeezed by the low and volatile prices for their produce. In addition, they face increasing demands to transition towards sustainable production patterns, without receiving the needed support and incentives to do so. There is a need for political decisions to provide accessible financial tools for small farmers.

Furthermore, the severity and frequency of natural disasters is directly affecting producing regions, especially those located in the tropics. All over the world, producers and workers are impacted by changing weather, leading to decreasing food security, the deterioration of infrastructure, loss of property and other devastating consequences. For farmers, this is an endless vicious cycle: their lack of means for a fair adaptation to climate change only perpetuates their already dire predicament in the face of a changing climate. We cannot expect – and it is not fair to expect – producers and workers to absorb, alone, all the costs of adapting to climate change. In what we are calling Fair Adaptation, we are urging all partners in trade to own their responsibility and to partner together to overcome the costs of this needed transformation.

It is a question of climate justice. Those who have contributed the least to the climate crisis are the ones facing most of its negative effects. It is also an issue of human rights and dignity; an issue for present and future generations; and an issue that connects to wider global debates including gender equity and indigenous rights.

Global Trade needs to be held accountable

In the Fair Trade movement, we see opportunities for producers, workers and consumers to partner together and adopt more nature-based solutions. We see smallholder farmers playing a vital role in feeding the world - and doing so sustainably. We know smallholder farmers must be part of the international community's solution to achieving a net zero world. Their voices must be heard and their concerns must be taken into account.



In order to address sustainable production systems, we need to confront the “elephant in the room”, meaning that old market structures and trading practices fail to guarantee a sustainable livelihood for all actors in the value chain. Prices that are incapable of providing a living income for farmers and living wages for workers and artisans must be adjusted to effectively break out of the negative feedback loop of poverty and environmental degradation.

In addition, Climate Resilient models such as agroecology must be scaled to improve sustainability. All actors in the supply chain must come together and recognize the need for investment and fair prices to accommodate a fair transition towards sustainable production and consumption

We see a future with fair adaptation for all

The social dimension of climate change is most often overlooked or effectively left unaddressed in negotiations in existing forums. The Fair Trade movement, however, considers the social dimension indispensable in meaningfully working towards a net zero future. Until this aspect is duly recognised and seriously addressed as part of the climate action of all parties to the COP, we fear little progress will be made and the global community will be late in avoiding the worst consequences of a +1,5°C global temperature rise.

Businesses are modelling the planet. Businesses that integrate sustainability and climate action into their core operations already exist – they apply the principles of Fair Trade to achieve higher social and environmental sustainability while being commercially viable. In its essence, the Fair Trade approach is a way businesses shape their core operations so that they truly achieve on people, planet, and profit by default. These type of alternative business models are a vital component for achieving the SDGs and constitute one possible path towards a sustainable future for all.

Therefore, we are calling to build back fairer, prototyping alternative business models that integrate sustainability and climate action into their core business. Together, alongside those trade actors committing to the Fair Trade approach and to sourcing from Fair Trade producers and workers, we can pave the way for more nature-based solutions which can stem the Greenhouse Gas (GHG) emissions from unsustainable land use, which generally dwarfs the emissions from the transport of the same produce. Understanding the fact that most unsustainable practices are a result of powerful buyers and retailers squeezing their producers and suppliers and pushing agroindustry in the pursuit of increasing profits, we see how such alternative business models blaze the trail towards more sustainable production and consumption patterns.



Rewriting our history:

“There **MUST** be climate justice and trade justice”

We invite policy makers, business leaders, climate finance practitioners, and civil society movements to invest more and dedicate more time and resources to context-specific solutions through which all actors can take ownership of their responsibilities. Smallholder farmers and workers are part of the solution to the climate crisis and they must also be given the opportunity to shape it.



It's not a matter of whether there **SHOULD** be climate justice or trade justice. These two elements are inextricably linked. The more accountable and environmentally robust business models are, the wider our ability to integrate social and environmental sustainability at scale will be. Both of these are indispensable for making truly sustainable models work, and for making necessary transitions to achieve the Sustainable Development Goals and the Paris Agreement.

The clock ticks fast and we are just 9 “harvests” away from achieving the SDGs



Measure and set targets

We ask governments to invite the private sector all across the supply chain to be more transparent and accountable towards their sustainable production and consumption commitments, and to work together to ensure sustainable livelihoods for smallholder producers and workers.

Support mandatory reporting that would see all large businesses and organisations required to publish full end-to-end carbon footprints. This will ensure greater accountability amongst businesses, whilst ensuring that the companies which take positive steps to address their environmental impact are not undercut by those who are not. We urge states to launch public policies and effective measures that value and encourage the efforts of progressive businesses.

We urge wealthy and high emitting countries to include international aviation and shipping in their national net zero commitments, as the UK announced it would do in April.

Around the COP26 Summit, we encourage the UK, as hosts of the climate talks, to convene a discussion with global business and governments to find collective solutions for the imported emissions challenge, particularly in regards to air and sea freight.



Climate finance to scale

We strongly support international calls for wealthy countries to deliver on their \$100bn climate aid promise.

According to IFAD/CPI (2020) less than 2% of climate finance makes its way to small scale farmers. In that sense, awarding criteria and procedures of financial mechanisms such as the Green Climate Fund must be aligned to small producers and their organizations so that they can access available funding and manage it in an unbureaucratic way. Climate finance must deliver for farmers – with finance and partnerships at the farm-level that empower farmers to adapt and become more resilient, as well helping shift to net zero production on-farm.

We ask governments to support, enable and encourage sustainable partnerships: Partnerships will be more effective if farmers are at the centre of decision making. They know best how climate change is affecting their local environment, and how to make the changes necessary to become more resilient and more sustainable. In particular, farming communities must be able to steer the direction of insetting schemes and secure clear community and financial benefit from it, as well as a high level of additional carbon capture.

Businesses must pay fair value, fair prices, and adhere to fair trading practices to ensure producers have the resources to make the investment needed for climate adaptation and mitigation. This includes ensuring that the costs of complying with current and future environmental and climate legislation is not pushed down to producers through lower prices for the products they offer, and lower wages for workers.



New trade rules and regulations, the basis to achieve our common agenda

Global trade policy must support the highest environmental standards – to drive best practices, low carbon innovation, encourage the production and trade of sustainable products, and the uptake of green technologies along supply chains and an unwavering commitment to Human Rights, the SDGs, and the Paris Agreement - as binding/enforceable essential requirements in trade agreements.

We support initiatives to strengthen environmental regulations, such as those being pursued through the European Union or the UK's Environment Bill, aimed at tackling deforestation in value chains.

It will be crucial to have robust measures to penalise companies that do not comply with climate regulations, and to also ensure that smallholder farmers and workers are supported with the cost of complying with due-diligence measures. Binding legal framework conditions must be designed in such a way that they promote a sustainable way of doing business, prevent unfair competition, stop the exploitation of people and nature, and ensure that those affected get their rights and access to legal remedy.

It is not too late for more stakeholders to embrace the Fair Trade principles. The Fair Trade movement welcomes those that are looking for viable solutions, and can help avoid the worst consequences while partnering together to achieve Climate Justice. By working together, our collective climate actions will allow us to pursue the goals of the UN Decade of ecosystem restoration.

Signed by

