



# Climate change adaptation and addressing deforestation along the coffee value chain



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# Outline of presentation

- \* Background 'Fairtrade Carbon Partnership' in Ethiopia
- \* Objectives and components
- \* Financial mechanisms
- \* Adaptation activities on the ground
- \* Involving the coffee industry – carbon neutral coffee
- \* Summary/ unique feature of the project
- \* Next steps

First animation video as part of the marketing of Carbon Coffee



# Coffee Carbon Partnership

\* Initiated by:

**ICCO** (Dutch interchurch organization for development cooperation)

- \* Based in Utrecht, The Netherlands with 8 regional bureaus globally
- \* About 90 million euro yearly budget
- \* and

**Max Havelaar Foundation**

- \* Founder of the Fairtrade labeling system 25 years ago
- \* and responsible for the marketing in the Netherlands

# Why coffee, why Ethiopia?

- Coffee is the world's favorite beverage and second-most traded commodity after oil
- Arabica coffee has its origin in Ethiopia,
- coffee forest recognized by UN as gene pool for coffee Arabica, 98% coffee variety ( eg. decaffeinated coffee,)
- Deforestation is a threat to the (wild) coffee forest/ genetic pool
- 33% of Ethiopians export income comes from coffee
- 98% of Ethiopian coffee comes from small scale farmers
- Agricultural system overwhelmingly rain fed, very vulnerable to climate change



# Project in Ethiopia

## Project objectives:

- \* Increase and diversify the income of small coffee farmers to help farmers cope with climate change
- \* Protect the natural (coffee) forest and reduce deforestation in the coffee regions

# Major project components

## South

- Livelihood diversification = increase resilience
  - cook stove dissemination
  - (coffee) forest protection
- = carbon credit generation

## North

- \* Coffee roasters buy these carbon credits in order to compensate the CO<sub>2</sub> emissions in the entire coffee chain

-> carbon neutral coffee

# Project partners

Project partners	Role
<b>ICCO and FairClimateFund</b> (part of ICCO)	<ul style="list-style-type: none"> <li>• Technical support in developing the project in Ethiopia</li> <li>• (pre) finances projects</li> <li>• Buying and selling carbon credits</li> <li>• Carbon footprint services to roasters</li> </ul>
<b>Max Havelaar Foundation Netherlands</b>	<ul style="list-style-type: none"> <li>• Involves licensees (coffee roasters)</li> <li>• Linking with the coffee roasters</li> <li>• Internationalization</li> </ul>
<b>OCFCU and selected primary coops</b>	<ul style="list-style-type: none"> <li>• Trade partner Fairtrade coffee and credits</li> <li>• Manages the program for its members</li> </ul>
<b>Supporting partners in Ethiopia (responsible for the 3 projects)</b>	
<b>HoA-REC</b> (Horn of Africa Regional Environment Centre)	<ul style="list-style-type: none"> <li>• Coordination the Program</li> <li>• Cook stove project</li> <li>• Carbon aspect of the 3 components</li> </ul>
<b>ECFF</b> (Environmental Coffee Forest Forum)	<ul style="list-style-type: none"> <li>• REDD+ carbon development</li> </ul>
<b>Farm Africa</b>	<ul style="list-style-type: none"> <li>• Climate Smart Agriculture, Participatory Forest Management,</li> </ul>
<b>OFWE</b> (Oromia Forest and Wildlife Enterprise)	<ul style="list-style-type: none"> <li>• Support income diversification of farmers</li> </ul>

