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REPORT STRATEGY MEETING

Meeting : Strategy Meeting 'Coherence in Development: The Case of Climate and Agriculture'

Date meeting : 16 September 2010

To : Participants strategy meeting

Reporter : Afke de Groot (SID)

The strategy meeting was held in preparation of "It's Down 2 Earth", the Global Conference on Agriculture, Food Security and Climate Change (The Hague, Oct 31st-Nov 5th 2010) organised by the Dutch Ministry of Agriculture, Nature and Food Quality. 95 participants from the private sector, civil society organisations, government and science attended the strategy meeting.

Opening

Hedwig Bruggeman, Director Agri-ProFocus

Bruggeman stressed the importance of the goal of the strategy meeting, which is about coherence, connecting knowledge, experience, practical input and out of the box-thinking. The diverse audience will help to connect different stakeholders in order to put agriculture on the climate agenda. It is important that farmer entrepreneurs in Africa are connected with the private sector, NGOs, research institutes and governments. It is important to think out of the box towards the future and take the lead to put agriculture on the climate agenda from a coherent perspective.

The Pan African conference in Addis Ababa, Ethiopia, on agriculture, food security and climate change was a successful conference, which resulted in a joint statement from African leaders. However, there was no input from the farmers or from the private sector. Both actors are necessary to achieve change, and hopefully they will be invited for the November "It's Down 2 Earth" conference in The Hague.

Debriefing Pan African Conference and Impact on 'It's Down 2 Earth' Conference Mr. J.P. Hoogeveen, Director-General Ministry of Agriculture, Nature and Food Quality

The meeting in Addis Ababa was a success. For the first time ministries of agriculture and environment of fifty countries were able to coordinate their positions. With the multiple crises, there are enormous tasks we are facing today. Increasing levels of hunger and poverty cannot be accepted and we have to stop the loss of biodiversity and forest. To feed 9 billion people in 2050 is a huge challenge, given that we are consuming four times our planet. Agriculture is a crucial part of the solution. It lies at the heart of sustainable development. Especially in Africa agriculture is key in dealing with food security and climate change. We need a paradigm shift in our thinking. We need resource efficient, climate-smart agriculture by using existing knowledge in Africa. We need a revolution in ideas, technologies, and financial resources. Not only from ODA, but also from the private sector and international foundations. In preparing for the November conference the focus

will not only be on public, but also on private participation. The Gates and Clinton Foundations will be there, as well as multinational organisations which will be represented on CEO-level.

Climate change and food security are interlinked. The World Development Report 2010 states that climate change increases the number of undernourished people. There is a need to increase agricultural productivity by 70%. It is thus time to act now! Down2 earth NOW!

The Addis Ababa conference underscored that action is needed on multiple tracks: investing more in sustainable agriculture, sharing knowledge, supporting regional markets, and ensure that farmers have access to financial resources by means of measures such as micro-credits and safety-nets. Agriculture is only a third of the solution for climate change. It is partly responsible for deforestation. Therefore, we need to invest in adaptation, but also in mitigation measures. Minister Verburg initiated the November conference, because we need to develop a roadmap for action, and to take stock of current developments and innovations, and lessons learned from practice. We try to find innovative ways of financing climate-smart agriculture. Therefore the November conference will include an investment fair to bring farmers together with investors. Five programmes will be signed by investors. We won't only show results with words. We will involve the countries with the most problems: in Africa. Development in Africa means investing in climate-smart agriculture. There needs to be full access to all available funds for those actions. Not only for agriculture, but also for climate change.

Looking back to the Addis Ababa meeting, the organisers did an excellent job to bring together so many countries. Next time the private sector and NGOs should be more involved, and let's see how we can put this into practice in The Hague and at the UNFCC COP in Cancun.

