Fairtrade Foundation Written Submission to the International Development Committee's Call for Evidence on the UK's International Climate Finance. April 2026

1. **About Fairtrade:** The Fairtrade Foundation works with more than two million farmers and workers in over 70 countries across Africa, Asia and Latin America, and most of the UK's major retailers and brands, supporting producers to receive fair prices, decent working conditions, and community development premiums. These funds are reinvested in education, healthcare, housing, and environmental initiatives, directly improving quality of life.
2. **Reason for submitting evidence:** The Fairtrade Foundation advocates trade as a powerful engine for development, complementary to aid. While trade can drive growth and create jobs, aid can build capacity, remove trade barriers, and ensure equitable participation in global markets. This is why Fairtrade is deeply opposed to cuts in the UK's aid budget. Specifically, a reduction of £0.3bn per annum over the next three years to the UK's International Climate Finance (ICF) budget[i] means that this will now significantly less than the £11.6bn committed between 2021 and 2026[ii].

4. Trade, development and our shared environment and inextricably linked. Our food security depends on the wellbeing and sustainability of smallholder farmers and workers in low-income countries (examples given below). Aid is essential for addressing human rights and environmental violations, for example through education or women's empowerment programs. Despite ambitious targets, many farmers and workers have already seen a reduction in support from the UK Government over recent years, with the cut in ODA from 0.7 to 0.3% of GNI. Fairtrade's work across three decades has consistently demonstrated that a fairer trade system benefits everyone in the supply chain and that sustainable and inclusive trade is possible when development and environmental priorities are integrated. We ask the Government to take a holistic approach and align its development, climate and trade objectives and activities, to maximize the return on UK taxpayers' investment in these areas. The Fairtrade Foundation welcomes the International Development Committee's (IDC) current inquiry into the UK's International Climate Finance (ICF) commitment.
5. **Answer to the question on *'the impact cuts to aid spending will have on the UK's climate finance commitments'*** The UK imports nearly half its food, and about 16% from countries which are exposed to climate change and lack the capacity to respond. By significantly reducing the UK International Climate Finance commitment by £0.3bn per annum to just £6bn over the next three years, the climate emergencies of communities in which the overseas farmers and workers live, have been deprioritised. This comes at a time when farmers tell us that climate change has become their biggest challenge, as it is already disrupting harvests and fuelling food inflation around the world. As a result, the people who grow our food, and who are on the frontline of droughts and extreme

weather changes, will be less supported in adapting to climate change. In the long run, this will put the UK's food supply chains at risk, and this is why Fairtrade is deeply opposed to these cuts. Climate finance has never been more essential, especially at a time when overseas farming communities are already facing the effects of a significantly reduced ODA budget. The UK can and should play a leading role in supporting farmers' climate resilience.

6. Fairtrade Foundation's report *'Brew it Fair: Creating a Fairer Future for the People Behind the Tea We Drink' (2025)*[iii] found that climate change is already having a huge impact on tea growing communities. Several tea-growing regions such as Assam and Darjeeling are predicted to face substantial losses in production within decades, unless action is taken. With less rainfall, tea crops' dependence on irrigation is increasing, and pest activity, leaf quality and the impact of the changing climate on human health is all contributing to tea farming becoming more expensive against a backdrop of flattening prices and falling demand for the crops they have grown. Fairtrade tea growers and pickers consistently bring up the climate crisis as one of the biggest threats to their livelihoods. This is just one example of why cuts to the UK ICF budget will have a devastating impact on farmers and workers around the world, and on UK supply chains.

7. Recently published Fairtrade research, involving almost 500 cocoa farmers in Côte d'Ivoire,[iv] found that 58% of farmers interviewed said the biggest challenges they currently face are the climate change impacts on production (including changing weather, pests and disease). In many cocoa-growing countries, climate change has driven increasingly volatile prices and deepening financial instability for farming communities. For example, by 2050, large areas of West African growing regions will become unsuitable for growing today's cocoa varieties.[v]

8. The Fairtrade Foundation proposes that overseas farmers in the first mile of global supply chains are consulted in the design of ICF financial tools. Only they can offer critical insights into how international climate finance is being delivered, because they experience its impacts most directly. Their perspectives help reveal whether funding mechanisms are accessible, timely, and aligned with local realities, including climate risks, production cycles, and existing social and financial structures. Farmers can highlight practical barriers such as complex application processes, reliance on intermediaries, or finance arriving too late to support adaptation and resilience investments. By grounding climate finance discussions in lived experience, first-mile producers can help ensure resources are targeted more effectively, support locally appropriate solutions, and deliver measurable benefits for climate resilience, livelihoods, and sustainable production.

9. Fairtrade Foundation would welcome the opportunity to provide further evidence to the IDC's Inquiry at a oral session and/or by additional written evidence.

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[i] Official Development Assistance (ODA) programme allocations 2026/27 – 2028/29 Statement made on 19 March 2026, House of Commons.

[ii] UK International Climate Finance Strategy https://www.gov.uk/government/publications/uk-international-climate-finance-strategy 30 March 2023.

[iii] Brew it Fair: Creating a Fairer Future for the People Behind the Tea We Drink' (2025)

[iv] A new snapshot survey with 488 cocoa farmers in Côte d'Ivoire, carried out by the Fairtrade Foundation and Fairtrade Africa. The survey was gathered through 'FairVoice', a tool developed by Fairtrade which allows farmers and workers to share their experiences directly through their mobile devices. Survey - Kantar, Total sample 1279 (GB 16+), Fieldwork dates 3-5 February 2026.

[v] Climate change impacts on cocoa production in the major producing countries of West and Central Africa by mid-century. Paulina A. Asante, Eric Rahn, Niels P.R. Anten, Pieter A. Zuidema, Alejandro Morales, Danaë M.A. Rozendaal. Agricultural and Forest Meteorology Volume 362, 1 March 2025.