

Fairtrade Foundation submission to the IDC climate change inquiry ahead of COP26

1. About the Fairtrade Foundation

- 1.1** Fairtrade in the UK is part of a global Fairtrade system which supports 1.71 million Fairtrade workers in 73 countries around the world. Our vision is to make trade fair and secure a better deal for farmers and workers, contributing to the UK's wider climate crisis, international development efforts and achievement of the Sustainable Development Goals (SDGs).
- 1.2** Fairtrade welcomes the opportunity to submit evidence to the International Development Select Committee (IDC) inquiry into climate change ahead of COP26.
- 1.3** The Fairtrade Foundation is concerned that the worst effects of climate change will fall on those least responsible for creating the climate crisis and least able to adapt to these changes. This includes many of the farmers and workers responsible for growing much of the produce we import into the UK.
- 1.4** As the UK hosts COP26 later this year, the Fairtrade Foundation is calling on UK businesses and the UK Government to take measures to address the carbon footprint of the produce we import into the UK, to ensure the farmers and workers responsible for growing them receive the support they need both to adapt to climate change, and to help them shift to low carbon forms of production. UK climate finance can play an important role by funding targeted programmes aimed at both.
- 1.5** The Fairtrade Foundation recently released a report on the impact of the climate crisis on farmers and workers. You can read more detail, [here](#).

2. Fairtrade Foundation specific responses to the IDC inquiry questions

- 2.1 Question 1: The extent to which the Government has made progress on implementing the Committee's recommendations, particularly those on climate finance, climate justice, the use of ODA to support fossil fuels and making climate change a strategic priority in all aid spending;**
- 2.1.1** We welcome the commitment to end direct support for the fossil fuel energy sector overseas, as announced at the Climate Ambition Summit in December 2020.
- 2.1.2** We further welcome the commitment to deliver £11.6bn for climate finance over 5 years.
- 2.1.3** The UK's International Climate Finance (ICF) has included [welcome commitments](#) to resilience and adaptation through their Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) programme, and their Adaptation for Smallholder Agriculture Programme (ASAP).
- 2.1.4** We further welcome the commitment, and programmes, aimed at reducing deforestation in global supply chains. New Schedule 16 in the Environment Bill would introduce measures to tackle the use of certain 'forest-risk' commodities, such as cocoa, produced through illegal

deforestation on the UK market. The legislation would require UK businesses to conduct due diligence to ensure that their product does not come from illegally deforested land according to local laws, and businesses would face fines should they fail to comply. We do have some caveats, explained in paragraph 2.4.4.

2.2 Question 2: Any gaps that remain between what the Government has done and what it committed to do;

2.2.1 We remain concerned by the decision to cut UK aid to 0.5% of GNI, particularly in the year the UK is hosting both COP26 and the G7. ODA is extremely important for climate adaptation and mitigation efforts in lower income countries.

2.2.2 The Government has stated their desire to get agreement from world governments at COP26 for the commitment to spend \$100bn a year on climate finance. It will be harder to persuade other countries to increase climate finance when at the same time the Government is cutting ODA.

2.3 Question 3: The extent to which the Government's work to date on climate change and development has taken the UN Sustainable Development Goals and the needs of low-and-middle income countries and vulnerable groups into account;

2.3.1 The programmes that the UK's ICF have supported on adaption, resilience, and decarbonisation, are welcome. We would like to see them extended to include a greater number supply chains for produce with import into the UK, and on a greater scale.

2.3.2 Currently, our overseas emissions account for nearly half of those that the UK is responsible for, and the proportion is expected to grow to up to 80 per cent by 2050¹, so there is a clear environmental need to increase the amount of focus and finance on tackling these issues by the Government.

2.3.3 A proportion of these emissions are linked to food production and transport, with 10-15 percent of the UK's food imports coming from Asia, Africa and Latin America. The farmers and workers growing this produce are often some of the poorest people in the world, so solutions must achieve the twin goals of reducing emissions and helping them escape poverty.

