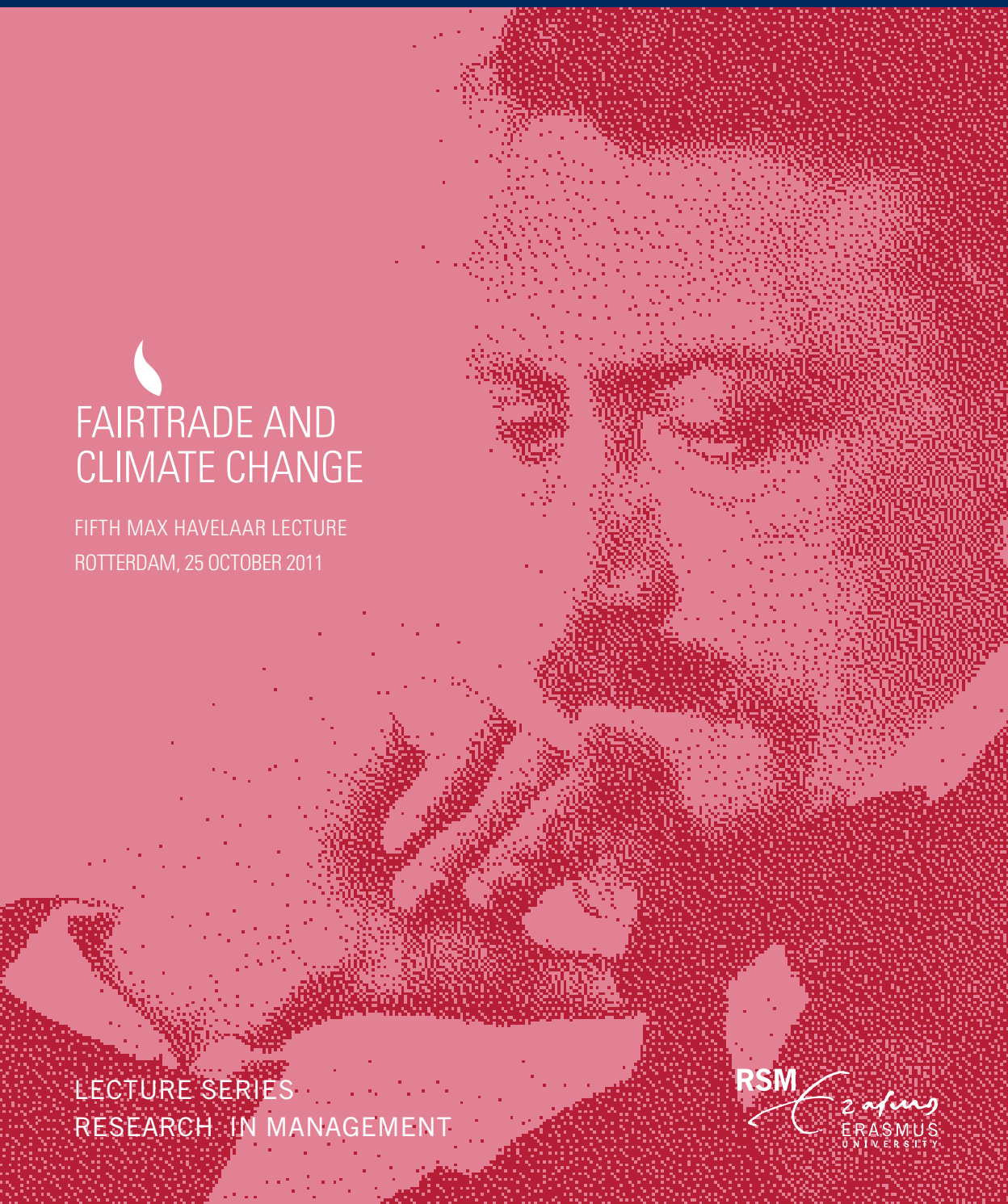
ROTTERDAM SCHOOL OF MANAGEMENT
ERASMUS UNIVERSITY

MAX HAVELAAR LECTURES



FAIRTRADE AND CLIMATE CHANGE

FIFTH MAX HAVELAAR LECTURE
ROTTERDAM, 25 OCTOBER 2011

LECTURE SERIES
RESEARCH IN MANAGEMENT

RSM Erasmus University

FAIRTRADE AND CLIMATE CHANGE

FIFTH MAX HAVELAAR LECTURE

ROTTERDAM, 25 OCTOBER 2011

Rotterdam School of Management
Erasmus University
Internet: www.rsm.nl

Max Havelaar Lectures Series
ISBN 978-90-5892-279-3

Design & print
B&T Ontwerp en advies (www.b-en-t.nl)

This publication (cover and interior) is printed on recycled paper, Revive®. The ink used is produced from renewable resources and alcohol free fountain solution. Certifications for the paper and the printing production process: Recycle, EU Flower, FSC, ISO14001.

Table of contents


really
achieving
large
tripartite
agricultural
rural
companies
paper
number
context
words
look
Fairtrade
change
address
Max
process
Fund
create
Network
India
work
global
sustainable
World
NGOs
role
point
set
way
make
international
countries
food
providing
aim
activities
public
level
carbon
policy
partnerships
getting
going
good
Schipper
position
projects
trade
development
need
actually
Initiative
different
mitigation
people
adaptation
potential
vulnerability
Action
farmers
think
organizations
electricity
considered
reduce
goals
areas
insurance
climate
issue
market
use
cities
years
Institute
related
term
local
et
corporate
finance
environmental
poverty
energy
coffee
Bank
production
help
nature
contribution
reduction
economic
industrialized
focus
long

ABOUT ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

RSM is the business school of Erasmus University. RSM aims to be at the leading edge of future management issues by offering a cohesive package of university-level education, research and professional services, and by being attractive to an international market of students, executives and commercial enterprises. The school offers an extensive portfolio of management courses (including BSc in Business Administration / Business Management, MSc in (International) Business Administration, part-time diploma in Business Management, PhD in General Management, (full-time and executive) MBA programmes, specialist Masters and in-company training. Most of RSM's research programmes are given at the Erasmus Research Institute of Management (ERIM). The school is a member of several leading international networks, including the Community of European Management Schools (CEMS) and the Partnership in International Management (PIM). RSM has approximately 7,500 students and 450 members of staff. RSM can boast a triple crown accreditation (AACSB, AMBA and EQUIS), as well as Dutch NVAO and KNAW for ERIM.

Over the past 43 years, Rotterdam School of Management, Erasmus University, has firmly established its reputation as one of Europe's leading business schools. Long before 'global' became an important descriptor for business education, RSM's students, faculty and staff were already reflecting the diversity of the globalising world. Just like our host country, one of the world's renowned international trading nations, RSM has continued to expand and internationalise, cementing its status as one of Europe's most international and innovative business schools. RSM offers a distinctive intellectual culture, believing that leadership can be taught through a combination of intellectual and practical challenges. We believe that the difficulties encountered working in diverse teams fosters creative new approaches in business. We enjoy a reciprocal, supportive relationship with multinational companies. RSM encourages a flexible, broad and sometimes iconoclastic mindset in matters of business

practice and research. This distinct approach has helped RSM to establish a portfolio of top-ranked programmes, as well as one of the largest and most prolific management faculties in the world.

About the B-SM Department at RSM
The Department of Business-Society Management (B-SM) was founded in 1999 as one of the seven departments of Rotterdam School of Management, Erasmus University. More than 30 researchers and professors work for the Department. They are active in education, research, and also provide external services. Their research is published by many top journals including: Academy of Management Journal, Academy of Management Review, Business Ethics: A European Review, Business & Society, Business & Society Review, European Management Journal, Journal of Business Ethics, Journal of Corporate Citizenship, Journal of Management Studies, Journal of World Business, and Corporate Reputation Review.

Corporations face many challenges. Increasing worldwide integration creates an array of opportunities and threats for both business and civil society. All over the world communication has increased, as has income inequality. Technological developments change the corporate environment, governments and societal organisations. Environmental problems lead to creative solutions in some countries, but they also stimulate companies to relocate to countries with less restrictive legislation.

The production of goods that were traditionally labelled ‘public goods’, such as education, electricity supply, infrastructure development, public transport and telecommunications, are confronted with market principles, deregulation and privatisation policies. Companies are on the one hand expected to operate ‘lean and mean’ in order to meet international competition, while they are, on the other hand, being held accountable for the consequences and effects of their behaviour on society. It is not clear which strategies are ideal in the long run and which will lead to the best results for both business and society.

The research programme of the Department of B-SM addresses the relationships and communications between companies, stakeholders, governments, international institutions and civil society. These interfaces are studied from several different perspectives, such as a normative, institutional, strategic, and communicative. It is hypothesised that if these interfaces are managed effectively this will considerably improve the functioning of companies, stakeholder relations, markets, governments, and thus, the functioning of society in general.

www.rsm.nl/home/faculty/academic_departments/business_society_management

ABOUT THE PARTNERSHIPS RESOURCE CENTRE

The Partnerships Resource Centre is an open centre where academics, practitioners and students can create, retrieve and share knowledge on cross sector partnerships for sustainable development. The centre (carries out and commissions) fundamental research, develops tools and knowledge sharing protocols as well as web-based learning modules and executive training. Most of these activities are open to the general public and are aimed at enhancing the effectiveness of partnerships around the world. The centre's ambitions are to have a high societal as well as scientific impact (resulting in citation scores in academic as well as popular media). It should function as a source of validated information regarding cross sector partnerships, a platform for exchange of information and a source of inspiration for practitioners around the world.

The Partnerships Resource Centre contains four different tracks of research and activities: portfolio development, global value chains development, effective public goods provision and issue management. The tracks have been identified as the most promising, but also the most difficult, complementary areas for further progress in partnerships research and management. They are aimed at bringing together supply and demand in a 'researchable' format, while also making sure that knowledge can be effectively disseminated to policy makers and practitioners alike. The tracks are organised as learning networks with the ultimate aim to link them to actual (decentralised) partnership processes in developing countries in order to guarantee application of the generated knowledge in favour of poverty eradication and sustainable development.

Each track focuses on a particular type of partnership:

1 from the perspective of individual actors: *Partnership Portfolio development*

2a bi-partite partnerships primarily between profit and non-profit parties: in *global value chains*

2b bi-partite partnerships primarily between public and private parties: in the effective *provision of public goods*

2c tri-partite partnerships to *approach and solve issues.*

Four complementary levels of analysis/approach are therefore represented in the Resource Centre: actor, chain, nation, issue.

For more information: www.partnershipsresourcecentre.org

ABOUT THE MAX HAVELAAR FOUNDATION

The Max Havelaar Foundation strives towards fair and just relations world-wide. Central to its policy is sustainable production, trade and consumption. The foundation offers access to international trade with favourable conditions for farmers and workers in disadvantaged parts of the Third World, so that they can build a better future for themselves. This means consumers and retailers must also pay enough to cover social and environmental costs. This means that products such as coffee, tea, fruit, cocoa, wine and cotton can have the Max Havelaar trademark when they follow the Max Havelaar guidelines. The Max Havelaar initiative has been followed in 20 different countries among which are most European countries, the U.S.A. and Canada. Max Havelaar is not a brand but a trademark for fair trade. This means that products can have the Max Havelaar trademark when they follow the Max Havelaar guidelines.
The foundation co-operates with three other players:

1. The registered producers: co-operatives of small farmers and plantation holders in developing countries.
2. Licence holders: Dutch companies and importers.
3. Consumers.

The foundation owns the Max Havelaar trademark and submits licence holders to close scrutiny as it does not sell products itself. Licence holders are Dutch producers or importers of coffee, chocolate, tea, honey, bananas or orange juice. They have to comply with certain conditions of trade and be prepared to submit themselves to checks. The licence holders trade with farmers' co-operatives and plantations that are registered with Max Havelaar to offer their produce.

Where does the name Max Havelaar come from?
The author Eduard Douwes Dekker was an assistant resident in one of the districts of the former Dutch East Indies, the present Indonesia in the 1850s. Douwes Dekker could not reconcile himself with the politics of the colonial government who forced the countrymen to work for the Dutch coffee plantations on a massive scale to the extent that they had to neglect the cultivation of food crops, resulting in famine. Douwe Dekkers published a novel: *'Max Havelaar: Or The Coffee Houses Of The Dutch Trading Society'*, in 1860. ***www.maxhavelaar.nl***

ABOUT THE MAX HAVELAAR LECTURE

Max Havelaar is the world's first Fairtrade labeling organisation. Since 1988, the Max Havelaar certification mark has been used to guarantee consumers, that their products have been traded under fair conditions. From the vision that people can only maintain their families and communities through sufficient income from labour, a strategy was developed that addresses poverty alleviation through entrepreneurship. The standards that have been set support farmers in achieving a better deal for products such as coffee, tea, fruit, cocoa, wine and cotton. The Max Havelaar initiative has been followed in 20 different countries among which most European countries, the U.S.A. and Canada. Together with these initiatives Max Havelaar founded the international Fairtrade Labelling Organization (FLO). Max Havelaar is set up as a not-for-profit foundation and does not trade, but inspires and stimulates market actors to develop a market assortment under Fairtrade conditions.

Fairtrade has been rather successful in the past years. More than a million farmers and their families benefit directly from Fairtrade. Impact studies have shown that development impact through trading co-operatives is significant. Total consumer turnover in 2006 was 1.6 Billion Euros. The Fairtrade initiative has stimulated other actors to develop other sustainability certification schemes, which are welcome. However, none of them has the unique Fairtrade trading conditions that guarantees farmers a price and investment covering price for their products, provided that they find market under the label.