Farmers' engagement in fight against climate change Dr. J.K. Mutunga, International Federation of Agricultural Producers (IFAP)

There is a strong link between agriculture and climate change. Agriculture accounts for 14% of global anthropogenic greenhouse gases. Bad farming practices (burning residues) and cutting down forests can have a negative impact on the environment. At the same time, climate is affecting agriculture. Increased precipitation leads to devastation, floods and mudslides, crop and livestock destruction and ultimately loss of livestock and food insecurity. In addition, high temperatures lead to drought, causing crop failure and loss of livestock. Diminishing incomes for farming households are coincided by increased costs of production. Farmers' organisations recognise that climate change affects farmers by loss in produce. Farmers notice that 'the sun has come lower than before', 'seasons have become imbalanced between dry and wet' and 'rains are getting more and more delayed'. Not many farmers have been able to get attuned to the rising costs of production, and diminished incomes.

We are in need of agriculture-smart solutions to climate change. Africa is the hardest region and is in need of real intervention. Great polluters need to be more active. How many countries really commit themselves to emission reductions? Adaptation is necessary and should integrate strategies for poverty reduction to ensure sustainability sensitive to human rights and dignity. Making pastoralists produce bio-fuels does not work, and how many people can afford solar energy? We do need supportive policy environment at country level to enhance uptake of adaptation measures. The science and knowledge that we have on climate change is not reaching farmers. They should be involved in the solutions. Regional and international exchange of lessons learned would be helpful. Some concrete recommendations:

- Encourage agro-forestry
- Make solar panels cheaper
- Reduce emissions (especially by the great polluters in the North)
- Develop workable conservation tillage practices and machinery

- Carry out more farmer-informed adaptive research
- African states need to integrate climate change into the CAADP¹ process.
- Engage smallholder farmers in sustainable carbon trading schemes.
- Try irrigation for food and livelihood security in Africa

Remarks by the audience

Professor Eric Smaling, ITC

Mitigation from adaptation strategies have different starting/action points. The complexity of the climate and agriculture issues need to be clear. Regarding adaptation we need to look at stresses and shocks. Shocks require risk planning and the reduction of vulnerabilities. Regarding mitigation there can be a rough division into four segments:

- Need to produce more food: area expansion (unavoidable but beware of carbon emissions)
- Intensification: improve d feed:meat ratio with low external inputs
- Post-harvest processing/distribution: reduce climate related inefficiencies (e.g. food miles)
- Consumer behaviour: eating less (meat), and throwing less food away. Promote climate-friendly and certified products.

Professor Arie Kuyvenhoven, WUR

- -There is a lack of distinction between adaptation and mitigation. They require different sets of measures. Are we looking for coherence between measures or between different interests of different stakeholders/different priorities?
- -There are many social scientists here, not many environmental specialists. Different viewpoints need to be represented.
- -The speakers remain abstract: I agree with everything, but we need to discuss controversial issues.

Strengthening Coherence in Climate, Agriculture and Private Sectors Involvement Prof.dr.ir. J.J.C. Voorhoeve (Netherlands Council of State, World Population Foundation, Oxfam Novib)

According to FAO and the World Bank 925 million people are hungry, which means one out of seven persons in the world. 1.5 billion people are poor, including 75% rural women and children. These are shameful facts in a resource-rich world.

The key to fight poverty is rural development that benefits the poor. We need coherence between climate and agriculture policies. Rising temperatures lead to large-scale dislocations, hitting the urban and rural poor hard. Environmental refugees and additional poor and hungry will overburden already fragile states in the world. They will flee to other regions in their own and neighbouring countries, which experience the same problems. No effective climate policies have been set by governments. Trading emission rights do not work, as these rights have been allocated in excessive quantities. Strong reduction of energy consumption per capita in rich countries would work immediately and save a lot of money, but governments and parliaments fear a negative response of their electorate. Reduction of fossil-fuel consumption is urgent and possible, but requires additional legislation and information campaigns. Climate neutral energy production develops too slow in OECD-countries, with Sweden being a positive exception. In our country, energy companies planned to build four more coal plants, which would result in a large of increase of CO2 emissions.

WTO negotiations need to change for coherence in policies, and the US and the EU need to take the lead. Many developing countries will join measures once OECD-countries will take the lead. Protection of domestic markets in developing countries which are unable to compete internationally

¹ The Common African Agriculture Development Programme is an effort by African Heads of States to develop concrete plans to invest in the agricultural sector. Click <u>here</u> for a desk review by Agri-ProFocus.

is still needed! Encouraging bio-fuel production is counter-productive, as the net energy and CO2-effects are small. Food production has to increase by 70% to feed 9.2 billion people by 2050. We need fresh water, and arable land, which are not projected to be available in huge quantities. Change IS possible, considering that our grandparents lived on a fifth of what we use. Changes are needed fast and require government and personal action.

