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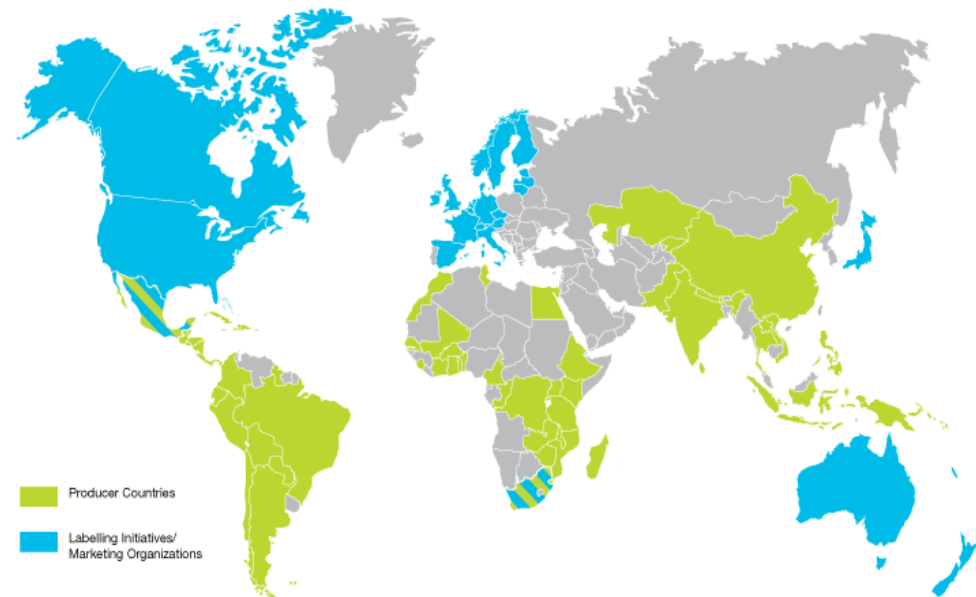
FROM OFFSETTING TO INSETTING – MAKING CARBON WORK FOR SMALL FARMERS



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Naivasha December 2011

THE GLOBAL REACH OF FAIRTRADE

- Offices in Bonn, San Jose, Cape Town & Bangalore
- More than 120 auditors located across 70 countries
- Approx. 2000 physical audits per year.
- Direct access to approx. 1.7 million small farmers & workers
- 20 Consumer countries in the North
- 54 producing countries in the South
- One global data collection system
- Closed supply chain certification system (cradle to gate)



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CONNECTING WITH LEADING BUSINESSES



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Fairtrade & Climate Change

Fairtrade Intl.

- **Advocacy (e.g. Durban)**
- **Standards (new GES)**
- **Producer Support**

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- **Footprint Assessments**
- **Insetting
(mitigation/adaptation
within FT supply chain)**

**When we talk about Climate Change we
advocate sustainable land management**

WHAT FAIRTRADE SMALL FARMERS REPORT

- Yields are declining **76%**
- Not able to afford adaptation/mitigation **83%**
- Knowledge about carbon labelling/purchasing requirements **64%**
- Carbon Footprinting requested **20%**



