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Trade Justice: A key component of building smallholder farmers' climate resilience

Policy Statement of the Global Fair Trade Movement to COP 24

The 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), COP24, will be held from 3 to 14 December 2018 in Katowice, Poland. The recent Intergovernmental Panel on Climate Change (IPCC) Special Report “Global Warming of 1.5°C” clearly indicates that there are no physical, chemical, or technical hurdles to achieving the 1.5°C goal, but strong political will is required. The future of our planet depends very much on the political decisions made during COP24, and on their immediate, ambitious and consequential implementation in the current decade. Every year matters, every decision matters, every 0.1 °C matters.

Smallholder farmers, especially those with fewer than two hectares of land, are an essential component of our global food and farming systems. More than 500 million small-scale farms provide over 80 percent of the food consumed in the Global South, thus contributing significantly to poverty reduction and global food security. Yet smallholder farmers are disproportionately threatened by poverty and hunger, and are among those most vulnerable to the impacts of climate change.

As a broad-based movement of Fair Trade organizations, activists, researchers, Fair Trade enterprises and consumers committed to advancing economic justice, we have deep concerns about the negative effects that climate change is having on smallholder farmers and artisans all over the world.

Inequalities and climate change are intrinsically linked; so too are their solutions. That is why we urge the Parties of the UNFCCC to recognize fair trading policies and practices as an important component of climate mitigation and adaptation strategies. Transparency and binding international regulation of global value chains are urgently needed.

How Climate Change impacts the most vulnerable

Small-scale farmers and rural communities all over the world are suffering from the catastrophic effects of climate change. This includes extreme droughts, floods, rain failures, desertification, salinization of land, water scarcity, shortened harvest periods, shifting of cultivation areas, plant diseases, and insect infestations. Loss of production, lower-quality crops and higher production costs endanger food security and sovereignty as well as communities' livelihoods, drive migration from rural areas and overseas, and increase women and girls' burden of care.

To preserve their crops in the face of climate-induced epidemics and to mitigate the negative economic consequences, small-scale farmers are being forced to adopt less-than ideal short-term coping tactics such as resorting to intensive use of chemical inputs. Not only does this increase their production costs, it also carries high health and environmental costs including water pollution, deforestation, and negative health outcomes. These short-term coping mechanisms are exacerbating the impact of climate change on vulnerable communities.

The environmental, economic and social impacts of climate change are jeopardizing the future of agricultural and artisanal supply chains by affecting most those who have contributed least to climate change throughout history: smallholder producers and rural populations in the Global South. In a global economic context that features both extreme volatility of prices and unfair trading practices, adapting production and trade patterns to more frequent, intense and unpredictable climate extremes while maintaining a commitment to the principles of Fair Trade is extremely challenging for all actors along the global supply chain.

Trade justice is therefore an important way to achieve climate justice, by prioritizing the needs of smallholder producers and taking into account their increased vulnerabilities.

How Fair Trade is contributing to Climate Justice and to the Agenda 2030

Fair Trade addresses many of the UN Sustainable Development Goals (especially SDG 1, 2, 5, 8, 10, 12, 13, 15, 16, and 17). Over the last 40 years it has demonstrated that it is a transformative, innovative and holistic trade model capable of achieving sustainable development and poverty reduction by:

- empowering smallholder producers to access a fairer share of global value chains, thus increasing their access to finance and knowledge to adapt and develop resilient modes of production;
- encouraging climate-friendly farming practices through a premium for organic production and promoting environmental stewardship;
- strengthening the negotiating power of producers and workers and enhancing their individual and collective autonomy to rebalance the power within supply chains.

By integrating social, economic and ecological aspects, Fair Trade is contributing to increased climate resilience in global supply chains. However, Fair Trade alone cannot meet the scale of the challenges posed by climate change and the inequality in value chains; the current global economic system urgently needs to be transformed.

The International Fair Trade Movement calls on the Parties of the UNFCCC at COP24 to:

- 1. introduce transparency mechanisms, incentive systems and binding regulations for private actors to establish climate resilient and fair supply chains and to comply with their duty of care** e.g. through paying fair prices that enable decent living incomes all along the supply chain and cover the costs of sustainable production by smallholder farmers;
- 2. provide small-scale farmers and vulnerable communities financial support, farmer-focused trainings and technical expertise** to address the unavoidable impacts of climate change, recover from climate shocks and restore their livelihoods, and to implement effective climate mitigation and adaptation strategies;
- 3. promote mechanisms that address the internalization of the costs of non-fair and non-climate friendly economic activities** and facilitate tax incentives for CO₂-free agrarian products, e.g. through the introduction of a CO₂ tax;
- 4. ensure that the private sector in the Global South pays just and appropriate taxes and states invest in the development of resilient models** to climate change that benefit smallholder farmers and vulnerable communities;
- 5. invest in agronomical research in areas most impacted by climate change and promote smallholder-centered resilient agricultural practices** (e.g. preservation of biodiversity and agroforestry models that respects traditional knowledge and food sovereignty).

The core vision of the International Fair Trade Movement is to put fairness at the heart of economic relations – by truly valuing people and planet before profit. Strong partnerships and coalitions are needed to transform the current economic system that perpetuates inequalities among people and escalates the exploitation of the environment. A global response to the threat of climate change must also support poverty eradication and sustainable development to be effective. This requires prioritizing fairer supply chains and ensuring smallholder producers and all actors all along the global supply chains have access to the financial and technical means to implement climate resilient production and trade.

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