

# NO CLIMATE RESILIENCE WITHOUT TRADE JUSTICE

## SMALLHOLDER FARMERS MUST BE AT THE HEART OF THE GLOBAL CLIMATE CRISIS NEGOTIATIONS

The Amazon fires and the social explosions sparked by environmental degradation across the planet, coupled with globe-spanning strikes on Fridays for Future, bring to light the emergency of the climate crisis facing the planet at the time of the 25th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), COP25. At the centre of the crisis are smallholder farmers, who increasingly struggle with droughts, floods and with changing and unpredictable weather patterns. Many are

abandoning their fields and migrating as their adaptation strategy of last resort. Concrete and ambitious action is urgently needed to redress the concerns surrounding migration and food security risks that haunt the world's SDG aspirations. That is why the global Fair Trade movement urges the Parties of the UNFCCC to recognise that fair trading policies and practices are a crucial component of climate mitigation and adaptation strategies. Urgent investment is needed to build a climate-resilient economy based on social and economic justice.

### How Climate Change is exacerbating poverty and vulnerability of smallholder farmers

- > Additional stress on land exacerbates existing risks to livelihoods, food systems, biodiversity and infrastructure as well as human and ecosystem health;
- > Climate-related risks including those related to livelihoods, food and water supply are projected to increase with global warming;
- > Populations and especially women dependent on agriculture are disproportionately more vulnerable to the adverse consequences of global warming;
- > Smallholder farmers are facing droughts, floods, rising temperatures, and variations in precipitation, all of which affect their crop yields and product quality;
- > Without adaptation, global warming could decrease growth in global agricultural yields by up to 30% by 2050, which would affect over 500 million small farms around the world;
- > The climate crisis is expected to push more than 100 million people in the developing world below the poverty line by 2030;
- > Smallholder farmers contribute to feeding the ever-growing global population – in Asia and Sub-Saharan Africa they provide up to 80% of the food supply.

1. Intergovernmental Panel on Climate Change (IPCC), Special Report on climate change desertification, land degradation, sustainable land management food security and greenhouse gas fluxes in terrestrial ecosystems.
2. IPCC, Special Report on Global Warming of 1.50C.
3. Global Commission on Adaptation, Adapt Now: A Global Call for Leadership on Climate Resilience.

## Unfair prices undermine smallholders' resilience to climate change

The climate crisis is accelerating due in large part to current prevalent business models that put profit before the well-being of people and our planet. The vast majority of smallholder farmers worldwide, who number over 800 million, cannot invest in climate change adaptation and mitigation. Unfair trading practices in global supply chains leave many smallholder farmers without the means to invest in agricultural methods that would mitigate the impact of climate change. In addition, farmers are often unable to access finance or climate insurance schemes. Our current production and consumption models as well as the lack of regulation in favour of fair and sustainable business practices, especially in the agrifood sector, obstruct ambitious plans for environmental protection and make it more difficult to address the needs of those on the frontline of the climate crisis – smallholder farmers.

However, there are practical solutions to stop the unfair trading practices in global supply chains that aggravate the climate crisis. The Fair Trade movement was born in response to the dysfunction of conventional supply chains, which perpetuate

the poverty of marginalised communities across the world instead of fostering mutually beneficial trading relationships. The Fair Trade movement provides an example of a proven and working fair and sustainable business model, which offers better remuneration via a transparent and sustainable business partnership, ensures decent working conditions and empowerment of those at the frontline of climate extremes. The Fair Trade movement is active in calling for enabling public policies from governments, the EU, and within international institutions that will facilitate the transition to a fairer and more sustainable global economy. These efforts seek to bolster the resilience of smallholder farmers, as well as other types of poor and marginalised producers, artisans and workers, as an integrated part of business partnerships. The Fair Trade movement calls for and practices a new social contract between smallholder farmers, producers, artisans, and economic actors, governments and consumers in order to achieve the social and environmental sustainability needed to tackle the climate crisis.

**The Fair Trade movement calls on the Parties of the UNFCCC at COP25** to address the issues of unfair trading practices, power imbalance in value chains and sustainable production and consumption in the coming climate negotiations. Inequality and climate change are intrinsically linked and so are their solutions. Every year matters. Each decision counts. Every 0.1°C is crucial. Fairer ways of sharing the value along supply chains makes it possible to achieve social and ecological objectives while more equally sharing the burden of changing our unsustainable production patterns. To this end, we demand the parties to:

- > Make smallholder farmers part of the solution to the climate crisis and ensure they are included as stakeholders when drafting national climate action policies and in developing the Nationally Defined Contributions (NDCs). Smallholder farmers are not only the most affected and vulnerable to climate change but they also have traditional knowledge and experience in agriculture, which can be harnessed for solutions.
- > Develop national policies for allocating adequate and appropriate financial and technical support to smallholder farmers to enable them to implement and invest in interventions for adapting to the climate crisis to sustain their livelihoods.
- > Align awarding criteria and procedures of financial mechanisms such as the Green Climate Fund to small producers and their organizations so that they can access available funding and manage it in an unbureaucratic way. A particular focus should be put on women smallholders, considering their lack of access to technical support, capacity building and finance for climate adaptation and mitigation measures.
- > Promote mechanisms by which businesses internalise the costs of their unfair and non-climate friendly activities.

- > Develop trade and agricultural policies that increase transparency, incentivise climate action along food value chains and among their stakeholders e.g. by requiring businesses to exercise Human Rights Due Diligence in their trading relations with smallholder farmers without passing the costs of these measures on to the smallholder farmers.
- > Invest in agronomical research in areas most impacted by climate change and promote smallholder-centred resilient agricultural practices (e.g. preservation of biodiversity and agroforestry models that respect traditional knowledge and promote food sovereignty).
- > Promote sustainable consumption through public procurement policies, trade agreements, educational programmes, and other measures that promote SDG 12 as an efficient tool for agroecological transition and other measures towards mitigating risks from the climate crisis. This must include support for handicraft and similar carbon-neutral production methods that provide alternative, sustainable income generation. In sectors like coffee and cocoa, among others, this will help to address the major issue of deforestation.

## Conclusion

A new economy is possible but Fair Trade alone cannot meet the scale of the challenges posed by the climate crisis and the inequalities found in global value chains. The current global economic system urgently needs to be transformed, and the burden cannot be carried only by consumers demanding this change through their purchasing

decisions. National governments and, crucially, businesses across the world must collaborate to achieve a sustainable and inclusive economy. Addressing the climate crisis by ensuring trade justice is a vital tool for achieving this goal for the sake of both people and planet.

## Supported by the undersigned organisations

Commerce Équitable France

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Association Equo Garantito

Italian General Assembly of Fair Trade

EZA Fairer Handel

Fair Trade Advocacy Office

Fair World Project

Fairtrade International

Forum Fairer Handel

GEPA - the Fair Trade Company

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Polish Fair Trade Association

Scottish Fair Trade Forum

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World Fair Trade Organization



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