The lecture

Poverty alleviation constitutes a multi-faceted problem. It is on the one hand extremely local and leads to enormous deprivation of at least half of the world's population. But on the other hand, it is an extremely international problem as well through the operation of global markets – in particular of resources – and the functioning of value chains. It has increasingly become acknowledged that the role of corporations and the private sector is vital for sustainable solutions to poverty.

Entrepreneurial solutions are often considered preferable to the traditional approach of development aid and subsidies. Micro-credits and fair trade labels are typical examples of this new development paradigm. At the same time, however, it is clear that the involvement of private (international) corporations is far from undisputed. The claim that the profit maximisation strategies of private corporations can 'solve' poverty requires substantial modifications. It is obvious that some strategies are more effective than others. The integration of developing countries in the international supply chains of multinational corporations can have positive and negative repercussions. The new development paradigm therefore is not yet established, let alone undisputed. The Max Havelaar lecture stimulates the thinking on these issues in a balanced manner, without making use of the usual simplifications either in support of or against the involvement of firms in development. The Max Havelaar organisation is proof of this approach: it is aiming at a continuous improvement in its strategy towards labeling products – increasingly in a variety of partnerships with NGOs, corporations and governments.

Aims

The Max Havelaar lecture has seven aims:

- Provide a platform for the presentation of state-of-the-art scientific insights into how sustainable business and development cooperation can be combined
- Discuss the advantages and disadvantages of the involvement of corporations in poverty alleviation in a systematic and non-ideological manner
- Address the complexities of sustainable development rather than engage in simplifications on poverty, in order to come up with realistic – and obtainable – approaches to address in particular poverty (Millennium Development Goal 1)
- Discuss the strengths and weaknesses of specific approaches such as trade marks, codes of conduct, reporting or governance measures
- Provide an arena in which innovative ideas can be launched
- Consider development as part of international value chains in which a fair distribution of income, power and knowledge is an issue that affects both developed and developing economies
- Start a structured dialogue on shaping the preconditions for effective partnerships between public and private parties (including firms and NGOs) for development (Millenium Development Goal 8)

Organisation

The lecture is an annual event. Each year, a leading scholar in the field is invited to hold the key lecture which will be made available to a wider audience around the world. The 45-minute lecture will have an academic standing and is hosted at Erasmus University Rotterdam, partly as a legacy to Jan Tinbergen, the former Nobel Prize Laureate in economics and a leading thinker on sustainable development. The second and third lecture were financed by the Max Havelaar Foundation and the Triodos Bank as evidence of its commitment to high quality dialogue on the most effective approaches to poverty alleviation. The lecture is open to the public and provides an occasion where policy makers and the scientific community can meet. It is organised in co-operation with the Erasmus Research Institute of Management (ERIM), the Expert Centre for Sustainable Business and Development Co-operation (ECSAD), the Department of Business-Society Management at RSM and the Partnerships Resource Centre (PRC). The first Max Havelaar lecture was held in October 2007.

OPENING STATEMENTS PASSIONATE ABOUT FOOD [AND CLIMATE]

Peter d'Angremond, Director Max Havelaar Foundation
Lisette Kreischer, Stylist in Idealism, Trend Watcher Sustainability of the year 2010 and nominee Trend Watcher Food 2012

Peter d'Angremond: It is very much an honour and a privilege to be here in Rotterdam for the fifth time in a row. We, the Max Havelaar Foundation, especially thank the Rotterdam School of Management, as well as the Erasmus University, who are both hosting this lecture. Also, I would particularly like to thank two persons: one is Jochum Veerman from the Max Havelaar Foundation, and the other is Rob van Tulder. The two of them have once again put together a fantastic programme – as they have done for the past four editions of this lecture. Please join me in an applause to thank those two people. In the line of organizations and people whom I wish to thank, I would also like to thank Triodos, which is a very loyal and dedicated sponsor of this event. Without their contribution this could not have taken place. It is not only their financial contribution, but also a contribution in content, thinking together with us as to how to shape this particular event. Koert, thank you very much. Also to the ISS – the Institute of Social Studies – which is also participating today, thank you very much for working together with us.

Allow me to say a few words about Fairtrade. Fairtrade is, as you all know, all about sustainable production: fair to human beings and fair to the climate. It is also about fair trading – eventually with the end objective to drive impact for farmers; actually enabling farmers to structurally escape the spiral of poverty. That is something I am pretty sure you all know and, as a matter of fact, if we look at consumer research consumers are pretty aware of what Fairtrade is all about. Fairtrade is actually a very well-known brand. Why organize a Fairtrade week? – Because actually this event is not only a lecture, it is the kick-off of the Fairtrade week. Well, we still want to organize the Fairtrade week because we really have to

focus on behaviour. A lot of people are aware of what Fairtrade is, what it is all about, they know the Fairtrade label. But if you look at consumption that could still definitely increase. For this reason, focus in this particular Fairtrade week is very much on the shopping list.

What you see in front of you – and I will show it to you – is this particular booklet that contains a message from Fairtrade, but it also provides you with a piece of paper that you can use to build your own shopping list. I just want to share with you my favourite shopping list. It is actually inspired by Elvis, and it is an interesting combination - where Fairtrade can join the legend of Elvis. I don't know if any of you are getting a hunch about what Elvis has to do with food, and particularly with Fairtrade food, but as you may know there is a very famous American sandwich which is called the Elvis sandwich. You build it from a piece of bread that you spread richly with Fairtrade peanut butter, you put two slices of Fairtrade banana on top of this and you actually finish it off with a nice dip of honey – and it tastes fantastic! This is just a small example of how a simple, very delicious, Fairtrade sandwich can already lead to three Fairtrade products on your shopping list. So please be inspired. I hope I have already triggered your appetite a little, and now I think it is a good moment to introduce Lisette Kreischer. Lisette is actually the person responsible for the precious little box in front of you. Before you explain a little bit about it, Lisette, can you say a few words about yourself: who you are and what you do?

Lisette: Hello, good evening. I suppose you could call me a vegan activist, but I am really just someone who is very passionate about food! Food is something we have every day, a lot of the time, all day long, all our lives. It is important to check that everything you put in your mouth has come from a good country, or good people, and that it is good for your body. I am very passionate about knowing where my food comes from, and whether it is good for my body. I am just passionate about food!

Peter: Can you share with us a little bit of the passion you have for Fairtrade food?

Lisette: Yes, I can! Most of the day I eat because it is fundamental to life, like breathing. We cannot do without food, if it wasn't for food we could not be sitting here. Every time I take a bite I like to think about where my food comes from, and how it was produced. Who is behind the food? Who made it for me? When I think about that my food becomes so much more fun. If I know that people are paid properly and are treated in a good way it becomes even more fun. Food is great!

Peter: Excellent! Thank you. I think our audience is really keen to find out when and how they are actually allowed to open that precious box. Perhaps you could explain a little bit about that – when are we actually going to open those boxes?

Lisette: I was asked to think of something nice for you this evening, and I thought that since you would be hearing all these great Fairtrade stories it would be important for you to also have the Fairtrade taste. I combined the two in this little box. You see seven little snacks; each one contains the favourite ingredient of one of these speakers. The point is, that when a speaker is about to tell you his story, you first have to eat his snack! You will feel and you will live the Fairtrade taste and his story! Do not take any of the other snacks, you will have to wait. The whole evening you will have little snacks from these speakers.

Peter: I hope we are disciplined enough to do it that way! Thank you very much, Lisette. It is a very precious box you have in front of you, but actually you can make this Fairtrade food yourself every day. It is very simple actually. When you are shopping take a little bit of notice of what you are putting in your shopping cart or trolley. Just by being aware of what you buy you can literally contribute to a better life for farmers in developing countries, and enable them to take care of their own development. That is really something very valuable and very important.

IT IS ALL ABOUT BEHAVIOUR

Korrie Louwes
Alderman and deputy Mayer of the City Council of Rotterdam

It is good to be here at the Erasmus University and to see that so many have joined us today for such an interesting and important theme – Fairtrade products, and sustainability. It is good to see that you have a whole week of enjoying Fairtrade products and hearing about sustainability. We need to ensure it becomes bigger and bigger. It is important that we work together on this important issue. It is a big 'we' – it is about supermarkets, canteens, schools and universities. It is good to see that we can all combine our strengths. It is good to see an interesting programme, with wonderful speeches, but it is a pity that we can only have the snacks during the speeches – I'm someone who likes to have dinner at 6 o'clock (a Dutch habit) and I'm already running late with my dinner. Oh dear, how am I going to hold out this evening? I will survive!

Food – it is so important, we eat it every day. Where would we be without food? We eat without thinking, but we need to think about food, and that is what we are doing here. It starts with our own behaviour. I don't know about you, but I have my good days, and I have my bad days. If I had to score myself, some days I'd have an 8 or even a 9, but I also have bad days when I score a 2 or a 3. I think it is important to recognize it is all about behaviour, changing daily behaviour. It is about filling our baskets with the right products. We *are* getting somewhere; we already have 1.5 million farmers in developing countries, thanks to Fairtrade products, and I think it is wonderful to see that we are making some progress – we need to make more. This is why the municipality of Rotterdam has also chosen Fairtrade; we would like to become a Fairtrade municipality at the end of the year. Thanks to a very active group of people working at the municipality I think we will achieve this aim. I am convinced we will – because they set out to get there with so much enthusiasm, so much commitment and perseverance. I am sure that we will get the title of Fairtrade municipality at the end of the year.

It starts with people, and it ends with people. Thanks to these kinds of volunteers we will be there at the end of the year.

We are getting bigger and bigger, it is not only about the municipality. It is all about getting more companies and organizations involved – as many as we can get; broadening our horizons; crossing boundaries – outside the Rotterdam postal area as well. They are very inventive in finding all kinds of activities to ensure we achieve our aims. They actually need a lot of other people to carry out checks, and help to count whether we have enough people who joined to become Fairtrade municipalities. A lot of people are already involved. Perhaps, this evening, you will also be encouraged to join us, to help us really accomplish this. It is good to be here, it is important for the municipality, but it is so much more important for the whole world around us.

POSITION PAPER [1]

THE CLIMATE-DEVELOPMENT NEXUS: A ROLE FOR PARTNERSHIPS?

Ans Kolk & Jonatan Pinkse, University of Amsterdam Business School, The Netherlands

Can climate and development issues be tackled through partnerships? In view of the very limited number of multi-stakeholder partnerships for climate change in general, and those focused on development (developing countries) in particular, as shown in an earlier position paper (Kolk & Pinkse, 2010), it seems useful to take a step back and consider the linkages between climate and development in a bit more detail. This current paper starts by doing that, including a brief discussion of linkages and trade-offs between the two issues, and the crucial distinction between climate change adaptation and climate change mitigation. Subsequently, it presents the results of an empirical exploration of a number of illustrative partnerships in what seems to be an emergent phenomenon. Implications, also for follow-up research on climate change & development partnerships, will be given.

1. The Climate Development-Nexus: Synergies And Trade-Offs

It is widely recognized that there are linkages between climate change and sustainable development, and, in terms of contents and approach, policy in both areas has converged over the past years (Beg et al., 2003; Eriksen & O'Brien, 2007; Michaelowa & Michaelowa, 2007; Swart, Robinson & Cohen, 2003). Since sustainable development can be understood as 'attempts to combine concerns with the environment and socio-economic issues' (Hopwood, Mellor & O'Brien, 2005, p. 40), the linkages with

1) This position paper was originally commissioned by the Partnerships Resource Centre and put on their website as a working paper (www.partnershipsresourcecentre.org). A finalized version of this paper appeared as: Pinkse, J. & Kolk, A. (2012). Addressing the climate change - sustainable development nexus: The role of multi-stakeholder partnerships. ***Business & Society, 51****, (1), 176-210.*

climate change are obvious, because, envisaged in a developing-country context, this issue combines environmental concerns with social equity and the economic issue of poverty. Accordingly, climate change is related to a large number of other environmental and socio-economic issues, which include biodiversity, deforestation, rural electrification, desertification, resource availability (e.g. water), income generation capacity, security, and health. Regarding these linkages, there can be a negative interaction between climate and development. For example, climate change causes severe droughts, leading to increased shortage of water resources, which in turn might intensify conflicts and security problems in developing countries (Eriksen et al., 2007; Swart, Robinson & Cohen, 2003). However, from a policy perspective, there is also potential for a positive interaction. While developing countries tend to be more vulnerable to climate change – their economies often depend on agriculture, which is highly susceptible to weather conditions, and they lack the means to cope with variable and quickly changing weather conditions – raising the level of development may reduce this vulnerability (Eriksen and O'Brien, 2007; Tol, 2005). It is not surprising, then, that calls have been made to deal with both issues simultaneously and arrive at an integrated policy (Beg et al., 2003; Swart, Robinson & Cohen, 2003).

However, although there might be important synergies in addressing climate change and development at the same time, there is no guarantee that these synergies will indeed materialize in all cases (Eriksen & O'Brien, 2007) and there will be many trade-offs as well between the two issues (Michaelowa & Michaelowa, 2007). Table 1 provides an overview of some of the most noteworthy trade-offs in this context. A first source of trade-offs in the climate-development nexus is that advocates of one issue will tend to see the other issue as a way of furthering their own main goals. In other words, even though there are linkages, there is also considerable tension between, on the one hand, preventing climate change and eradicating poverty on the other. Related to this is the conflict about which of these two issues is considered as the overarching goal in which the other is embedded.

