

## **Taxing the Poorest to Pay for Climate Projects Vote Fairtrade – For A Global Green Deal**

Ireland extracted value to the tune of €120 million in 2023 from VAT on chocolate from the world's poorest cocoa farmers. On average they earn between US\$1-2 a day from cocoa. The Irish Government spent the same amount, €120 million in 2022, on contributions to international climate projects in poorer countries.

'The Irish Government has a very good reputation for our overseas development assistance program (ODA). Spending increased in 2022 to about €1.2 billion and about 8.6% of this was spent on credible international climate finance' said Fairtrade Ireland's Executive Director, Peter Gaynor, speaking at the launch of Fairtrade Fortnight in Dublin on Monday.

'But how can we on the one hand earn €120 million from very poor cocoa farmers, and on the other hand spend €120 million on international climate finance - and not join up the dots? The recipients are paying for it themselves.

'This €120 million earned on VAT on chocolate, was double the total extra value earned through Fairtrade by small-scale cocoa farmers globally (€64 million) in 2022.

Chocolate sales in Ireland are the 3<sup>rd</sup> highest per capita in Europe after Austria and Switzerland and are valued conservatively at €525 million a year. Ireland is also the 19<sup>th</sup> largest exporter of chocolate in the world. On average cocoa farmers capture about 6% of the value of a chocolate bar sold in Europe, or about €31 million from the value of the sales in Ireland. The Irish Government's VAT take is 4 times the farmers take.

'There is another tax the Government wants to bring in that is being called a Latte Levy. This would be an environmental charge of possibly €0.15c a cup on each disposable cup used, and is intended to nudge us away from of single-use coffee cups. Continued Peter Gaynor from Fairtrade Ireland

'Using a conservative number for the disposable cup involved, the money from this tax could amount to another €15 million – this time to improve the Irish environment which is also important.

But its not any more important than the environments or livelihoods in the coffee lands.

'The Minister of Foreign Affairs, Micheal Martin TD, and the Minister of Transport and the Environment, Eamon Ryan TD, should ensure that people living in extreme poverty, or who don't yet enjoy living incomes, are not funding our lifestyles or Government aid projects.

'It is important we increase spending on international climate finance, overseas aid and on the environment, but we have to ensure the income and expenditure sides of it are fair to all.

'This significant tax income from products produced by poor farmers should be set aside to fund living income projects for cocoa farmers or coffee farmers in the world's poorest countries.

Details about Fairtrade Fortnight and how people can support it and find out about local Fairtrade events can be found at [www.fairtrade.ie](http://www.fairtrade.ie) **Vote Fairtrade – For A Global Green Deal**

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