A strong impact comes from decent governments: by stronger promotion of voluntary family planning to counter expansive population growth and by promoting domestic and international peace by establishing a decent justice sector and treaties tackling the issue of small arms. Once you have a decent justice sector and peace, economic growth follows by itself. Leadership of US and EU is essential to improve coherence, but since influence of the West is rapidly declining, cooperation of India and China is important if you want to achieve anything. New approaches to reach the MDGs are needed, setting region-specific targets, including cooperatives and trade unions.

Realizing High Returns of Public-Private Sectors' Collaboration for all Mr. H. Mulder (TEEB Advisory Board, GRI, UTZ Certified, BiD, NCP, NCDO, Worldconnectors)

There are no solutions without involvement of the private sector, and not only for financial reasons. Businesses now need to publish their carbon footprint, which calls for measures and disciplines. We are now waiting for the need to disclose the water footprint. This change in perspective of the business sector is influenced by happenings over the last 6 months:

- May 2010: The Johannesburg Stock Exchange now requires their companies to publish an integrative report, including insurance of influences on non-financial sectors.
- Mid-June: IRCC integrates reporting initiatives, led by Prince Charles. This is a reinforcement of Johannesburg, calling major accounting firms to change accounting rules of non-financial issues.
- July: To <u>TEEB</u> or not to <u>TEEB</u>? That is the question. 'The Economics of Ecosystems and Biodiversity' (TEEB) study is a major international initiative to draw attention to the global economic benefits of biodiversity, to highlight the growing costs of biodiversity loss and ecosystem degradation. These three initiatives will have their far-reaching consequences.

Another example to get excited about are Social Impact Bonds (where investors lend money to social entrepreneurs addressing a pressing social problem). See for example the case of Ahmedabad in India where 200.000 cook stoves and 200.000 solar lights have been provided to women (obtaining carbon credits for their communities). Youth between 18 and 25 were given the job to produce, maintain, and distribute them. Governments should guarantee such bonds. This is a perfect way to rediscover how government can steer or accelerate the energy/social agenda. Such bonds are budget-neutral: it does not cost the tax-payer a single penny. Biodiversity issues can be linked to such Social Impact Bonds.

There is an opportunity if we just let businesses do their work. There is no need for new instruments. And do not forget about the sustainability agenda (Code Banken). Investors will only be interested in green banks, not brown banks.

Remarks of the audience with response by Voorhoeve:

<u>Cozijnsen</u>: Prices are slowly increasing. Agriculture is not on the climate agenda. Emissions are difficult to measure. Agriculture is the solution, and the CO2 market can help. Voorhoeve: Until now trading CO2 emission rights does not work. Emission rights are very cheap and plentiful. There is no actual effect on carbon dioxide production. It takes several years before it has impact. It is a fake policy, taking years to discover that it does not work. Perhaps it works in the long run, but we need new additional policies with short-terms solutions. *Brieskorn:* Efficiency after-the-harvest is an important issue: a lot of harvest is being lost, because there are no possibilities for freezing, etcetera.

Voorhoeve: Storage, packing, and freezing are very important. Subsistence farming is not the only solution. I focused on small-scale rural development. We are inclined to look only at high-scale technology innovations. These are not yet proven to be effective, and difficult to implement.

Kuyvenhoven: The Ministry of Foreign Affairs/Development Cooperation needs to fund better policies, investments and support. Is it likely that the Dutch minister for development will move away from traditional Dutch interests such as education in order to invest in agriculture? Voorhoeve: There should be a new minister for International Cooperation (integrative subject), and agriculture should get more attention. I am not pessimistic. There will be a new minister, but not in the present formation: nothing sustainable comes out of that.

Lastly, someone suggested a system in which the countries that refrain from deforestation should be financially compensated for their contribution.