Table 1 Climate-development trade-offs

Prevent climate change *(environmental impact)*	← →	Eradicate poverty *(socio-economic impact)*
Integrate climate in development *(mainstreaming)*	← →	Integrate development in climate *(development dividend)*
Low-cost emissions reductions *(efficiency)*	← →	Sustainable development benefits *(effectiveness)*
Intergenerational equity *(long-term)*	← →	Intragenerational equity *(short-term)*
Mitigation *(liability)*	← →	Adaptation *(responsibility)*

To illustrate, the launch of the Millennium Development Goals at the 2002 WSSD has been an important force for further integrating environmental issues like climate change in the development debate (Klein, Schipper & Dessai, 2005; Michaelowa & Michaelowa, 2007). This process, which has been referred to as 'mainstreaming', means that climate change becomes an integral part of development policy (Eriksen et al., 2007; Klein, Schipper & Dessai, 2005). However, the risk of mainstreaming is that it will redirect funds to projects that might see an optimal overlap between both issues, but do not have the highest potential impact on either the development issue at stake, such as poverty reduction or universal primary education (Michaelowa & Michaelowa, 2007) or the climate change issue, such as mitigation or adaptation (Klein, Schipper & Dessai, 2005).

Likewise, in climate change negotiations, the term 'development dividend' has been employed to refer to climate policies that have clear development benefits (Forsyth, 2007). The development dividend has been debated mainly in the context of the Clean Development Mechanism. CDM was set up as part of the Kyoto Protocol to allow countries with a binding target to carry out – to partly help reach that target – emissions-reduction projects in developing countries. Here, trade-offs have emerged as well, however. The goal of the CDM is achieving emissions reductions in developing countries, enhancing technology transfer from industrialized to developing countries and contributing to sustainable development (Lecocq & Ambrosi, 2007; Streck, 2004). However, the CDM works as a market mechanism and participants have predominantly focused on achieving efficiency gains and capturing economic value from reducing emissions. As a consequence, the main outcome of the CDM has been projects that involve low-cost emissions reductions rather than sustainable development benefits, due to the fact that contributions to sustainable development were not valued the same as emissions reductions which created additional tradable credits (Olsen, 2007; Sterk & Wittneben, 2006). For example, most CDM projects have so far taken place in emerging economies with stronger institutions, e.g. China and India, where the risk that CDM credit delivery would fail were deemed lower than in much poorer developing countries in sub-Saharan Africa (Lecocq & Ambrosi, 2007; Michaelowa & Michaelowa, 2007).

This brings to bear two other trade-offs: efficiency versus effectiveness and short-term versus long-term objectives. The efficiency/effectiveness trade-off is reflected in the frequent incompatibilities between achieving low-cost emissions reductions and reaching broader sustainable development benefits. While the underlying rationality of an efficiency orientation is fairly instrumental in the sense that emissions reductions should also contribute to profits, at the root of an effectiveness orientation lies a sustainability rationality valuing long-term social and environmental objectives (Van Tulder et al., 2009). The short-term/long-term trade-off is more complex in this context, because both climate change prevention and poverty eradication are in essence long-term objectives. The difference though is that most climate change measures will only materialize in the long term and thus involve a pure case of achieving intergenerational equity (at least those aimed at mitigation, see below for an explanation). Poverty eradication, on the other hand, has long-term objectives as well, but in addition involves intragenerational equity and outcomes of measures in this direction can already be expected to surface in the short to medium term. Therefore, in ranking social issues, it has been argued that dealing with poverty should be prioritized at the expense of climate change (Lomborg, 2004), although this has been criticized heavily. Moreover, research on issue prioritization among European CEOs has shown the complete opposite result, as in 2007 they considered global warming the most urgent social issue and far more urgent than poverty (Kaptein et al., 2007).

Hence, questions can be raised whether the integration of the climate change and development agendas is indeed a fruitful one. Moreover, the climate-development nexus takes on a different meaning when a clear distinction is made between climate change mitigation and adaptation (Burton et al., 2002; Klein, Schipper & Desai, 2005); an important divide that has come to the fore in climate policy over the past decade, particularly in a developing-country context, and thus also involves trade-offs.

2. Addressing Climate Change: Mitigation and Adaptation

The United Nations Framework Convention on Climate Change, which was established at the United Nations Conference on Environment and Development in Rio de Janeiro in 1992, and the 1997 Kyoto Protocol together still form the foundation of international climate policy. Both international treaties contained two basic options for climate policy: mitigation and adaptation, which continue to be central to the current debate in relation to the successor to the Kyoto Protocol.

Mitigation comprises all human activities to reduce or stabilize greenhouse gas emissions to prevent (further) climate change. Over the years, national and international policy makers have predominantly focused on this option (Burton et al., 2002). However, since the publication of the Intergovernmental Panel on Climate Change's (IPCC) Third Assessment Report in 2001, adaptation has gained more recognition as a valid policy option. The Third Assessment Report stated that some of the impacts of climate change are inevitable and made a case for minimizing the magnitude of these impacts through adaptation (Burton et al., 2002; Klein, Schipper & Dessai, 2005). In this context, *adaptation* denotes 'any adjustment that takes place in natural or human systems in response to actual or expected impacts of climate change, aimed at moderating harm or exploiting beneficial opportunities' (Klein, Schipper & Dessai, 2005, p. 580). Adaptation is particularly pertinent to developing countries, because, as noted above, even though climate change is a global problem these countries are relatively more vulnerable to its (potential) consequences. Not only are they, due to their geographical location, hit much harder by physical impacts than industrialized countries, the low level of development and lack of funds also makes adaptation more challenging (Beg, et al., 2002; IPCC, 2007; Shalizi & Lecocq, 2010; Swart, Robinson & Cohen, 2003; Tol, 2005).

Notwithstanding the fact that mitigation and adaptation are two distinctive policy options for climate change, both are linked to sustainable development, but in different ways. Mitigation and adaptation are markedly different because their impact refers to different temporal and spatial scales, and involves different actors in the process of policy formulation and implementation (Klein, Schipper & Dessai, 2005). Their distinctiveness has consequences for how exactly they are linked to sustainable development, particularly pertaining to the types of issues within the broad realm of sustainable development. The effect of *mitigation* will only be noticeable in the long run, but it operates on a global scale. As a result, a broad range of public and private actors from industrialized and increasingly also developing countries feel a responsibility for and are involved in mitigation (Klein, Schipper & Dessai, 2005). What is more, as a result of the CDM, actors from industrialized countries have a financial incentive to invest in mitigation options in developing countries, such as avoiding deforestation, transferring energy-efficient technologies and investing in renewables (Beg et al., 2003). The potential development impact of mitigation is therefore linked to issues such as biodiversity, deforestation, and rural electrification.

In contrast, the effect of *adaptation* is more promptly, but it essentially operates on a local level. In other words, adaptation is a local collective good that relates to, inter alia, land use, agriculture, urban planning, water supply, coastal vulnerability, desertification, health and ecosystem integrity. It is the local nature of these development issues that causes difficulties in engaging actors from industrialized countries, because the responsibility to take action is not that apparent (Klein, Schipper & Dessai, 2005; Swart, Robinson & Cohen, 2005). Moreover, the adaptation debate tends to focus on systems and countries, and not so much on the individual, private actors that function within them, even though the IPCC refers to private adaptation as well. Nevertheless, the role of business deserves more explicit attention: not only are companies affected by climate change but it is also there where most adaptation activities will (have to) take place or originate from (Berkhout, Hertin & Gann, 2006).

It should be noted, however, that there is no common definition of what adaptation means for business, and both theory and empirical evidence in this area are very limited (Nitkin, Foster & Medalye, 2009). The usual policy definition of adjusting to physical impacts is not yet the main way in which the concept is being adopted in companies, if at all (Kolk, Pinkse & Hull van Houten, 2010; Nitkin, Foster & Medalye, 2009). Of course there are examples of corporate initiatives aimed at adapting to physical impacts such as drought and extreme weather events by those companies active in insurance, agriculture and food, and oil and gas (Sussman & Freed, 2008). Nevertheless, for the vast majority of companies, adaptation instead means the process of adjusting business processes in response to climate change as an issue of societal concern and/or regulatory constraints.

Hence, corporate responses to climate change so far have merely involved mitigation, with most efforts directed at the reduction of GHGs, particularly carbon dioxide. In the past few years, there has been great development in the implementation of a whole set of business practices such as emissions inventories, emissions reduction targets and carbon accounting for tracking and disclosing climate change-related information. However, due to a lack of standardization of these practices and the many options that companies have in choosing an approach that best fits their situation, it is unclear to what extent this leads to reliable and comparable information about the corporate impact on climate change (Kolk, Levy & Pinkse, 2008; Pinkse & Kolk, 2009). As a result, it remains a challenge to assess whether business is making progress in cutting emissions over and above what would have been achieved under a business-as-usual scenario, and thus to what extent mitigation has actually taken place.

The complexity of the adaptation-mitigation distinction in a business setting originates not only from its relative novelty and the fact that the adaptation concept has mostly been used in an IPCC, policy-focused setting, but also from the tendency to frame adaptation as adjusting company processes and strategies in reaction to government mitigation policies. Moreover, other notions are being used as well, such as risk mitigation, which may then be presented as the way in which companies can engage in climate change adaptation (Nitkin, Foster & Medalye, 2009; Sussman & Freed, 2008). Notwithstanding the precise definition of adaptation in a climate context, what the mitigation-adaptation dichotomy shows is that climate change has become more multi-faceted as a business issue and no longer only involves emissions reduction. Given its novelty as a business issue, the type of companies currently integrating adaptation can be viewed as fairly pro-active, since there are no clear external pressures necessitating companies to take this issue into account. In contrast, while mitigation also used to be an issue only picked up by more pro-active companies, more recently it has become somewhat of a hygiene factor due to the various regulations that have been implemented across the

globe (Pinkse & Kolk, 2009) and thus also relevant for more reactive companies. Interestingly, though, while the benefits of mitigation are mainly a public good and accrue to society at large, adaptation can also create private goods, e.g. a lower crop failure benefits the agro-food sector, and as such might become of interest for the purely self-interested, inactive companies. In other words, adaptation might be less an issue of corporate social responsibility than mitigation, because for some sectors it is more strongly aligned with an instrumental rationality of maintaining profitability (cf. Van Tulder et al., 2009).

So lack of conceptual clarity, different perceptions and framing, and overlap between the concepts are problematic. This paper does not aim to settle this debate, as it has a different objective, and we will thus not go into it further. However, it should be noted that for our specific purpose, that is, to explore corporate involvement in tripartite partnerships for climate change in developing countries, we will adopt an empirical approach to adaptation and mitigation by examining how both policy approaches are being targeted by partnerships.

3. Exploring Tripartite Climate Partnerships In Developing Countries

In this section we explore how both climate policy approaches – mitigation and adaptation – are being targeted by tripartite partnerships in developing countries. The complexity of dealing with climate change in a developing-country setting, characterized by regulatory, participation and resource gaps (Beg et al., 2003; Biermann et al., 2007; Schäferhoff, Campe & Kaan, 2009), has raised expectations as to the contribution of tripartite partnerships as a form of governance which can harness the strengths of different parties (Andonova, Betsill & Bulkeley, 2009; Forsyth, 2007). Although partnerships have been studied before, insight on how corporate involvement in a tripartite setting might help address climate policy in developing countries has been limited, and represents an emerging and novel field. This complicates assessments, as it is unclear to what extent existing frameworks can be applied. Therefore, we followed an inductive approach, in which we searched for tripartite partnerships for adaptation and mitigation in developing countries.

To this end, we first performed an extensive web search, analyzed responses to the Carbon Disclosure Project and carried out a literature review to identify a broad set of climate-development partnerships. In addition, we drew upon our involvement in the Transnational Climate Change Governance network, in which information about several initiatives was collected and exchanged. However, this initial exploration led to the conclusion that climate-development partnerships are still in their infancy, as we could only identify 23 partnerships that touch upon climate and development simultaneously (see annex 1 for an overview), with just seven addressing synergies between the two issues as well as having a clear role for business. Therefore, rather than being able to present a comprehensive set of climate-development partnerships, we focus on a limited number of seven illustrative ones, which most explicitly reflected the complexities of dealing with the linkages between climate change and development and indicated how corporate involvement can be taken into account in the future study of this emerging phenomenon.

To analyze the selected tripartite partnerships for climate and development, we consider the main aim of the partnership and how it addresses issue linkages; the mode of involvement and contribution of each stakeholder; the (potential) impact and geographical coverage; and the (potential) pitfalls of this

form of climate-development governance. Although tripartite partnerships for climate and development are discussed in general, the analysis focuses on the role of companies, because the existing literature on climate partnerships falls short on this perspective. We start with mitigation as this has received most attention over the years, and then move to partnerships oriented towards adaptation.

3.1 Partnerships for mitigation in developing countries

The mitigation partnerships that we found tend to be linked to the global carbon market (either the regulatory or voluntary carbon market), which creates a financial incentive for participation. This is mostly attributable to the fact that the Clean Development Mechanism has emerged as the main instrument for addressing climate mitigation activities in developing countries (Newell, Jenner & Baker, 2009). Interestingly, CDM itself has also been considered a partnership, because governments, firms, and NGOs frequently cooperate in realizing CDM projects (Streck, 2004). However, whether it can be truly labeled as such is contestable, because CDM rules have been negotiated between states embedded in the international governmental setting (Bäckstrand, 2008). Moreover, as noted above, CDM projects fail to reach the poorest countries, and doubts have been raised about its ability to contribute to sustainable development (Michaelowa & Michaelowa, 2007; Olsen, 2007; Sterk & Wittneben, 2006). Nevertheless, CDM has been pivotal in attracting corporate interest for climate mitigation in developing countries, because it enables firms to cost-efficiently comply with climate regulation in their home countries and, more importantly, provides a financial incentive (Lecocq & Ambrosi, 2007; Streck, 2004). This profit motive, while being an important driver, might also create trade-offs in sacrificing the development impact for the sake of more carbon credits.

