



# Global Conference on Agriculture, Food Security and Climate Change Bulletin



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Published by the International Institute for Sustainable Development (IISD) in collaboration with the Dutch Ministry of Economic Affairs, Agriculture and Innovation

ONLINE AT [HTTP://WWW.IISD.CA/YMB/AFCONFERENCE/](http://www.iisd.ca/ymb/afconference/)  
ISSUE #4, VOLUME 184, NUMBER 4, THURSDAY, 4 NOVEMBER 2010

## GLOBAL CONFERENCE ON AGRICULTURE, FOOD SECURITY AND CLIMATE CHANGE HIGHLIGHTS: WEDNESDAY, 3 NOVEMBER 2010

On Wednesday, in the morning plenary session, participants heard reports from Tuesday's working groups and a report from the Investment Fair. Four keynote presentations introduced the issues to be addressed during the day. Participants then convened in two parallel working groups to discuss the financing of climate-smart agriculture with presentations from Norway, Mongolia, the United States and Kenya. In the afternoon working group sessions, after hearing presentations on lessons learned, participants discussed innovative ways of financing climate-smart agriculture.



Michael Jenkins, Forest Trends, reported from the Investment Fair, highlighting the commitment of the Dutch government to provide seed funding for the "Food for All" project

## PLENARY SESSION

Working Group 1 Co-Chair Silva reported on his Group's Tuesday discussions and highlighted: pursuing green growth through optimization of resources; building the right institutions; and developing accounting methodologies for comparing technologies and selecting best practices. Working Group 2 Co-Chair Akinbamijo reported on his group's Tuesday outcomes and emphasized: systematic approaches to deal with climate change and address all elements of the ecosystems; the importance of sharing experiences between countries facing similar climate change challenges; and the need for synergy between government policies, research agendas and the agriculture sector to promote climate-smart agriculture.

Michael Jenkins, CEO, Forest Trends, reported that Tuesday's Investment Fair emphasized the need to move from a finance system focusing on fast profitability to one that combines longer term economic returns with shorter term environmental and social returns. He shared a commitment made by the Dutch Government to provide seed funding for the "Food for All" project.

Participants then heard four keynote presentations. Warren Evans, Director, Environment Department, World Bank, presented the World Bank's climate finance instruments, suggesting that climate finance can help pay upfront costs of



Michael Jenkins, Forest Trends

innovation and develop policies and regulatory frameworks. He described the Pilot Programme for Climate Resilience that supports countries in making development planning climate-resilient. Evans showcased the BioCarbon Fund, which provides finance for carbon sequestration projects in countries that lack access to the carbon markets, highlighting restoration of pasturelands and forests. He urged agriculture ministries to participate in the climate debate and demonstrate the benefits of using climate finance.

Charlotte Streck, Director, Climate Focus, discussed the potential in linking agriculture and climate change, underlining that agriculture is the only emitting sector that has the ability to sequester carbon. She urged participants, despite the few synergies that have been realized within the climate change negotiations, to seize opportunities such as the pledge by developed countries during UNFCCC COP 15 in 2009 to provide US\$10 billion in fast track funding. She encouraged participants not to miss the



Warren Evans, Director, Environment Department, World Bank



Charlotte Streck, Director, Climate Focus

The *Global Conference on Agriculture, Food Security and Climate Change Bulletin* is a publication of the International Institute for Sustainable Development (IISD) <info@iisd.ca>, publishers of the *Earth Negotiations Bulletin* © <enb@iisd.org>. This issue was written and edited by Tomilola "Tomi" Akanle, Tasha Goldberg, Laura Russo, and Simon Wolf. The Digital Editor is Diego Noguera. The Editor is Leonie Gordon <leonie@iisd.org>. The Director of IISD Reporting Services is Langston James "Kimo" Goree VI <kimo@iisd.org>. Funding for coverage of this meeting has been provided by the Dutch Ministry of Economic Affairs, Agriculture and Innovation. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada; tel: +1-204-958-7700; fax: +1-204-958-7710. The opinions expressed in the *Bulletin* are those of the authors and do not necessarily reflect the views of IISD. Excerpts from the *Bulletin* may be used in other publications with appropriate academic citation. Electronic versions of the *Bulletin* are sent to e-mail distribution lists (in HTML and PDF format) and can be found on the Linkages WWW-server at <http://www.iisd.ca/>. For information on the *Bulletin*, including requests to provide reporting services, contact the Director of IISD Reporting Services at <kimo@iisd.org>, +1-646-536-7556 or 300 East 56th St., 11A, New York, New York 10022, United States of America. The IISD team at the Global Conference on Agriculture, Food Security and Climate Change can be contacted by e-mail at <laura@iisd.org>.