2.3.4 There are significant opportunities to decarbonise on farm production, packaging and transport. Shifting to less intensive or agro-ecological production, for example, could achieve emissions reductions in terms of both fertiliser and pesticide use, and could deliver greater resilience to plantations alongside biodiversity gains. However, making this shift will cost money that most smallholder farmers do not currently have, and as such further investment will be needed.

2.3.5 We would therefore like to see the Government increase UK aid support for programmes to help farmers and workers adapt to climate change and decarbonise, as well as leveraging further private finance for these goals.

¹ <https://www.sciencedirect.com/science/article/pii/S1462901115001136#fig0010>

2.3.6 International climate finance should also be leveraged to help ensure a just transition for farmers and workers and protect economies and livelihoods in developing countries when there are moves to reduce the consumption of goods with large carbon footprints in ways that could impact on jobs and livelihoods.

2.4 Question 4: The potential of COP26 to address these remaining challenges effectively and the steps the Government needs to take if COP26 is to succeed in tackling them.

2.4.1 The Fairtrade Foundation has been calling on the Government to use the UK's hosting of COP26 to take a number of steps to address the UK's imported carbon emissions in four areas: setting the right targets; addressing the climate impact of trade; human rights and environmental due diligence; and climate finance.

2.4.2 Emissions targets / 6th Carbon budget: We welcome the Government's recent announcement that international aviation and shipping will be included in the UK's climate targets for the first time. It sends a strong signal that our imported emissions need to come down, and that greener freight options will be needed.

2.4.3 Trade: The UK Government should commit to trade policy, anchored in primary legislation, which safeguards the environment and human rights and encourages fair trading practices, provides transparency and gives parliament and civil society a voice in the negotiations.

2.4.3.1 Future trade deals must be accompanied by ex-ante and ex-post environmental impact assessments, in particular, modelling future trade agreements from the perspective of the change in emissions which will result – stimulating flows which have a low footprint, and disincentivising flows with high emissions.

2.4.3.2 We are keen to see trade policy which encourages the production of sustainable products and uptake of green technologies including through the use of subsidies and tariffs. Care must be taken that environmental import standards, or use of tariffs to discourage trade in higher carbon goods, does not adversely affect producers in the Global South².

2.4.3.3 Supporting trade for development objectives will support climate resilience and adaptation, ensuring farmers and producers have the investment needed to tackle the crisis. Promoting regional trade integration for developing countries (for example the Africa CFTA and African regional trading blocks) supports the development of export markets closer to origin, supporting growth while keeping transport emissions contained.

2.4.3.4 Compliance with sustainable development clauses and the Paris Agreement should be non-negotiable and binding elements of UK trade agreements, subject to strict enforcement.

² For example, a Border Carbon Adjustment Tax

- 2.4.4 HREDD (Human Rights and Environmental Due Diligence):** The introduction of a law to tackle deforestation in company supply chains as part of the Environment Bill is a welcome step forward. The Fairtrade Foundation welcomes the introduction of Schedule 26 in the Environment Bill 2019-21. This is an important step in the right direction, but we remain concerned that the legislation only requires businesses to meet national laws on illegal deforestation, and does not sufficiently include Human Rights, which are fundamentally linked to the issues around deforestation and poverty. We are keen to see the proposals made more robust, particularly through the use of secondary legislation, to avoid unintended consequences on the ground.
- 2.4.5 Finance:** As above, we urge the Government not to reduce UK ODA spending to 0.5% of GNI, and to increase the amount of climate aid spend on programmes that support farmers and workers adapt to the impact of climate change, to become more resilient, as well as helping them shift to more sustainable means of production.
- 2.4.6** In addition to supporting action in the above four areas, we are further calling on UK businesses support farmers and workers to decarbonise production systems. This includes ensuring that they can absorb the costs of more sustainable methods of farming, such as through paying higher prices to farmers and worker for their produce, which will help.
- 2.4.7** The above steps will be more effective if farmers are at the centre of decision making. They know best how climate change is effecting their local environment, and how best to make the changes necessary for them 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 them, as well as a high level of additional carbon capture.
- 2.4.8** By taking these steps, the Government and UK businesses can demonstrate leadership and encourage other wealthy, high emitting countries to take similar measures.