Renewable Energy and Energy Efficiency Partnership (REEEP)
Besides CDM, one of the most frequently mentioned mitigation partnerships is the Renewable Energy and Energy Efficiency Partnership (REEEP). The UK government initiated REEEP during the 2002 WSSD in Johannesburg as a Type II partnership and it has expanded since, including 246 partners with around €16 million in resources in 2009. The mission of REEEP is threefold: to increase investments in renewable energy, energy efficiency measures, and access to sustainable energy services for the poor (REEEP, 2009). It therefore aims to establish supportive policies and regulations for renewables and energy efficiency, and to remove market and institutional barriers. Moreover, REEEP tries to create 'business and finance solutions' to overcome financial barriers and lack of investments in such technologies, particularly in developing countries. Not surprisingly, for the implementation of projects the partnership leverages funding from CDM and advocates using the CDM Gold Standard (REEEP, 2009).

REEEP has been characterized as 'public governance of private finance' (Newell, Jenner & Baker, 2009), as national governments from OECD countries (most notably the UK and Norway) are dominant stakeholders providing most of the funding (REEEP, 2009). Nevertheless, REEEP has a broad representation of stakeholders including governments, business, NGOs, international organizations and academia. The governance structure enhances the inclusiveness of local stakeholders and the decision-making process is a bottom-up process (REEEP, 2009). Yet, the projects that REEEP undertakes mainly reflect the goal of transforming markets by removing regulatory and financial obstacles, while the goals of climate mitigation and poverty alleviation are considered secondary goals at best (Pattberg et al., 2008). In other words, REEEP particularly aims at using public funds to stimulate business participation in the investment of renewables and energy efficiency. In addition, while the more than 100 projects have a

global coverage, priority seems to lie in large emerging economies such as China, India and Brazil, as it is here that market transformation has the highest potential. Still, REEEP seems quite successful in achieving the goals it set itself and has grown to an unprecedented size, being much larger than other partnerships in this area (Pattberg et al., 2008).

Energy Poverty Action (EPA)

While the goals and potential impact of REEEP are quite broadly defined, a rather different mitigation partnership, Energy Poverty Action (EPA), is more focused in its aim, as it specifically targets rural electrification. Moreover, instead of governments, three firms – British Columbia Hydro (Canada), Eskom (South Africa) and Vattenfall (Sweden) – set up EPA at the World Economic Forum, later joined by the World Energy Council (WEC), the Development Bank of Southern Africa (DBSA), and the World Business Council for Sustainable Development (WBCSD). The main function of EPA is the implementation of rural energy services in developing countries, first focusing on sub-Saharan Africa. However, until now the partnership has not reached much further than setting up two pilot projects in Lesotho and Democratic Republic of Congo with the aid of the Asian Development Bank and the World Bank. The main mode of involvement of the corporate partners is to leverage business expertise and best practices, instead of funding (EPA, 2009). However, what the potential impact of this partnership will be on climate mitigation or rural electrification is still rather unclear as the information provided is minimal.

Partnership on Sustainable Low Carbon Transport (SloCat)

A mitigation partnership of a different kind is the Partnership on Sustainable Low Carbon Transport (SloCat), which was launched only recently, in September 2009. It addresses the carbon impact of transportation with a focus on developing countries, which it considers as an area receiving scant attention in the international debate. SloCat strives for integration of the issue in multilateral negotiations on climate change, in regional, national and local transport policies and aims to put it on the agenda of international development agencies as well. Although this partnership is still quite novel, it has already achieved a broad membership of 50 organizations from different sectors (SloCat, 2009), although mostly comprising policy and research institutes and only minimal corporate participation. SloCat appears to function as a coordinating body to help all partners in their activities in low-carbon transport. One of its members, for example, is the World Resources Institute (WRI) Center for Sustainable Transport EMBARQ, which has already successfully implemented sustainable transport solutions in several cities, also by forming tripartite partnerships. In other words, SloCat can be seen as a 'nested partnership', made up of other entities sometimes also organized as partnership. This phenomenon is seen more often and other examples include the above-mentioned Energy Poverty Action and Energy for All, the latter of which has the REEEP and WBCSD as member.

3.2 Creating mitigation-adaptation linkages in partnerships

The examples of mitigation partnerships presented above all entail mitigation by reducing energy-related emissions such as providing access to renewable energy, energy efficiency and sustainable transport solutions. Recently, however, the debate on mitigation through land use, land use change and forestry (LULUCF) has received a new impetus, when efforts to reduce emissions from tropical deforestation and forest degradation (REDD) were included in the 2007 Bali Action Plan. This shift in debate is due to the fact that emissions from land use change make up a significant portion of global emissions and REDD is considered a way of including developing countries in a post-Kyoto framework

(Evidente, Logan-Hines & Goers, 2009). Moreover, it is here that the linkages between climate change and sustainable development are most apparent, because land use and forestry are linked to issues such as biodiversity and desertification (Swart, Robinson & Cohen, 2003), and could have an impact on the adaptive capacity of developing countries (Fankhauser et al., 2008; Nelson, 2009).

For years, the debate on carbon sequestration from afforestation and reforestation and specifically avoided deforestation has been a contentious one (Bäckstrand & Lövbrand, 2006; Boyd, Corbera & Estrada, 2008). While national governments were allowed to use carbon 'sinks' to comply with the Kyoto targets, the inclusion in CDM has taken much longer, resulting in the final inclusion in CDM in 2003. However, CDM only allowed for afforestation and reforestation projects, leaving out avoided deforestation and forest degradation, and limits were put on the amount and longevity of credits from CDM sinks projects (Boyd, Corbrera & Estrada, 2008). Moreover, the European Union also decided to exclude CDM sinks credits from its emissions trading scheme. Due to all the complexities and delays to approve afforestation and reforestation projects, the number of CDM projects in this area has been extremely low, comprising only 6 out of the total of 2148 registered CDM projects in 2009 (Evidente, Logan-Hines & Goers, 2009). In other words, there have been huge regulatory and resource gaps in dealing with mitigation through carbon sequestration in developing countries, in part due to a lack of financial incentive to engage in such projects. Not surprisingly, tripartite partnerships have emerged to fill these gaps.

BioCarbon Fund

Over the past years, the World Bank has been most active in this regard by launching the BioCarbon Fund in 2004, which focuses on investing in projects that sequester or conserve carbon. Since 2004, the BioCarbon Fund has financed 29 projects, most of which are related to afforestation and reforestation (with the aim to create CDM credits) and a few to pilot REDD with the aim of developing methodologies (World Bank, 2008). Besides creating carbon sinks, the projects financed by this fund also enhance adaptation – many projects reduce soil erosion and create watershed and biodiversity protection – and stimulate local employment. Nevertheless, it must be noted that one of the main aims of the fund is to extend the (regulatory and voluntary) carbon market to the poorest areas in the world and advocate the inclusion of forestry projects in the post-Kyoto carbon market.

Although the main function of the BioCarbon Fund is providing financial resources for carbon sinks, it is a tripartite partnership because it draws on OECD country governments and (mostly Japanese) companies (e.g. Tokyo Electric Power, Sumitomo Chemical and Suntory) for financial contributions and uses local NGOs to implement the projects. In terms of geographical coverage, the BioCarbon Fund has an even distribution across developing countries, with sub-Saharan Africa comprising 32% of received funding (World Bank, 2008). Nevertheless, the World Bank has been heavily criticized, in relation with its governance structure, which hardly leaves room for developing-country involvement (Newell, Jenner & Baker, 2009), the way it finances energy projects in the developing world (WWF, 2008), and its approach towards carbon finance (Redman, 2008). This includes the fact that the World Bank not only funds clean energy projects, but also continues to subsidize fossil-fuel-based industries and controversial hydro-electric projects, which raises doubts about the net benefit of the carbon finance activities (WWF, 2008). Moreover, the carbon funds that specifically aim at a sustainable development impact, i.e. the BioCarbon Fund and Community Development Carbon Fund, only comprise 10% of all carbon finance activities, and, as a consequence, there are reservations about the priority given to poverty alleviation in the World Bank's carbon finance. Finally, the World Bank has been blamed for its

top-down approach, not reckoning with the interests of local communities and indigenous people (Redman, 2008) – points of criticism that have persistently been raised vis-à-vis the organization over the decades (e.g. Kolk, 1996).

Noel Kempff Climate Action Project (NKCAP)

This critique of lack of inclusiveness of local stakeholder interests not only befalls the World Bank; it is also a more general and enduring point of critique on carbon mitigation through forestry (Bäckstrand & Lövbrand, 2006). A case in point is one of the earliest partnerships in this area and one that has been very well documented: the Noel Kempff Climate Action Project (NKCAP). NKCAP was one of the first large-scale REDD projects which was set up in 1996 in the context of Activities Implemented Jointly (AIJ), a pilot program for CDM, with two NGOs – the Nature Conservancy and Fundación Amigos de la Naturaleza (FAN Bolivia) – as projects developers and three companies – American Electric Power, BP America and PacificCorp – and the Bolivian government as investors. In this project existing logging concessions in the Bolivian tropical forest were indemnified to prevent timber harvesting and slash-and-burn agriculture, and thus reduce carbon emissions. From the onset it had multiple goals of reducing emissions, enhancing biodiversity, decreasing soil erosion, and creating sustainable benefits for local communities (Virgilio, 2009). Therefore, NKCAP has not only been considered a project for developing synergies in the implementation of mitigation and adaption policies, but also between climate change measures and other global environmental agreements (Klein, Schipper & Dessai, 2005).

Nevertheless, views on whether this project has been successful in creating such synergies have been mixed at best. On the one hand, NKCAP has been used as a showcase example for the inclusion of forestry projects in the global carbon market to help develop know-how and enable learning-by-doing (May et al., 2004). On the other hand, and even though the project was verified independently, NKCAP has received much criticism for the lack of inclusiveness of local stakeholders, its carbon accounting and treatment of so-called 'leakage'. It has, for example, been said to exemplify the top-down nature of forestry projects and the problems of engaging local indigenous population resulting from lack of local representation as well as poor communication between project developers and local communities (May et al., 2004). Besides, a recent Greenpeace report argued that the project has not delivered the amount of emissions reductions announced at its start by far, falling by as much as 90% from 1997 to 2009. The project was also blamed for insufficiently dealing with the problem of leakage, that is, preventing indemnified loggers from moving to a forest adjacent to the one being protected (Densham et al., 2009). Interestingly, Greenpeace's assertions were countered by The Nature Conservancy which stated that 'the Noel Kempff Climate Action Project was a pioneer project that tested and refined the science of forest carbon accounting and monitoring' and that 'projects like these are critical stepping stones that can help inform development of national-level programs and build up the capacity and expertise that countries will need to protect their forests on a national scale' (Hoekstra, 2009). Nevertheless, the contested nature of forestry projects do challenge whether 'maximizing synergies' between climate change and sustainable development goals is realistic, as many trade-offs are observable (Bäckstrand & Lövbrand, 2006).

3.3 Partnerships for adaptation in developing countries

While we found quite some tripartite partnerships with corporate involvement aimed at mitigation, this cannot be said for adaptation, where they seem to be just emerging. This is not that surprising given that adaptation has only become a more integral part of global climate policy after the publication

of the IPCC Third Assessment Report in 2001. Moreover, adaptation is multi-faceted and can take on many different meanings (Nitkin, Foster & Medalye, 2009), and, on the face of it, there are no clear financial incentives for business to engage (Klein, Schipper & Dessai, 2005). Nevertheless, a quick overview of the limited number of adaptation partnerships that could be identified shows that they are unequivocally linked to poverty issues, thus reflecting the view that adaptation is as much a development as an environmental issue (Eriksen & O'Brien, 2007).

Several tripartite partnerships for adaptation have materialized recently. They can be divided into three types, concentrating on different dimensions of building resilience to climate change: (1) physical and institutional infrastructure investments (e.g. coastal protection, flood defense and disaster relief), (2) insurance schemes, and (3) research and development (e.g. health and agricultural research) (Fankhauser et al., 2008). Particularly the third type – R&D partnerships – is difficult to identify, because these are not necessarily linked to the issue of climate change adaptation explicitly. For example, the International Maize and Wheat Improvement Center (CIMMYT) is involved in several partnerships for improving agricultural methods, such as the Drought Tolerant Maize for Africa Initiative, which are instrumental for adaptation strategies. The same holds for partnerships for medical research that help tackle tropical diseases that are assumed to spread more widely due to climate change (Fankhauser et al., 2008). For the first two types – infrastructural investments and insurance schemes – we could find examples of tripartite partnerships specifically designed for furthering climate change adaptation.