# Financial mechanism

1. Carbon project developed and registered

2. FairClimateFund (part of ICCO) provides pre-finance and takes carbon credit in return

**carbon neutral Fairtrade coffee**



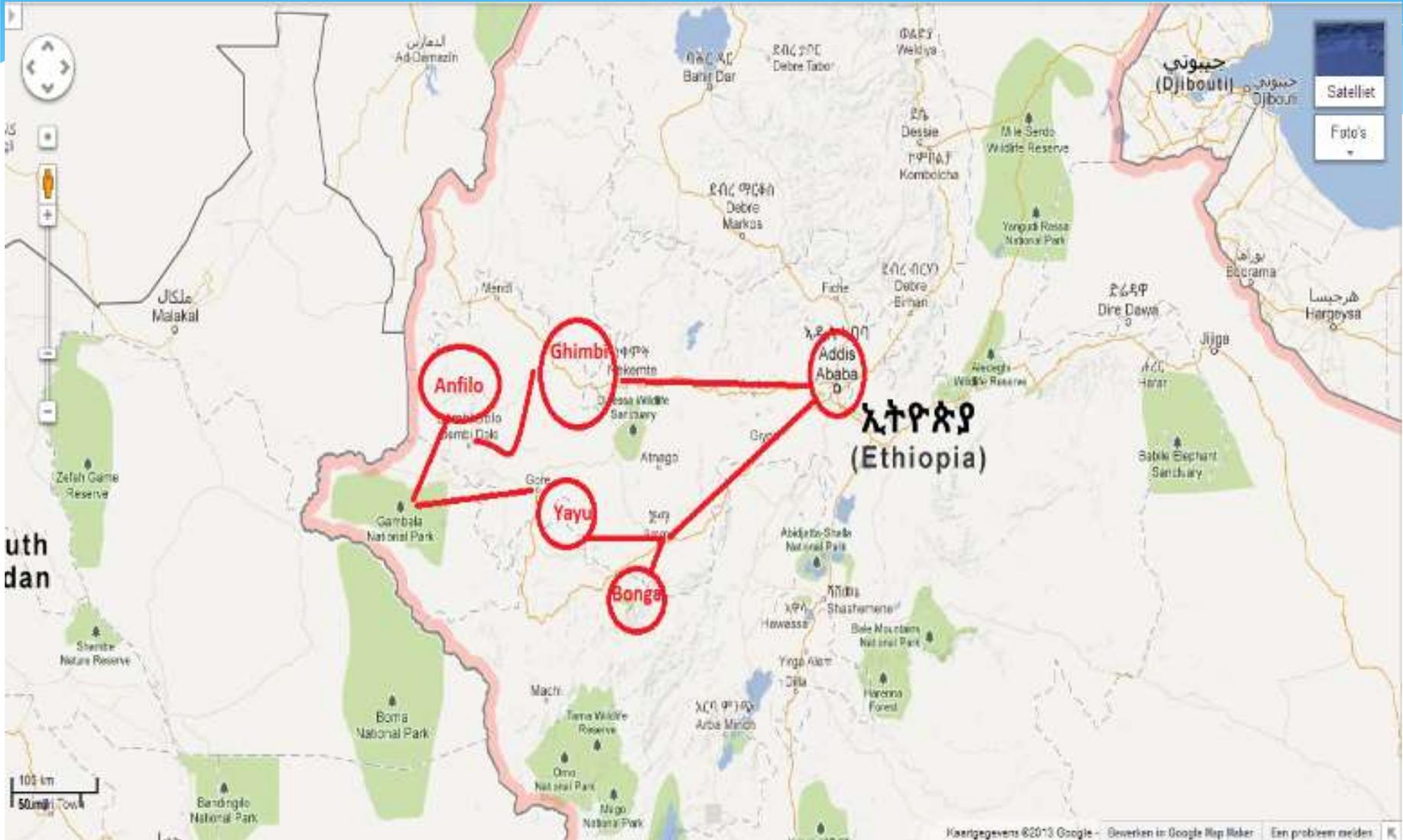
5. Coffee roasters compensate the carbon footprint entire coffee chain



3. cook stoves, REDD+ and livelihood diversification financed and carbon credit generated

4. These carbon credits (GS) are sold by FairClimateFund to coffee roasters in NL

# Project location



# Cook stove: traditional cooking on 3 stones



# 1. Improved cook stoves

- \* improved cook stoves are disseminated by the coffee cooperative
- \* Is paid partly by the income from carbon credits and partly by paid by the farmers
- \* Improves the welfare of the farmers specially women and children
- \* cook stoves are produced locally and creates job opportunities
- \* Generates carbon credits



## 2. Livelihood/ resilience



## 2. Livelihood/resilience

- \* Improving the quantity and quality of coffee by improving productivity (pruning, better facilities for processing the coffee on the farm)
- \* Additional crops and products that go with coffee (spices, honey)
- \* Increasing food production: better varieties, new crops, better techniques like irrigation
- \* Enhancing (local) market access for all products

# 3. Coffee forest protection





# Yayu coffee forest



# REDD+

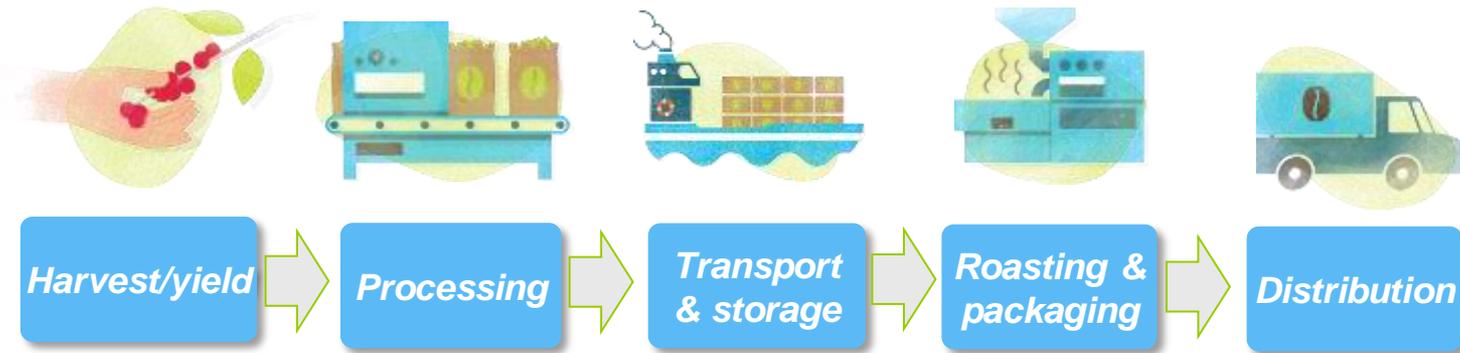
- \* Yayu and Kaffa have wild coffee forests contain the coffee Arabica gene pool
- \* Protect the (coffee) forest through REDD+ activities
- \* Generate carbon credits, ensure that the indigenous population benefits and that the forest is protected