PANEL DISCUSSION. Moderated by Ms. E. Bruning (EB- Director, The Hunger Project)

Panel members:

Ms. D. Hirsch (DH- Director, Both ENDS)
Mr. M. Merbis (MM- Centre for World Food Studies)
Ms. S. Voogd (SV- Oxfam Novib)

- 1. What does your organisation contribute to strengthen or promote coherence between climate and agriculture?
- -MM: We are a research organisation and carry out many projects, such as a project that will soon start on adaptability of farmers in Africa to disasters and shocks such as climate change. Vulnerability profiles can be used to see what kind of coping mechanisms need to be designed. These can be in the physical sphere, but also in insurances.
- -DH: Both ENDS works with local organisations in developing countries. We influence policies so they do not lead to further degradation of the environment, and we provide examples of relevant lessons learned. I am also part of the <u>Taskforce Biodiversity and Natural Resources</u>: a platform to advise ministries. The issue of climate change and agriculture is on their agenda.
- -SV: The Oxfam family is very active in helping people getting out of poverty focusing on agriculture. Climate change is recognised as an important issue. We should look at interests of people in developing countries and simple win-win solutions do not exist.
- 2. There is a large knowledge-base on sustainable, climate-smart agriculture. What could be done to enhance availability of this knowledge to all relevant stakeholders? How could the 'worlds' of agriculture and of climate be linked?
- -DH: The assumption is that there is a lot of knowledge, but is it relevant to the people who need to use it? We develop knowledge that we think is relevant, but local producers have other types of knowledge. We are exporting our knowledge, but not working to create development knowledge.
- -MM: We do our research projects in cooperation with the countries themselves. Countries need to be involved. There is a need for capacity to come to a relevant knowledge and policy agenda. Research shows them how to formulate this, and we help them with that. Only with credible tools are we able to support a worldwide track for necessary solutions.
- -SV: Consider women also as relevant stakeholders. A lot of women are active in agriculture and food security: how can we get the knowledge to women? We already talked about how to help the poor in the 80s and that never worked. Now we are trying it again. Peasants are very much aware of climate change: we are now creating policies, which will go to Cancun. This is not going to help the people. We really need to think outside of the box!

- 3. Agricultural systems are responsible for 32% of all green house gas emissions. Some say this applies especially to large-scale industrial agriculture (and not to smallholder agriculture). What are the characteristics of a new, climate-smart agriculture?
- -SV: Deforestation for bio-fuels, soya, meat-production is not a result of smallholder agriculture. Most of climate-smart agriculture (organics, rice intensification) is small scale.
- -DH: There are a lot of divergent opinions on this.
- -MM: Fair-trade carbon, just raise the carbon tax to increase the price of fuels. Unpriced inputs are a lot more difficult: try to disseminate improved practices to the farmers. There is a natural carbon cycle: livestock has been part of that for ages. There is no need to be too pessimistic.
- -Kuyvenhoven: small-scale farmers are driven to new soils, so they are using unsustainable practices. You cannot feed the world by organic farming alone. Land and labour are limited: low-external input is necessary.
- DH: This is the world upside down. Large-agro industries are using capital and chemical input dependent forms of agriculture pressing small farmers from their land. These small farmers are then subsequently blamed for non-sustainable practises?
- Smaling and Cozijnsen: It is a non-starter to polarise between small vs. large farmers. Let's focus on opportunities to promote sustainable and climate-smart solutions for all farmers alike.
- -Brouwer: three points are never mentioned in reports: (1) risk-reduction, (2) more efficient use of nutrients (many farmers in Sahel over-manure), and (3) isolated wetlands are in big demand by many, and are thus being destroyed due to lack of integrative management.
- 4. Climate mitigation is not only achieved through changes in production systems, but also through changes in consumption patterns. How can consumers in OECD-countries be incentivised to consume less, and in particular consume less (climate-unfriendly) meat and dairy?
- -DH: 5% of consumers buy Fair Trade-products, showing there is a market. 45% is not so much into sustainability, but is conscious of the issues. They need to be encouraged through propaganda and role-models. The third group is mainly motivated by prices. Instead of biological products being most expensive, there should be VAT-systems to make other products more pricely. Government interventionist measures are necessary in order to come to that.
- -SV: So much energy and products are wasted. Why is it so hard to change a consumer's lifestyle? If it would be profitable for people and companies to change, then why is it so hard?
- -Mutunga: People need to be aware on how their behaviour affects people elsewhere.