Asian Cities Climate Change Resilience Network (ACCCRN)

An adaptation partnership concentrating on physical and institutional infrastructure investments is the Asian Cities Climate Change Resilience Network (ACCCRN). ACCCRN, set up at the start of 2009 by the Rockefeller Foundation, works with several consulting firms, NGOs and local governments to development climate resilience strategies for cities in Vietnam, Indonesia, India and Thailand. It not only reckons with the direct effects of climate change, e.g. vulnerability of ecosystems which provide cities with food and water, but also with the indirect effects of city infrastructures – such as sewage and transportation. – which are not resilient to these direct effects (ISET, 2009). Currently, ACCCRN is still only engaged in formulating resilience strategies for pilot projects in 10 cities, but it aspires to start implementing them as well as replicating this process to more cities in this region. In this partnership, internationally operating for-profit consultant companies and non-profit groups coordinate and facilitate the project, and work together with local-level governmental bodies and NGOs, who are seen as experts and key stakeholders and purposively made part of the project (ISET, 2009). On the face of it, ACCCRN concentrates on reducing vulnerability of urban areas to climate change by creating local networks with the aim of sharing knowledge. The main question is whether it will, over time, achieve its objective of moving beyond policy formulation towards implementing concrete measures.

Munich Climate Insurance Initiative (MCII)

Another recent form of corporate involvement in adaptation partnerships can be found in insurance schemes to help developing countries cope with climate change risks (Burton & Dickinson, 2009; Nelson, 2009). The Munich Climate Insurance Initiative (MCII) is an example of such a partnership, set up by German reinsurer Munich Re in 2005, but hosted by the United Nations University Institute for Environment and Human Security (UNU-EHS), which by now comprises insurers, climate research institutes, NGOs and international organizations. MCII has predominantly advocated the inclusion of insurance mechanisms in a post-Kyoto framework. It has, for example, submitted proposals at several UNFCCC conferences to emphasize that insurance activities form part of a broader adaptation strategy: only short-term disaster type of events can be insured, not long-term phenomena such as sea-level

rise and desertification; in addition, a climate risk management mechanism should include prevention measures to reduce climate risk as well as insurance (MCII, 2009).

In essence, such a proposal entails a public-private insurance scheme with multiple objectives (Burton & Dickinson, 2009): it aims to be a mechanism that balances out the global injustice that industrialized countries have caused the problem from which developing countries suffer most; it promotes adaptation by stimulating risk reduction; and it increases the scope of the insurance market to developing countries. In other words, besides dealing with the resource gap – as public actors are unlikely to come up with sufficient funding for adaptation without corporate involvement – such partnerships might also help to create new insurance products (e.g. micro-insurance) to open up new markets, an aspect subject to criticism (Burton & Dickinson, 2009). Akin to ACCCRN, MCII also has aspirations to move beyond advocacy and become involved in the implementation of concrete policy measures. However, what both examples illustrate as well is the relative novelty of climate change adaptation in the policy debate, in which discussions about appropriate mechanisms to deal with this problem are just materializing.

4. Conclusions

Our exploration of tripartite partnerships for climate change in developing countries shows that the number of initiatives is still fairly limited, with most of them focusing on mitigation, targeting aspects such as rural electrification, sustainable transport and transfer of best practices in energy efficiency. Some mitigation projects in the area of carbon sequestration through afforestation, reforestation and avoided deforestation also benefit adaptation, although not always explicitly. Identifying climate adaptation partnerships in which companies were involved was much more difficult. They seem to be just emerging as part of the gradual shift in policy attention towards adaptation; the protracted nature of the international negotiations on a successor to the Kyoto Protocol – an uncertainty also affecting the CDM – complicates their materialization and further development in the short term, however. Moreover, the financial incentives for corporate engagement in adaptation appear to be very limited so far as well, which is different from mitigation where a clear linkage to the global carbon market and the more generic desire to reduce emissions and increase energy efficiency can be seen.

Nevertheless, this position paper merely provided an overview of the *current* state of climate-development partnerships. From a dynamic perspective, it can be expected that the role of partnerships in this area will increase substantially in coming years because poverty has become one of the main issues at the yearly intergovernmental climate meetings where a successor of the Kyoto protocol is being negotiated. Then again, it is still rather unclear what the role and impact of partnerships will be in coming years. To assess how these partnerships will evolve, the partnership evaluation model can be used (Van Tulder, 2010). This model assesses the partnerships in terms of their input, throughput, output, outcome, which represent different stages in the process of partnership formation, implementation and dynamism. Besides the model differentiates between efficiency and effectiveness as two important evaluative dimensions.

In terms of input, a focus on mitigation for further study on the climate-development nexus seems most appropriate as it is in this context that corporate interests may merge best with those of public and nonprofit partners as well (cf. REEEP's focus on improving access to electricity in remote areas).

The current stalemate in the climate negotiations also means that those areas where most activities can be found are likely to be in fairly 'straightforward' projects on energy efficiency, renewable energy and – particularly relevant for developing countries – (rural) electrification. While the more visible global partnerships that we examined in this paper often also aimed to link up with CDM funding, this is much less the case for smaller-scale initiatives. This means that we can study (renewable) energy-related partnerships without being hampered that much by the difficulties at the intergovernmental level – it might even be suggested that interest in realizing progress 'on the ground' is larger because of frustration about climate policy development post-Copenhagen.

- **Proposition 1:** Due to the stalemate in intergovernmental climate negotiations, companies will remain most active in climate-development partnerships for mitigation.

Nevertheless, in terms of throughput, that is, the dynamism and implementation of partnerships, the findings show that most companies are still fairly low-profile in climate-development partnerships: they can be found in the list of members, but when looking at specific projects and implementation (non)governmental partners are most involved. The corollary is that these large companies support partnerships in developing countries from their corporate headquarters in industrialized countries, with no visible inclusion of local subsidiaries / firms. When it comes to specific projects on the ground, this is likely to yield a different picture. Still, the extent to which the provision of funding (e.g. by corporate partners, international organizations, or industrialized donor countries) shapes the type of participation and inclusiveness of partnerships locally deserves further attention as well. This also applies to the business models adopted for specific partnerships in the context of (renewable) energy and rural electrification, as approaches followed in industrialized countries may not be that appropriate in a very different context. The findings suggest that companies are particularly interested when partnerships serve the broader purpose of developing business models for operating in developing countries they are not yet familiar with.

- **Proposition 2:** The role of companies in climate-development partnerships will increase when these partnerships enable them to create or learn from business models that will improve their market position in growth markets in developing countries.

Regarding the output and outcome dimensions of climate-development partnerships, particularly energy-related partnerships can be related directly to the achievement of the Millennium Development Goals, as the energy-poverty linkage has traditionally received considerable attention (e.g. ARE, n.d.; World Bank, 2002). As the World Bank (2006, p. 1) put it in a discussion paper, "the MDGs cannot be met without higher quality and larger quantity of energy services than current approaches provide"; in that context, energy is seen to be directly linked to increasing income and productivity, and indirectly to improving health, education, quality of life (of women and children in particular) and human development more generally, and to reducing negative environmental impacts, vulnerability and isolation. Obviously, if energy poverty is addressed via traditional fossil-fuel based approaches (an aspect mentioned with regard to the World Bank above already), the implications will be rather different – and much less positive overall, also from a climate change perspective – than if this is done via renewable energy routes (ARE, n.d.).

- **Proposition 3:** Energy companies that have as main aim to improve their market position in growth markets in developing countries will not refrain from pushing for the inclusion of fossil-fuel based solutions in climate-development partnerships.

Hence, funders of these energy-related partnerships (corporate partners, international organizations, or industrialized donor countries) will not necessarily have the climate-development nexus as the central objective. The empirical evidence of the initiatives we studied in this paper seems to suggest that companies' participation relates to public relations and/or to potentially tapping new markets; linkages with other sustainable development issues, such as poverty alleviation, biodiversity, security or health appear to be merely regarded as secondary co-benefits. For example, most forestry projects primarily aspire to extend the carbon market to developing countries, while mitigation partnerships such as REEEP and EPA try to open up new markets for renewable energy and energy efficiency practices. Such partnerships thus face a potential trade-off between maximizing market potential and reputational benefits on the one hand, and the other broader (climate/development) objectives, on the other. As things stand there is no indication that there will be a fundamental shift in balance regarding this trade-off, and climate-development partnerships will thus most likely continue to put up with considerable tension between creating maximum output in terms of achieving objectives most optimal for the corporate participants and maximizing societal impact. An underlying factor partly explaining this tension is that participants in partnerships feel considerable pressure to come up with tangible deliverables and once engaged in the partnerships seem to focus much more on efficiency than on effectiveness.

- **Proposition 4:** A corporate focus in climate-development partnerships on creating tangible deliverables and efficiency will stand in the way of providing societal outcomes with a high degree of effectiveness.

References

- Andonova, L. B., Betsill, M. M., & Bulkeley, H. (2009). Transnational climate governance. *Global Environmental Politics*, 9(2), 52-73.
- ARE (n.d.). *Green light for renewable energy in developing countries.* Brussels: Alliance for Rural Electrification.
- Bäckstrand, K. (2008). Accountability of networked climate governance: The rise of transnational climate partnerships. *Global Environmental Politics*, 8(3), 74-102.
- Bäckstrand, K., & Lövbrand, E. (2006). Planting trees to mitigate climate change: Contested discourses of ecological modernization, green governmentality and civic environmentalism. *Global Environmental Politics*, 6(1), 50-75.
- Beg, N., Morlot, J. C., Davidson, O., Afrane-Okesse, Y., Tyani, L., Denton, F., et al. (2002). Linkages between climate change and sustainable development. *Climate Policy*, 2(2-3), 129-144.
- Berkhout, F., Hertin, J., & Gann, D. M. (2006). Learning to adapt: Organisational adaptation to climate change impacts. *Climatic Change*, 78, 135-156.
- Biermann, F., Chan, M.-S., Mert, A., & Pattberg, P. (2007). Multi-stakeholder partnerships for sustainable development: Does the promise hold? In P. Glasbergen, F. Biermann & A. P. J. Mol (Eds.), *Partnerships, governance and sustainable development - Reflections on theory and practice* (pp. 239-260). Cheltenham: Edward Elgar.
- Boyd, E., Corbera, E., & Estrada, M. (2008). UNFCCC negotiations (pre-Kyoto to COP-9): what the process says about the politics of CDM-sinks. *International Environmental Agreements*, 8, 95-112.
- Burton, I., & Dickinson, T. (2009). The potential for insurance to help the world's poor adapt and thrive as the climate changes. In L. Brainard, A. Jones & N. Purvis (Eds.), *Climate change and global poverty – A billion lives in the balance?* (pp. 207-222). Washington D.C.: The Brookings Institution.
- Burton, I., Huq, S., Lim, B., Pilifosova, O., & Schipper, E. L. (2002). From impacts assessment to adaptation priorities: The shaping of adaptation policy. *Climate Policy*, 2, 145-159.
- Densham, A., Czebiniak, R., Kessler, D., & Skar, R. (2009). Carbon scam: Noel Kempff *Climate Action Project and the push for sub-national forest offsets.* Amsterdam: Greenpeace International.
- EPA. (2009). *EPA fact sheet - Energy Poverty Action: Rural energy fund.* Retrieved February 8, 2010, from http://www.weforum.org/pdf/ip/energy/ EPA_Fact_sheet.pdf.
- Eriksen, S. E. H., Klein, R. J. T., Ulsrud, K., Naess, L. O., & O'Brien, K. (2007). Climate change adaptation and poverty reduction: Key interactions and critical measures. Oslo: Norwegian Agency for Development Cooperation/University of Oslo.
- Eriksen, S. E. H., & O'Brien, K. (2007). Vulnerability, poverty and the need for sustainable adaptation measures. *Climate Policy*, 7, 337-352.
- Evidente, M., Logan-Hines, E., & Goers, L. (2009). REDD policy options: Including forests in an international climate change agreement. In M. L. Tyrrell, M. S. Ashton, D. Spalding & B. Gentry (Eds.), Forests and Carbon - A Synthesis of Science, Management, and Policy for Carbon Sequestration in Forests (pp. 481-506). New Haven, CT: Yale School of Forestry & Environmental Studies.
- Fankhauser, S., Agrawala, S., Hanrahan, D., Pope, G., Skees, J., Stephens, C., et al. (2008). Economic and policy instruments to promote adaptation. In S. Agrawala & S. Fankhauser (Eds.), *Economic aspects of adaptation to climate change: costs, benefits and policy instruments* (pp. 85-133). Paris: OECD.
- Forsyth, T. (2007). Promoting the "development dividend" of climate technology transfer: Can cross-sector partnerships help? *World Development*, 35(10), 1684-1698.