WE CERTIFY

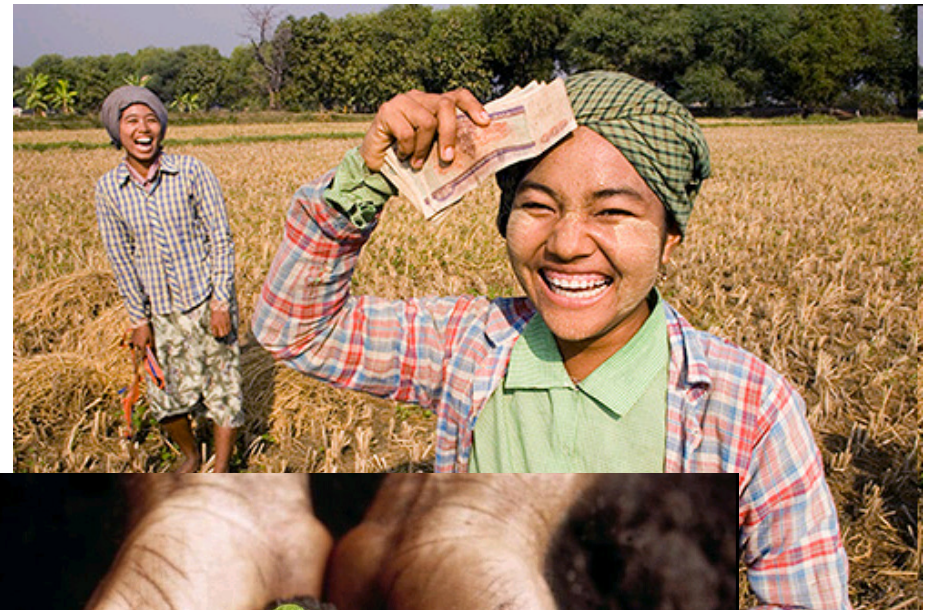


RECENT MARKET DEVELOPMENTS

- **Unilever:** all suppliers to reduce EF by 50%
- **Unilever:** 100% sustainable procurement of agricultural materials
- **Tesco:** all suppliers to reduce CF by 30% over 10 years
- **WalMart:** Supplier sustainability questionnaire – preferential purchasing – new targets set for reduction
- **REWE Pro Planet:** Sustainability umbrella label on all products over 10 years
- **Carbon labelling market size UK:** 2 billion £ in 2 years (FT UK – 1 billion £ in 15 years)

WHAT DO WE WANT TO ACHIEVE?

- **Cost efficient** systems for carbon accounting/data generation – we're a local global service provider
- **Generate funding mechanism** for **adaptation** through *Insetting*



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Our take on Product Carbon Footprinting

PCF Assessments can be seen as:

1. Marketing Tool
2. Monitoring Tool on farm level

Our assessments:

- Footprint Expert Tool/Cool Farm Tool
- PAS 2050/WRI compliant
- Verified primary data

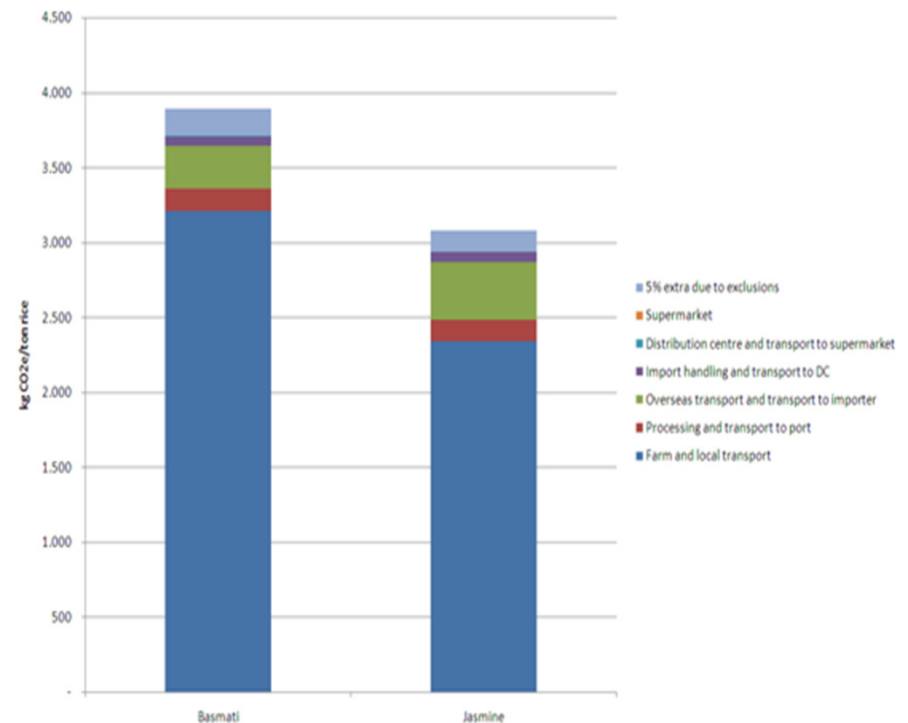


PRODUCT CARBON FOOTPRINT ASSESSMENTS

PCF Assessments* completed for:

- Rice from India and Thailand
- Flowers from Kenya and Ecuador
- Coffee from Nicaragua and Peru
- Coffee from Tanzania
- Tea from Kenya and India
- Bananas from Peru, Panama, Costa Rica, Ecuador

*Mostly cradle to gate, but also up to farm gate/import level PAS 2050 assessments



Insetting

- We challenge buyers to re-direct off-setting investment into projects in own supply chain
- *Insetting* is investing in projects that have an adaptation outcome in a product supply chain
- Advantages of *Insetting* projects on farm level:
 - Additional income for producers
 - Increased resilience against Climate Change
 - Buyers secure their own supply
 - Buyers get Carbon Credits with a real meaning
 - Reduced carbon footprint of the product being produced (e.g. through yield increases)

Insetting in Horticulture

- Slightly more complex to intervene in production
- Potential solution is to look at worker community:
 - Efficient cookstoves to reduce need for firewood
 - Water filters that make boiling water superfluous and reduces need for firewood
- Two major European Supermarkets committed to this approach



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THANK YOU