Do you have any recommendations for the Ministry of Agriculture, Nature and Food Quality? -SV: Set common goals with other ministries and representatives from developing countries. Work very hard on it and fight like a lion in the EU.

- -DH: In order to ensure that enough people have enough food: stop the production of bio-fuels.
- -MM: Bio-fuels are not the problem, but stop blending mandates. That is the problem. Bio-fuels are not profitable in any way, unless prices are very low.

GROUP DISCUSSIONS

Recommendations from the research perspective (moderated by Max Spoor, ISS):

- 1. Re-invigorate absorption capacity of policy-makers to use and receive knowledge (from research institutes). A ministry needs to have specialised thematic knowledge.
- 2. We need more demand-driven independent critical research on climate change and agriculture for policy makers and other stakeholders (for example social movements).
- 3. Give more attention to the impact of structural agricultural changes on climate and environment, instead of only focus on (societal) impacts of climate change on agriculture.
- 4. Research on coherence between different policies and practices is needed. Another question is how knowledge is used, as ample knowledge is available this knowledge needs to be

translated to local practice and linked to other available knowledge. Another question is who owns the knowledge and to whom is it directed?

Recommendations from the civil society perspective (moderated by Rian Fokker, Heifer):

- 1. For mitigation we should look at ourselves, not to developing countries. The problem started HERE!
- 2. Agriculture in developing countries should not be in the carbon-market, which is not benefiting the small-scale holders; this can only work in developed countries.
- 3. Promotion of local innovative solutions by stimulating local institutions. We need to exchange local farmer knowledge on adaptation strategies. There should be specific funds for adaptation.
- 4. Stop thinking in terms of efficiency (Co2 per litre), but think in terms of what people need.
- 5. Research is needed on ways to diminish negative impact of different livestock systems. Livestock should be policy priority because it is of (increasing) great importance in developing countries and when integrated in the right systems, the negative impact on climate change can be diminished or even become positive.
- 6. Look for systems that ensure a cycle of nutrients including trees, livestock and crop production. Integrated agricultural systems with closed nutrient cycles need support.

Recommendations from the producers' perspective (moderated by Peter Prins, LTO North):

- 1. Does knowledge from farmers and from here reach each other? We need to bridge this existing gap, using existing networks (such as IFAP network). Local farmers can use knowledge that rich countries have accumulated: exchanging of knowledge.
- 2. Pricing should reflect total costs: including environmental damage. Consumer prices should rise according to rising production prices.
- 3. NGOs are always crowding conferences, but where are the producers? Agricultural ministries should pressurise producers to participate.
- 4. Let the conference show examples of good business cases that have shown improvements.

Recommendations from the private sector perspective (moderated by Naa-Aku Acquaya Baddoo, Oxfam Novib):

- 1. Listen to the private sector in the South: stimulate platforms and introduce an entrepreneurship agenda as a solution to the challenges (business 2 business).
- 2. Look for sustainable solutions at the *regional level*. That is where needs overlap.
- 3. Greater effort to educate investor community about taking a longer view than they currently do on sustainability.
- 4. Access to (and better) financing instruments are needed.
- 5. Adhere to the necessity of an *entrepreneurship agenda* at the LNV Conference, as a means to arrive at sustainability.

Recommendations from the policy perspective (moderated by Herman Bavinck, VROM):

- 1. Define in a participatory manner fair and coherent development on common agricultural policies.
- 2. Take food sovereignty as a principle in trade, climate and agricultural negotiations.
- 3. Code/Quota system, leading to structural reduction of animal products and consumption.
- 4. Set up a global fund, replenishment-based, to introduce new and existing technologies related to climate change and food security to the countries that can use them.
- 5. Make LNV's own agricultural policies coherent, also in line with global agricultural policies.
- 6. New technology needs to be demand-driven from the south.

² On the impact of livestock FAO's report 'Livestock's long shadow' has a very different estimate of livestock's contribution to global emissions than the World Bank report (18% and 51% respectively).