- Hoekstra, J. (2009). *The Noel Kempff Climate Action Project: The Conservancy responds to a Greenpeace report*. Retrieved February 8, 2010, from http://blog.nature.org/2009/10/noel-kempff-climate-forest-greenpeace-nature-conservancy/.
- Hopwood, B., Mellor, M., & O'Brien, G. (2005). Sustainable development: mapping different approaches. *Sustainable Development*, 13(1), 38-52.
- IPCC. (2007). *Climate change 2007: The physical science basis – Contribution of working group I to the fourth assessment report of the IPCC*. Cambridge: Cambridge University Press.
- ISET. (2009). *Asian Cities Climate Change Resilience Network (ACCCRN): Responding to the urban climate*. Boulder, CO: Institute for Social and Environmental Transition.
- Kaptein, M., Koning, L., Van Tulder, R., & Van Vliet, L. (2007) 2007 Report on European CSR Survey. Rotterdam: RSM.
- Klein, R. J. T., Schipper, E. L. F., & Dessai, S. (2005). Integrating mitigation and adaptation into climate and development policy: Three research questions. *Environmental Science & Policy*, 8(6), 579-588.
- Kolk, A. (1996). Forests in international environmental politics. International organisations, NGOs and the Brazilian Amazon, Utrecht: International Books.
- Kolk, A., Levy, D. & Pinkse, J. (2008). Corporate responses in an emerging climate regime: *The institutionalization and commensuration of carbon disclosure*. European Accounting Review, 17(4), 719-745.
- Kolk, A., & Pinkse, J. (2010). Policy modes for climate change: The role of tripartite partnerships. Rotterdam: Partnerships Resource Centre, position paper.
- Kolk, A., Pinkse, J. & Hull van Houten, L. (2010). Corporate responses to climate change: The role of partnerships. In P. Martens & C. T. Chang (Eds.), *The social and behavioral aspects of climate change: Linking vulnerability, adaptation and mitigation* (pp. 51-71). Sheffield: Greenleaf Publishing.
- Lecocq, F., & Ambrosi, P. (2007). The Clean Development Mechanism: History, status, and prospects. *Review of Environmental Economics and Policy*, 1(1), 134-151.
- Lomborg, B. (Ed.)(2004) Global crises, global solutions. Cambridge: Cambridge University Press.
- May, P., Boyd, E., Veiga, F., & Chang, M. (2004). *Local sustainable development effects of forest carbon projects in Brazil and Bolivia: A view from the field*. London: International Institute for Environment and Development.
- MCII. (2009). *Climate risk management mechanism including insurance, in the context of adaptation to climate change*. Retrieved February 8, 2010 from http://unfccc.int/resource/docs/2009/smsn/ngo/132.pdf.
- Michaelowa, A., & Michaelowa, K. (2007). Climate or development: Is ODA diverted from its original purpose? *Climatic Change*, 84, 5-21.
- Nelson, J. (2009). Corporate action on climate adaptation and development: Mobilizing new business partnerships to build climate change resilience in developing countries and communities. In L. Brainard, A. Jones & N. Purvis (Eds.), Climate Change and *Global Poverty – A Billion Lives in the Balance?* (pp. 223-259). Washington D.C.: The Brookings Institution.
- Newell, P., Jenner, N., & Baker, L. (2009). Governing clean development: A framework for analysis. Development *Policy Review*, 27(6), 717-739.
- Nitkin, D., Foster, R., & Medalye, J. (2009). *Business adaptation to climate change: A systematic review*. London, Canada: Network for Business Sustainability.
- Olsen, K. H. (2007). The Clean Development Mechanism's contribution to sustainable development: A review of the literature. *Climatic Change*, 84, 59-73

- Pattberg, P., Szulecki, K., Chan, M., & Mert, A. (2009). Assessing the role and relevance of the Renewable Energy and Energy Efficiency Partnership (REEEP) in global sustainability governance. In D. Vollmer (Ed.), *Enhancing the effectiveness of sustainability partnerships* (pp. 81-108). Washington D.C: National Academies Press.
- Pinkse, J., & Kolk, A. (2009). *International business and global climate change*. London and New York: Routledge.
- Redman, J. (2008). *World Bank: Climate profiteer*. Washington D.C.: Institute for Policy Studies/Sustainable Energy and Economy Network.
- REEEP (2009). *REEEP a partnership for transformation – Annual report 2008/9*. Vienna: Renewable Energy & Energy Efficiency Partnership.
- Schäferhoff, M., Campe, S., & Kaan, C. (2009). Transnational public-private partnerships in international relations: Making sense of concepts, research frameworks, and results. *International Studies Review*, 11(3), 451-474.
- Shalizi, Z., & Lecocq, F. (2010). To mitigate or to adapt: Is that the question? Observations on an appropriate response to the climate change challenge to development strategies. *World Bank Research Observer*, 25(2), 295-321.
- SloCat (2009). *Partnership on Sustainable Low Carbon Transport work program*. Retrieved February 8, 2010 from http://www.slocat.net/about/work-program/.
- Sterk, W., & Wittneben, B. (2006). Enhancing the Clean Development Mechanism through sectoral approaches: Definitions, applications and ways forward. *International Environmental Agreements: Politics, Law and Economics*, 6(3), 271-287.
- Streck, C. (2004). New partnerships in global environmental policy: The Clean Development Mechanism. *Journal of Environment & Development*, 13(3), 295-322.
- Sussman, F. G., & Freed, J. R. (2008). *Adapting to climate change: A business approach*. Arlington, VA: Pew Center on Global Climate Change.
- Swart, R., Robinson, J., & Cohen, S. (2003). Climate change and sustainable development: expanding the options. *Climate Policy*, 3(Supplement 1), S19-S40.
- Tol, R. S. J. (2005). Emission abatement versus development as strategies to reduce vulnerability to climate change: an application of FUND. *Environment and Development Economics*, 10(5), 615-629.
- Van Tulder, R. (2010). Evaluating the effectiveness of development partnerships analytical framework. Rotterdam: RSM/PRC.
- Van Tulder, R., Bleijenbergh, M., Danse, M., Wiersinga, R., & Torppe, M. (2009). CSR business models and change trajectories in the retail industry. The Hague: RSM/LEI.
- Virgilio, N. (2009). *Noel Kempff Mercado Climate Action Project: A case study in Reducing Emissions from Deforestation and Degradation*. Arlington, VA: The Nature Conservancy.
- World Bank (2002). *The World Bank Groups' energy program. Poverty reduction, sustainability and selectivity*. Washington, D.C.
- World Bank (2006). *Energy poverty issues and G8 actions*. Moscow – Washington, D.C., 2 February.
- World Bank. (2008). *Carbon finance for sustainable development 2008*. Washington, D.C.
- WWF. (2008). *The World Bank and its carbon footprint: Why the World Bank is still far from being an environment bank*. London: World Wildlife Fund

ANNEX Climate-development Partnerships

Partnership	Starting year	Main partners	Goal
Renewable Energy and Energy Efficiency Partnership	2002	OECD country governments, i.e. UK/Norway with wide variety of private firms and international organizations	Increase investments in renewable energy, energy efficiency measures, and access to sustainable energy services for the poor
Energy Poverty Action	2005	British Columbia Hydro, Eskom, Vattenfall, WEC, DBSA & WBCSD	Implementation of rural energy services in developing countries
Partnership on Sustainable Low Carbon Transport	2009	UN-DESA; Asian/Inter American/African Development Bank, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	Carbon impact of transportation with a focus on developing countries
UN Partnership for Clean Fuels and Vehicles	2002	Wide variety of governments, international organizations, private firms & NGOs	Assist developing countries in reducing vehicular air pollution through the promotion of lead-free, low sulphur fuels and cleaner vehicle standards and technologies
World Economic Forum Davos Climate Alliance	2004	PricewaterhouseCoopers, SGS, Swisscom, Swiss International Airlines, Swiss RE & World Economic Forum	Rise awareness about climate change among decision makers and motivate private sector to approach climate change in a constructive way
Methane to Markets Partnership	2004	Wide variety of governments, private firms & NGOs	Accelerate deployment of methane emission-reducing technologies and practices, stimulate economic growth and energy security in Partner countries, improve local environmental quality, and lead the fight against global warming
Clinton Climate Initiative	2006	Different partners depending on project; examples include cities, real estate firms, and NGOs	Create and advance solutions to the core issues driving climate change
HSBC Climate Partnerships	2007	HSBC, the Climate Group, Earthwatch Institute, Smithsonia Tropical Research Institute (STRI) & WWF	Five-year program to inspire action on climate change, focusing on various issues, such as cities, forests and rivers and waterways

ANNEX Climate-development Partnerships

Partnership	Starting year	Main partners	Goal
Asia-Pacific Partnership on Climate Change	2005	Australia, Canada, China, India, Japan, Korea & the United States represented by government agencies and private sector firms	Cooperate in an effort to address increased energy needs and the associated issues of air pollution, energy security, and climate change.
Global Gas Flaring Reduction Partnership	2002	Governments of Algeria, Angola, Chad, Ecuador, Norway & US; World Bank; Sonatrach, BP, Chevron, Shell, Total	Reduce flaring of natural gas as a result of drilling for oil
Collaborative Labelling and Compliance Standards Programme	1999	Sponsoring, country, implementing partners & affiliates, including governments, firms environmental groups	Developing standards and labels for energy efficiency for appliances, equipment and lighting
e8 Network	1992	Member companies - American Electric Power, Duke Energy, EDF, Eletrobas, Enel, Hydro Quebec, Rushydro, Kansai, RWE & Tepco – with other utilities, international organizations and NGOs	Promote sustainable energy development in developing countries and co-operate on electricity sector issues
World Economic Forum SlimCity initiative	2008	Arup, CH2M Hill, Cisco, Duke Energy, Fluor Corporation, General Electric, Hertz, Siemens & GDF Suez with public sector officials of cities	Increase energy and resource efficiency as well as reduce emissions at the urban level
Energy for all	2008	Key stakeholders from business, finance, government, and NGOs; including Asian Development Bank, e8, REEEP, ReEx Capital Asia, SNV, WBCSD, TERI, and others	Provide energy access to 100 million people in Asia and the Pacific Region by 2015

ANNEX Climate-development Partnerships

Partnership	Starting year	Main partners	Goal
BioCarbon Fund	2004	World bank, ECD country governments, Tokyo Electric Power, Sumitomo Chemical & Suntory	Invest in projects that sequester or conserve carbon, enhance adaptation and create local employment
Noel Kempff climate action project	1996	Nature Conservancy, FAN Bolivia, BP, American Electric Power, America, PacificCorp & Bolivian government	Reduce emissions, enhance biodiversity, decrease soil erosion, and create sustainable benefits for local communities
Climate, Community and Biodiversity Alliance	2005	International NGOs and research institutes, e.g. Care, The Nature Conservancy, Rainforest Alliance, Center for Environmental Leadership in Business of Conservation International, Wildlife Conservation Society	Develop voluntary standards to help design and identify land management activities that simultaneously minimize climate change, support sustainable development and conserve biodiversity
Community Development Carbon Fund	2003	Government of Austria, Brussels Canada, Italy, Luxembourg, Netherlands, Spain, Wallonia; BASF, Daiwa Securities SMBC Principal Investments, EdP, Endesa, Fuji Photo Film Co. Ltd., Göteborg Energi AB, Hidroeléctrica del Cantábrico, IBRD as Trustee of the Danish Carbon Fund, Idemitsu Kosan, KfW, Nippon Oil Corporation, Okinawa Electric Power Co., Rautaruukki, Gas Natural, Statkraft Carbon Invest AS, Statoil ASA, Swiss Re	Provide carbon finance to projects in the poorer areas of the developing world

ANNEX Climate-development Partnerships

Partnership	Starting year	Main partners	Goal
The Drought Tolerant Maize for Africa Initiative	2008	International Maize and Wheat Improvement Center, Swiss Agency for Development and Cooperation (SDC), German Federal Ministry for Economic Cooperation and Development (BMZ), International Fund for Agricultural Development (IFAD), United States Agency for International Development (USAID), Eiselen Foundation	Expand efforts to reach a greater number of poor farmers in sub-Saharan Africa with maize varieties that have increased levels of drought tolerance
Asian Cities Climate Change Resilience Network	2009	Rockefeller Foundation, Institute for Social Environmental Transition, Arup, ProVention, & ICLEI	Formulate and implement resilience strategies for cities in developing countries
Munich Climate Insurance Initiative	2005	Munich RE & UNU-EHS	Develop insurance-related solutions to help manage the impacts of climate change
Center for Health and The Global Environment	1996	American Medical Student Association, Birch Aquarium at Scripps, Blue Ocean Institute, Boston Public Health Commission, Chef's Collaborative Diversitas, Harvard Green Campus Initiative, Harvard University Center for the Environment, IUCN , Longwood Campus Energy Reduction Program, New England Aquarium, http://www.neaq.org/index.flash4.html; New England Science Center Collaborative, South Carolina Aquarium, Stone Barns Center for Food & Agricutlure, Students for Environmental Awareness in Medicine, United Nations Convention on Biological Diversity, UNDP, UNEP, WHO	Promote a wider understanding of the human health consequences of global environmental change

KEY NOTE 1:

CLIMATE CHANGE AS A GLOBAL CHALLENGE AND OPPORTUNITY

Atul Kumar, fellow at The Energy and Resources Institute (TERI) in New Delhi and holder of the Prince Claus Chair at Utrecht University

For me this is certainly a very important event, as a holder of the Prince Claus Chair in Development and Equity at the Utrecht University, and also as a researcher of The Energy and Resources Institute (TERI) India due to several close links. The Max Havelaar Foundation has well earned its reputation to guarantee the consumer that their products have been traded under fair conditions, and to inspire and stimulate market players to develop a market. I do believe that this is an innovative way to achieve development in a more equitable and sustainable manner around the world. Similarly, for more than 25 years my institute (TERI) has been highly committed to sustainable development through its vision to create innovative solutions for a better tomorrow. His Royal Highness Prince Claus was also strongly committed to development and equity and he bought extraordinary humanity to the issue of development and social justice. Incidentally, on 15th November 1988 the first pack of coffee with the Max Havelaar Fairtrade mark was presented to His Royal Highness Prince Claus, and today I am honoured to be here to present the Max Havelaar Lecture in the capacity of the Prince Claus Chair in Development and Equity.

Global challenge

Let me start by introducing climate change as a global challenge. Global climate change due to the rising level of greenhouse gases in the atmosphere is one of the most serious environmental challenges of the present time. While significant uncertainty remains, there is increasing consciousness on the scope and drivers that shape global climate change. In 2007 the Intergovernmental Panel on Climate Change (IPCC) concluded that climate change is not only increasing, but has been increased by human activities, particularly by the combustion of fossil fuels for energy. However, energy is also a prime mover of economic growth and development. This is critically important for developing countries like India, where the economy is developing rapidly. Simultaneously providing adequate and equitable access to basic amenities and services is the immediate priority for policy makers. Energy access for all is recognized as a policy priority and stems from the recognition of its strong impact on creating opportunity for economic development. Without access to basic energy services daily needs such as cooking, heating, lighting and water supply can only be met at the expense of economic productivity.

