To: Carbon credits producers, project facilitators and traders
Fairtrade members
cc: Standards Committee
Fairtrade International staff
FLOCERT staff

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**Fairtrade Climate Standard**
**Fairtrade Minimum Prices and Premium for Fairtrade Carbon Credits**

Dear partners,

We are pleased to announce that the new Fairtrade Climate Standard has been published. The Fairtrade Climate Standard enables small-scale producers to access the voluntary carbon market through the production of Fairtrade Carbon Credits. The standard was developed in partnership with the Gold Standard Foundation, best known for its certification standard for emissions reductions. Fairtrade Carbon Credit projects need to follow both the Gold Standard criteria and the additional requirements laid out in the Fairtrade Climate Standard. The standard aims to empower producers by facilitating capacity building and climate change adaptation projects for producers, and through fair and transparent terms of trade.

In parallel to the development of the standard, Fairtrade developed an innovative methodology to calculate the average costs of sustainable production of carbon projects to establish Fairtrade Minimum Prices for carbon credits.

During its meeting that took place on 25-26 November 2014, the Standards Committee approved the Fairtrade Climate Standard and the methodological approach used to calculate costs of production of Fairtrade Carbon Credits. In its subsequent meeting in March 2015, the Standards Committee approved a strengthened adaptation section of the standard, the selection criteria and process for the assessment and approval of carbon methodologies, and Fairtrade Minimum Price and Premium values for Fairtrade Carbon Credits.

For details on these decisions please refer to the minutes of the Standards Committee meetings available on our website under http://www.fairtrade.net/setting-the-standards.html.

The standard includes requirements for producer organizations, project facilitators, traders and end buyers of Fairtrade carbon credits. The scope is limited to **energy efficiency, renewable energy and afforestation/reforestation projects**. The standard and the Fairtrade Minimum Prices and Premiums will be **applicable as of 1 January 2016**; the certification body will start auditing against the new standard from this date.

For the first 12 months, the Fairtrade Climate Standard will be open only to selected road-testing projects. During this time, Fairtrade International will monitor the projects and do a follow-up review of the standard in one year's time. The Fairtrade Climate Standard is available in English, and will be available within one week in Spanish and French on our website under http://www.fairtrade.net/climate-standard.html. There is also information available on the approved carbon methodologies and the pricing methodology used to calculate the Fairtrade Minimum Price.

Fairtrade Minimum Prices and Premiums have been established for all types of projects within the scope. The prices and premiums are presented in the table below. The Fairtrade Premium is paid in addition to the sale price for Fairtrade Carbon Credits, which must be at least the Fairtrade Minimum Price or market price, whichever is higher. The Fairtrade Prices and Premiums are also available in the Fairtrade Minimum Price and Premium Database on our website under http://www.fairtrade.net/price-and-premium-info.html.

| Specific Product Standard | Product variety | Price applies to[1] | Currency / Quantity x unit[2] | Price level[3] | Fairtrade Minimum Price value | Fairtrade Premium value | Valid from |
|---|---|---|---|---|---|---|---|
| **1. New prices for: Fairtrade Carbon Credits** | | | | | | | |
| Fairtrade Climate Standard | Energy efficiency projects | Worldwide/ FCC producer organization | EUR / $tCO_2e$ | Issued FCCs | 8.20 | 1.00 | 01/01/2016 |
| Fairtrade Climate Standard | Renewable energy projects | Worldwide/ FCC producer organization | EUR / $tCO_2e$ | Issued FCCs | 8.10 | 1.00 | 01/01/2016 |
| Fairtrade Climate Standard | Afforestation/ Reforestation projects | Worldwide/ FCC producer organization | EUR / $tCO_2e$ | Issued FCCs | 13.00 | 1.50 | 01/01/2016 |

For more information, please contact the Standards & Pricing team at: standards-pricing@fairtrade.net.

Best regards,

Andreas Kratz

[1] Producer organizations certified against the Fairtrade Climate Standard.
[2] One carbon credit represents an emissions reduction or sequestration equivalent to one metric tonne of $CO_2$ (carbon dioxide) or $CO_2e$ (carbon dioxide equivalent greenhouse gases).
[3] The price level Issued FCCs (Fairtrade Carbon Credits) covers average values of all costs incurred up to and including issuance of the carbon credits and includes Fairtrade certification costs.

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