# Active involvement of companies



# New product: Fairtrade Carbon neutral coffee

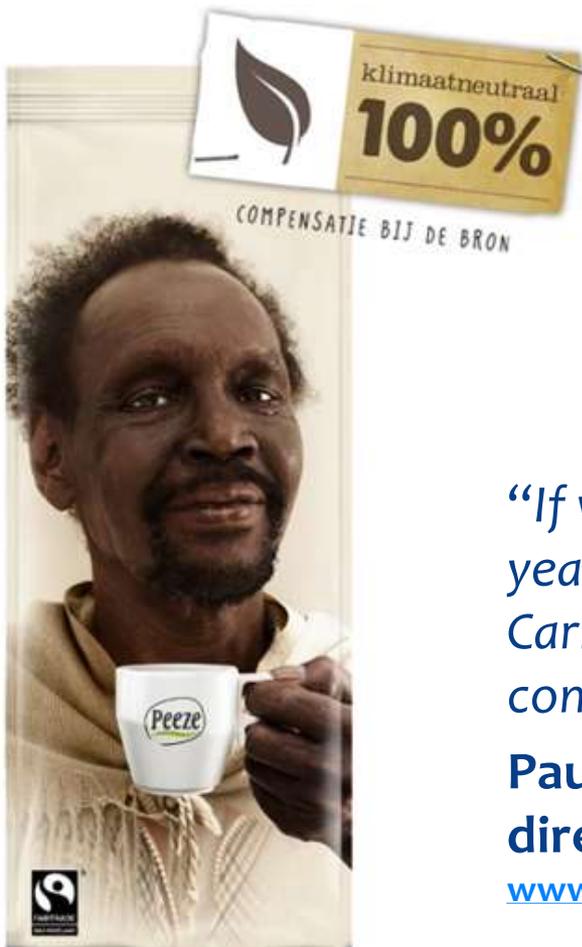
The coffee roaster calculates the CO<sub>2</sub>e emissions\* in the whole chain, reduces his own emissions and compensates the remaining CO<sub>2</sub>e emissions with carbon credits from the coffee farmers in Ethiopia



\*Average: 2,36 CO<sub>2</sub>e equivalent emissions / kg roasted coffee

Source: 'Towards CO<sub>2</sub>-Neutrality: Greenhouse Gas Emissions of Producing Coffee', Ecofys, Utrecht.

# Ensuring value in the coffee chain and industry



*“If we still want to drink this nice cup of coffee in 25 years, we have to talk about it now. This Fairtrade Carbon Partnership that we have aligned to, brings a common responsibility to the forefront.”*

**Paul van der Hulst,  
director of Peeze coffee roasters**

[www.fairverhaal.nl/](http://www.fairverhaal.nl/)

# Launch of Fairtrade carbon neutral coffee

at the 25<sup>th</sup> anniversary of Max Havelaar Netherlands



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## Heel zuivere koffie voor prins Carlos

donderdag 14 nov 2013, 17:22 (Update: 14-11-13, 22:51)



Prins Carlos kreeg het eerste pak klimaatneutrale Fairtrade koffie overhandigd. Stichting Max Havelaar

Het eerste pak eerlijke én klimaatneutrale koffie is vandaag overhandigd aan prins Carlos.

De presentatie van het pak klimaatneutrale Fairtrade koffie is onderdeel van het jubileumevenement ter ere van 25 jaar Max Havelaar. Toen nam prins Claus het eerste pak eerlijk verhandelde koffie in ontvangst.

Met de koffie moeten 30.000 Ethiopische koffieboeren en hun families geholpen worden, door een eerlijke prijs te betalen voor de koffie. Ook krijgen ze hulp als ze worden getroffen

On November 14th 2013, during their 25th year anniversary celebration, the Max Havelaar Foundation (in collaboration with ICCO) launched Fairtrade carbon neutral coffee.

The event was marked by the presentation of the first pack to the Dutch **Prince Carlos de Bourbon de Parme**

# Unique approach

- \* Mobilizing coffee companies to reduce and compensate their coffee carbon footprint
  - \* Strengthen business relationships within the coffee chain
  - \* Carbon credits receive a premium price
  - \* Generates resources from the coffee industry to be invested in the sector
- 
- protect the coffee gene pool and ensure we have coffee for years to come
  - building the self-reliance of small holder coffee farmers

# Next steps

- \* This pilot project is being scaled up in the coffee chain in EU
- \* Same principle is being used in other product chains (eg. tea, rice) to mobilize private capital (from the North) to build the reliance of farmers

# Thank you!!