Climate change response options take the form of adaptation and mitigation. The IPCC third assessment report has defined mitigation in the context of climate change as: *"a human intervention to reduce the sources of, or enhance the removal of, greenhouse gases"*, while adaptation is defined as *"the adjustment in natural or human systems in response to actual or expected climate stimuli or their effect, which moderate harm to exploit beneficial opportunity".*

Climate change is a phenomenon with progressive and far-reaching social, economic, environmental and political repercussions. The IPCC's assessment and other analyses have highlighted the potential negative impact for poverty alleviation efforts, which threaten to unravel many of the development gains made in recent decades. Climate change has the potential to undermine the existence of many of the world's poorest and most vulnerable people who lack the financial, technical, human and intellectual resources to adapt. In all geographical settings that are highly exposed to climate hazard people are vulnerable in different ways, whether as a result of their source of livelihood, level of income and asset holding, social class, gender, age, ethnicity, access to public support, or their ability temporarily or permanently to migrate in search of economic opportunity. Just as the level of the forms of vulnerability created by the effect of climate change varies, so too does the capacity of society to adapt to the climate change that they will face. Particularly in the case of smallholders, their adaptive capacity is generally constrained by several factors. For example, smallholders generally faces illiteracy, under-education, lack of management and technical skill, poor access to information, organization and market access. Additionally, they are at a disadvantage against large commercial farmers who have more bargaining power and better access to capital, information, finance and technology. In addition, smallholders' transaction costs are usually higher due to poor infrastructure.

Global opportunity

Tackling climate change is indeed a defining challenge. However, it also provides an opportunity. So far the global course of action has been short-sighted and self-defeating – neither mitigation nor adaptation. However, a lot can be done to turn the challenge of climate change into opportunity for sustainable development. Analysing developed and developing countries' position on international climate change regime, the positions seem more of contrast than cooperation. Adaptation is usually

considered as the responsibility of developing countries, while mitigation is considered to be action for the developed countries. However, if sustainable development is considered a central theme to climate change action it can form the basis for cooperation between countries.

Let me talk about the climate change mitigation issue particularly from the small stakeholder's point of view, and taking a case from India. Agriculture occupies a key position in the Indian economy because of its contribution to overall economic growth through supplies of food, raw materials and exports. Several major industries such as sugar, textiles, jute and food-processing all depend on agriculture. In view of its links with other economic sectors change in agricultural performance will multiply the effect on the entire economy. The share of agriculture in gross domestic product (GDP) is around 18 per cent in India. The dominance of the agricultural sector is even greater in terms of employment, as 56 per cent of the country's total workforce is employed in the agricultural sector, which is 20 per cent of the world's agricultural sector employment. Its performance is therefore crucial in the task of the reduction and eventually in the elimination of poverty in India.

On the basis of land-holding size, farmers in India are classified as: marginal - owning less than 1 hectare; small – 1-2 hectares; semi-medium – 2-4 hectares; medium – 4-10 hectares; a large-scale farmer has a land-holding of more than 10 hectares. The average farm size in India is 1.33 hectares only. An important fact is that around 62 per cent of farmers have land-holdings smaller than 1 hectare and they cultivate only 19 per cent of total arable land. On the other hand, only 1 per cent of the farmers have a land-holding of more than 10 hectares, and they cultivate 13 per cent of the total arable land.

The agricultural sector contributes a number of greenhouse gas emissions – CH_4, N_2O, CO_2. CH_4 is produced from enteric fermentation and manure management, N_2O is from the use of inorganic fertilizer, CO_2 is primarily from energy consumption. CO_2 is one of the largest contributors to greenhouse gases, and I will talk more about CO_2 emissions later. Energy use in the agricultural sector can be broadly characterized as:

- fuel and electricity used in farm activity (irrigation pumping, tractor operation, and threshing etc)
- non-fuel energy inputs (such as human labour and animal power)
- fuel used for transportation of harvested crop
- energy required to produce and deliver agricultural input.

The agricultural sector thus depends on both commercial and non-commercial energy in its various forms.

During the past five decades there have been considerable increases in the energy intensity of agricultural operations in India. This increase in energy intensity is accompanied by substitution of non-commercial energy and animated energy by commercial energy such as diesel and electricity. Due to an increase in production requirements and the rapidly increasing population in the country, it is expected that energy input to the agricultural sector will increase in future as well. The increase in fossil fuel consumption in agricultural operations has lead to an increase in CO_2 emissions in the agricultural sector.

The agricultural sector accounts for 25 per cent of the electricity consumption in India. Most of the electricity in India is produced from coal, which is a very high carbon-intensive energy source. Although this may be an over-estimation by the electricity utility to hide system losses - often due to

theft, there is a need to address inefficiency in the technology and electric pricing system in this sector. Most of the electricity connections are provided on a non-meter basis, the farmers are charged on the basis of a fixed charge per kilowatt of motor load and are, thus billed under a flat pricing system. In addition, agriculture electricity tariffs are heavily subsidized or, at times, free electricity has been provided for agricultural purposes. Because of all these reasons farmers have little incentive to conserve electricity. If policies are designed in a way that costs of energy usage are used as an integral part of the incentive building and decision making, then the pricing system needs to be revamped in order to have any effect on farmers' decisions.

The other issue is that the actual amount of water utilized by a crop might be less than the amount of water pumped. Improving efficiency can ensure less water is pumped for the same amount of water required by the crop. Irrigation methods can play a role here. Some of these important methods are drip irrigation, trickle method, sprinkler irrigation, horse and basin irrigation, and a number of traditional methods that can be used. In addition to irrigation efficiency, other focus could be on using improved pump sets. More efficient diesel and electric pumps need to be employed at the farm level. Use of renewable source of energy is always environmentally benign way. While this is the most effective option in terms of CO_2 reduction, it is also the most expensive. Here, market-based mechanisms such as carbon finance could facilitate large-scale development of these options.

Conclusion: involve farmers

We can involve poor farmers in an urgent global effort to mitigate greenhouse gas emissions and we can do so in a way that improve livelihoods while reducing climate vulnerability. However, for doing so, we need to clearly understand few critical questions. Are they a trade-off between climate change and development objectives? Do mitigation and adaptation actions equally incorporate development concerns? Can we identify appropriate entry points at the programme level to incorporate poverty concerns in climate change action.

At the end we cannot undermine the need of collective role of all stakeholders, from government there is a need for providing policy direction at macro level, NGOs and academia can help government indesigning appropriate policy, local institutions for insuring effective delivery, and business for up-scaling of the system. Technology can play a cross-cutting role across every step.

REFLECTION:

THE FINANCE PERSPECTIVE: COMBINE FAIR AND ORGANIC

Koert Jansen, Fund Manager Triodos Bank

We are financing a lot of Fairtrade but also organic agricultural projects in the South – in Africa and Latin America and some in Asia. As you can see from this bottle of Goed Sap fairtrade and organic often go hand in hand – it is a good partnership between these two. I think that especially organic agriculture has something to contribute to the issue of climate change. First of all, by means of organic farming practices, soils become richer and stronger, because more organic material is kept in the soil. This means that fewer CO_2 emissions occur in the first place, but more importantly for the smallholder farmer, is that their soils become more resilient towards negative effects of climate change – for example extreme droughts or floods. If you have a solid soil where the topsoil is not simply flooded or eroded away, then you are better protected. I think that is important. There are other reasons why we are financing organic but I think this is an important issue.

Question: Isn't this highly risky because you mention a number of factors: erosion, and this of course is much more relevant in poor areas, rural areas; and then we have poor people and climate change problems, so the issues sort of pile up? I suppose this makes it even more risky for a banker to finance rather than financing a big farmer who is well-positioned in a very wet area, for instance in the Netherlands.

Answer Koert Jansen: Experience shows that if you finance projects which are connected to or integrated in Fairtrade systems, or integrated into organic value chains, these are actually very strong value chains and if problems occur – and they always do in agriculture – there is a lot of goodwill within a value chain to make sure that the problem is eventually solved. To give an example: if a project is confronted with flooding you will see the buyer will not turn away from that, but will try to work together with the producer to solve the problem and to ensure that the chain does not break.

Question: How big is the part of the Triodos Bank that is involved in climate change, or is this an impossible question to answer?

Answer Koert Jansen: No, it's a good question, I don't have the answer. We have one department which is called Energy and Climate, it sounds obvious, but that is the department dealing with renewable energy. The department that I am in is called Food and Agriculture, but I could also say that it is food and agriculture and climate. Because of what I just said there is a relationship between agriculture and climate as well. I don't have a percentage.

Question: But for instance one of the issues at the moment is the food versus fuel discussion. On the one hand – and I heard it in a speech given yesterday by Paul Polman of Unilever, which is very active in this area – it is said fuel is the currency of the rich and food is the currency of the poor. We now see that large areas are dedicated to fuel production, biomass and the like, whereas there is imminent danger of not enough food for people. What is the position of the bank, or your position, on this issue, and can you solve this problem?

Answer Koert Jansen: We decided not to finance biomass projects where there is this question of competition. For example, we have been looking into jatropha, you may have heard of it, which is nuts which have oil seeds. Then again you see that this is sometimes cultivated by smallholder farmers, just as a side product; sometimes it is about large plantations, then there is this competition with food production. There we would not step in.

Question: Finally, coming back to the speech by Professor Kumar. He also presented with a lot of data a business model for a smallholder farmer. Would you sponsor this? Under what conditions? Sponsoring is not the right word, of course, because you are investing.

Answer Koert Jansen: I think if it were an integrated project also incorporating organic farming practices and would have these instruments in addition then we could very well look into it.

KEY NOTE 2:

CONSIDERING THE EFFECTS: CLIMATE CHANGE, COFFEE AND FARMERS

Peter Baker, Centre for Agricultural Bioscience International (CABI)

There has been a change of perceptions about commodities and climate change. Five or more years ago we were talking about - well it's going to happen, it's going to affect commodities; it's what I talked about, but there was little concern at the grassroots. If I visited farmers or talked in developing countries about climate change often I got blank stares. Now, it is rather different. We are getting the story much more that it is happening. It is already affecting farmers and when we speak to farmers they are starting to tell us about it, in fact in some quite extreme terms

1. Introduction

Climate change is still a difficult topic that many decision-makers are reluctant to really address properly, and this is something I would like to develop in this contribution. The unusual weather effects, I think, are increasingly difficult to ignore. These are just some headlines[2] plucked from national newspapers around the world over the last few months. I am not going to go through them, but every one of them is about coffee and related to climate change; and that is not an exclusive list. If you look hard you can see the evidence. This is Colombia. This washing station, where the coffee is processed, used to be surrounded by coffee. The coffee is gone now, you have got pasture which is a terrible thing to replace it with, and if you look carefully between the upper and the lower photographs, on the lower one you can see increased erosion features there just occurring within two weeks. This was at the start of the huge rains that started in Colombia and have been going on ever since. You can see this in other countries as well.

2) On the website of the Partnerships Resource Centre, you can find the slides of the presentation, Peter Baker is referring to: www.partnershipsresourcecentre.org

We have had a project with the Neumann Stiftung GIZ and International Coffee Partners. We decided in a sort of quasi-scientific way to ask farmers, coffee farmers, about climate change. On a scale of 1 to 9, we asked various questions.

There are just two slides here. How much has rainfall changed in recent years? We are not talking about whether it is up or down, just whether it has changed. I was expecting a grouping, perhaps in the middle, but I was quite shocked to see such a tendency towards a very definite response that it had changed. There are communities seeing more disruptions, for instance landslides, damaged bridges that interfere with your business, getting your harvest in, getting the product to market. You are seeing some places where there hasn't been any problem, but others where there has been considerable disruption. This is from six coffee countries around the world.

2. A complex issue

The key point is that climate change is complex. We talk about global warming, but that is not the most imminent problem. The scientific evidence, which I cannot go into now, is that storms are getting more extreme. For instance, with the Indian monsoons, you are not getting any detectable difference in overall precipitation, but you are getting more heavy rains, and more lighter rains. The El Niño phenomenon really struck Colombia and other parts, Indonesia very hard over the last two to three years, there is increasing belief that the El Niños are becoming more extreme. You have the long-term temperature changes going on, which are much smoother really. You have to add those three wave forms together and you end up with something that is completely chaotic.

We may already be seeing the results of this in terms of large oscillations in production. So Nicaragua the big dip there was their political problems. They have got back increased production, but look at the huge fluctuations in production from one year to the next. Those are definitely related to climate fluctuations. In Tanzania you are seeing equally some large fluctuations; actually you are seeing growth in robusta which grows at lower altitudes, that is in warmer temperatures. You are seeing an increase in robusta production. If you look at the model projections into the future for climate change, for annual temperature, all the models agree, with quite a range, that temperatures are going to go up by anything from 2-4 or 5 or more degrees in the next ninety odd years. They do not really agree on precipitation, but there is a slight indication that maybe it is going to get wetter there, but we can't really tell. Especially in the next ten or twenty years, which is what most farmers are interested in, we could not really say, hand on heart, to a Tanzanian farmer if it is going to get wetter or drier.

3. Working hypothesis

Our best working hypothesis is that climate change is a reality, it is happening, it is affecting coffee production, its main effects on farmers are through these increasingly chaotic weather systems and it is going to get worse, but we don't really know how it is going to get worse, but we have got to do something about it. This is the approach that some people nowadays call post-normal science, where you cannot go through an ordinary scientific process of study and experiment, you have to use imperfect information and knowledge and come to some conclusions about what to do. Broadly, science is supporting the notion of more chaotic weather: just one paper I have pulled out here –

under a changing climate severe regional droughts have become more frequent, a trend expected to continue into the foreseeable future. This is global net primary productivity changes – the red is less, the green is more – and that is related to net assimilation of carbon as measured by satellite. So, especially in the Southern hemisphere, we are seeing large declines, but this is a summation over ten years. Actually, if you look over successive years, what you are seeing is a rapidly-changing pattern, and I think that is reflected in the problems the coffee farmers are seeing. It is impossible to predict where the next red patch will be.

Coffee is what I would call a Goldilock's plant: it likes it not too hot, and not too cold -arabica between 18 to 22 degrees – and not too wet and not too dry. It needs a dry period to initiate flowering, to stress the plant, then you need good rains through berry growth, and not too many intermittent rains otherwise you get multiple flowerings – which is bad. Then you want it dry at harvest time for picking and drying. It must not be too bright or too shady. Too much or too little sun can affect the health of the plants. The upshot is that it is getting harder to grow coffee. Temperatures are rising everywhere, especially minimum temperatures, and that is the signature of climate change, anthropogenic climate change I mean, and this means more pests and diseases and lower quality.

4. Precipitation

Globally there is going to be more rain, that is certain, but there is no certainty about where and when it will rain. For farmers though, I think it is more about precipitation, about rain. Too much rain, as in this case, this flash flood in Honduras; this huge avalanche provoked by heavy rain which killed a number of coffee farmers in Guatemala, or too little – this is from a drought in Nicaragua. Especially farmers of perennials such as coffee where you have a big investment in your trees you need reasonable weather to get a return. You put the tree in the ground, you don't get a harvest for four years, and I think this increased risk is being factored into the price. We have had two major coffee barons recently blaming the rise in coffee prices on speculators, but I think that is only a part of the problem. Basically, the equation is that you are getting greater uncertainty, so you get greater risk and that translates to higher costs. We desperately need more information on the total costs of growing coffee now. What is actually a reasonable price? We get production costs, but, to invest in coffee in the long term, to convert a piece of ground into coffee, how much does it cost? Farmers will need more help to produce the coffee we need, more help to become more resilient.

What can be done about it? Well, you can adapt, or mitigate – I am not going to talk about mitigation. With adaptation you can reduce impacts on existing farms or move to new areas or diversify. Moving to new coffee areas is very difficult: you can move up the mountainside, but mountains have this unfortunate property of being pointed, so you run out of space. You cannot see it here, but there is some deforestation going on there, in Vietnam, which is obviously a problem for mitigation – which nobody is really talking about. You can get latitudinal shifts, the most likely would be to move further South in Brazil and even into Argentina. These shifts will cause biodiversity losses, so there are problems there. Diversify? This is a huge issue. The lower coffee farms are going to go out of coffee in the next few years, but there are no real simple solutions on how to do this. This is a legacy issue for the coffee industry, because once a farmer has gone out of coffee then he is off the books, it does not relate any more to the coffee industry.

There are a number of possibilities to help farmers adapt. There are some simple "no regrets" measures; that means they still get a payback even if the feared climate impact does not actually happen. The problem is that these are actually rather simple things that have already been mentioned, like better soil management. The problem is getting farmers to adopt these on a scale to make a difference. Then there are resilience measures to make bigger changes – like improved water storage – but the problem there is the cost.

5. Conclusion

You need organizations and institutions. You cannot really deal adequately with climate change on a farm by farm basis. Some are looking to retro fit with climate modules on existing certifications, but many of the problems are on a bigger scale, hence the question of coordination, collaboration and cooperation is now very important (see the position paper in this booklet). So far, there is a lot of talk, workshops, mapping, pilot projects, but there is little in terms of real implementation on any scale. Adaptation is a complex issue. When we speak about adaptation often we are really just talking about coping. For instance, as the sea level rises you build the sea walls higher, but that can lead you down a blind alley in the long run. You go into path dependency and you become more and more dependent on that. Real adaptation involves major institutional and organizational change, major rethinking of strategy. I think this is now required for coffee. A good thinker on climate change has written a recent book – Mark Pelling[3]. He says that climate change adaptation is an opportunity for social reform, for the questioning of values that drive inequalities in development and our unsustainable relationship with the environment. Adaptation is a social and political act. What Pelling writes reminds me of the ideals, to some extent, of Fairtrade, and it has always been the NGO sector really that has broken new ground – certainly Fairtrade did – so the question is now, I think, to what extent is it that Fairtrade's remit should be to consider this. The problem is where do you stand on this surface? You have public good, private good, local solutions, global solutions. I just dropped these issues down there without really thinking very clearly about exactly where they should fall. My institute, I think, falls there – I have not checked with our CEO though so I could not promise you – but where do you stand? It is not clear who should be doing what. There is no coordination.

Really, an industry dilemma is how to spend wisely. It is a crucial question of economics – allocation of scarce resources to competing ends. If you only have a finite amount of money, what do you spend it on? More certification, community adaptation, mitigation, prospective new areas, diversification, the Nestlé strategy which involves a lot of corporate research and implementation? Even the cleverest companies are getting caught out. I will leave you with this final slide: this is a load of Honda cars floating in the water in Thailand this last week. It is ironic, because I often use the car industry as an example for coffee to follow because they have everything worked out to the last nut and bolt, much more than coffee production does, where we still do not really fully understand the process of fermentation – something that would be a complete anathema to the car industry. And yet they have got it wrong twice this year, once with the tsunami and now with the floods. This is going to be an increasing problem in the future, which we will have to deal with.

---

3) Pelling M, Manuel-Navarrete, D and Redclift M (eds) (2011) ***Climate Change and the Crisis of Capitalism: a change to reclaim self, society and nature****, Routledge Series in Human Geography, London, Routledge; Pelling M (2010)* ***Adaptation to Climate Change: From Resilience to Transformation,*** *London: Routledge*

REFLECTION:

THE FARMER'S PERSPECTIVE: VULNERABILITY AND ADAPTATION

Leo de Haan, Rector Institute for Social Studies, The Hague

Coffee is a delicate crop which needs fairly constant temperatures and protection against full sunlight. For that reason it is often cultivated at higher altitudes, i.e. mountainous areas, in the tropics and under tress or crops like bananas that provide shade. Coffee is a perennial crop and for that reasons mostly a sustainable form of land use, even if cultivated on slopes. Moreover, since coffee is also often a profitable crop coffee growers are able to invest in soil conservation, for example through the construction of terraces.

I can imagine that a delicate crop like coffee is vulnerable for climate change, but I would like to put the effect of climate change on coffee production in a wider perspective of the livelihoods of the coffee growers. It is important to note that such a smallholder perspective is much more differentiated and varied than one would expect at first sight, because it entails more than an agricultural perspective

An understanding of the way in which smallholders organize their livelihood, starts with the awareness that organizing a livelihood entails more than earning a living. Indeed, material goals are an important part of livelihood strategies, but in the end organizing one's livelihood boils down to giving meaning to one's life. So, livelihoods of coffee smallholders are the end result of a mixture of material and immaterial goals, i.e. a context-bound mixture of income goals, farmer's prestige, parental care, religious considerations etc. Agricultural production is usually only one means to earn an income. Many farmers have other sources of revenue as well. In rural areas, rural wage labour and handicraft is important, while many supplement this with seasonal migration to urban areas.

Moreover, we need to be aware that most farmers live in households, with families. They tend to coordinate their individual activities with those of their household members and even with those of their close kin living in urban areas. Livelihoods are thus organized in networks, rather than individually. This also applies to coffee growers and it means that they have many more livelihood options and perspectives on their mind then only coffee production.

In other words, as a result of climate change some growers might indeed move higher up and produce coffee at higher altitudes. However, some cannot or will not and will continue to produce coffee of poorer quality in the locations where they are now. Some of them will look for other opportunities to supplement their income, but that also depends on how much status they enjoy with growing coffee. Some will simply shift to other cash crops, or will look for wage labour opportunities even in urban areas.

Furthermore, climate change also means increased variability in temperature and rainfall and therefore more vulnerability to farmers. The only way farmers can adapt to increased variability is through diversification. The only way to control, to adapt to insecure situations is putting your eggs into as many baskets as you can find, and coordinate these efforts with your family members and other people you care for.

For an organization such as Max Havelaar this means that if they want to continue supporting the livelihoods of coffee growers, it must focus on more than coffee. If coffee growers stop or diminish coffee production, Max Havelaar too needs to look at other opportunities to assist them and invest in these rather than in coffee. This makes it increasingly more complex..

Question: Should Max Havelaar support coffee growers to combine and co-organize their adaptation within larger entities such as cooperatives?

Answer Leo de Haan: My point is that successful adaptation to climate change for coffee growers, will only be possible to a limited extend in coffee production itself. In other cases it might need support for former coffee growers, finding their adaptation in wage labour, temporary migration or handicrafts. Of course, Max Havelaar has a track record in coffee, but there are no “silver bullets” nor “one size fits all” solutions to climate change. However, what is encouraging is Max Havelaar’s focus and expertise in the fair trade value chain. The perspective of the value chain, broadens the one-sided focus on coffee production and opens opportunities to support former coffee growers in finding opportunities in other parts of the value chain, i.e processing and trading.

Answer Peter d’Angremond: Yes, I am triggered by two things. I think the point you made is that Fairtrade should go along with farmers when they are affected by climate change, and are actually forced into growing other crops. Fairtrade offers, obviously, various standards on different kinds of crops, so already I think that will enable producers to continue their Fairtrade production, and to diversity.

Secondly, and I think this is a nouveauté for the audience here, is that last week we decided on a governance change, which now leads to a fifty-fifty equal voting in the Fairtrade system – producers, and market-facing organizations such as Max Havelaar. I would not say that Fairtrade should adapt for the farmers – because actually we do it together. Fairtrade is a system of the farmers, they have half of the voting rights in the system. They themselves are very big and important contributors to how Fairtrade is developing. I think that is elementary in the Fairtrade system. The other thing I wanted to add to a very valid point you made, is that Fairtrade should not only be there for smallholders. In fact, Fairtrade isn't. In many of the product categories we also have standards for workers, and in our white paper where we draft our strategic choices it is explicitly stated that Fairtrade is there for smallholders and for workers equally. You make two very valid points, and I think I have made my point in response!

Question: Would that solve some of Leo de Haan's worries in terms of the power conflicts that you often refer to in your work on livelihoods?

Answer Leo de Haan: It indeed addresses an important issue I am always pointing at. The organizations of livelihoods is not a neutral pastime, but a power game. One should always be aware that people – also poor people – are organizing their lives in competition with others, i.e landlords or next-door neighbours when competing for land, traders and other growers when selling produce, other labourers when accessing jobs etc. One will never be able to satisfy everyone. But that is not something to be afraid of but rather something to acknowledge and then to position oneself with respect to these power struggles. For a Fairtrade organization as Max Havelaar this means achieving a fair price for fair labour and fair production.

MAX HAVELAAR LECTURES SERIES

2007	Poverty and Business: a Research Agenda for Business Schools http://hdl.handle.net/1765/22979
2008	Partnerships for Development http://hdl.handle.net/1765/22981
2009	Chains for Change http://hdl.handle.net/1765/22982
2010	With Great Power Comes Great Responsibility http://hdl.handle.net/1765/23828

MAX HAVELAAR LECTURES

The Max Havelaar lecture is a recurring annual event. It serves five interrelated goals:

- Provide a platform for the presentation of state-of-the-art scientific insights into how sustainable business and development cooperation can be combined;
- Discuss the advantages and disadvantages of the involvement of corporations in poverty alleviation in a systematic and non-ideological manner;
- Address the complexities of sustainable development rather than engage in simplifications in order to come up with realistic – and obtainable – approaches to addressing in particular Millennium Development Goals;
- Discuss the strengths and weaknesses of specific approaches such as trade marks, codes of conduct, reporting or governance measures;
- Provide an arena in which innovative ideas and structured dialogues can be launched.

Each year, a leading scholar is invited to hold the key lecture which is accompanied by statements from leaders of the business community, civil society and government. The lecture is held at the Erasmus University Rotterdam, as a legacy to Jan Tinbergen, the former Nobel Prize Laureate in economics and leading thinker on sustainable development. The lecture is open to the public.

The Max Havelaar lecture is organised as a cooperative effort between three institutes: The Max Havelaar Foundation (www.maxhavelaar.nl), Rotterdam School of Management, Erasmus University (in particular the department of Business-Society Management; www.bsm.org) and the Expert Centre on Sustainable Business and Development Cooperation (ECSAD; www.ecsad.nl). The first Max Havelaar lecture was held in October 2007. More information on present and future lectures can be found on www.maxhavelaarlecture.org

Topics of previous Max Havelaar lectures:

2007 Poverty and Business
2008 Partnerships for Development
2009 Chains for Change
2010 With Great Power Comes Great Responsibility

THE PARTNERSHIPS RESOURCE CENTRE

Triodos Bank

FAIRTRADE MAX HAVELAAR

Expert Centre for Sustainable Business and Development Cooperation

RSM Erasmus ERASMUS UNIVERSITY

13631. B&T Ontwerp en advies (www.b-en-t.nl)