window of opportunity for new investments and partnerships where the concerns of climate change mitigation and adaptation, and food security are met with integrated land planning policies and measures.

Stefan Baecke, Rabobank, described the Rabo Food and Agri Real-assets Management (Rabo FARM), which works in partnership with farmers and farming operations to provide agricultural investment, particularly in infrastructure, focusing on Central and Eastern Europe. He outlined enabling factors for increasing investment, including: government effectiveness; regulatory quality; reduced political; economic and legal risks; and appropriate infrastructure. Baecke also highlighted Rabobank's Sustainability and Security of the Global Food Supply Chain report, which highlights the need for a sustainable global food chain.

Don McCabe, Canadian Federation of Agriculture, emphasized the role of policies in shaping markets and providing economic incentives to farmers. He underscored the importance of research and extension, risk mitigation policies, and farmers' organizations.

An outline of the roadmap was then circulated to participants and Hoogeven clarified that the roadmap will be in the form of a Chair's summary and not a negotiated text.

Participants convened in two working groups throughout the rest of the day to discuss financing of agriculture for climate change mitigation and adaptation.



Stefan Baecke, Rabobank



Don McCabe, Canadian Federation of Agriculture

knowledge on forests and livelihoods; and improving this knowledge by supporting this knowledge on the ground. He emphasized that REDD+ is an important instrument for the agriculture sector as well. Responding to questions, he said countries can access REDD+ Partnership funds through multilateral donors and that the Partnership is an interim programme until REDD+ is included under the UNFCCC.

Ulziibold Yadamsuren, Index Based Livestock Insurance Project, Mongolia, said the basic principle of the Project is that farmers take care of frequent small loss events, the insurance covers less frequent high-loss risks, and governments intervene only in the case of extreme loss events. He offered policy lessons for the roadmap for action, including: making insurance part of national agricultural policies; creating public-private partnerships; using index insurance to overcome adverse selection and moral hazards; leaving choices for farmers through voluntary participation; and building a global infrastructure for climate risk insurance.

Participants then commented on the roadmap outline. Sudan emphasized early warning systems, regional cooperation, research dissemination and capacity building. The UN Forum on Forests (UNFF) stressed that financing must be leveraged at the landscape level and the UN Environment Programme highlighted the importance of sustainable consumption and production. Sao Tome and Principe requested consideration of the challenges for small island states. Tanzania said the roadmap should be a short, focused report. Ethiopia requested inclusion of the recommendations of the African Conference on Agriculture, Food Security and Climate Change. Belgium said the EU's position is to support a decision on agriculture at UNFCCC COP 16, and that for food security and climate change, an integrated approach is needed which should include, in addition to agriculture, nutrition, health, employment and research, among others. France suggested including: policy inter-linkages; mainstreaming climate change; and boosting research and diversification of finance sources, as presented in his country's position paper.

#### WORKING GROUP 2

A.G. Kawamura, California Department of Food and Agriculture, United States, described California's Agricultural Vision, which is being developed to enhance and improve



Ulziibold Yadamsuren, Project Director, IBLIP, Mongolia



A.G. Kawamura, California Department of Food and Agriculture, United States

## WORKING GROUPS

### WORKING GROUPS MORNING SESSION

#### WORKING GROUP 1

Knut Øistad, Ministry of Agriculture and Food, Norway, presented on Norway's International Climate and Forest Initiative, highlighting its main objectives as: including REDD+ under the UNFCCC; coordinating REDD+ initiatives including aligning multilateral efforts; demonstrating how REDD+ can work in practice through partnerships for action; cooperating with civil society organizations to use their



Knut Øistad, Deputy Director-General, Department of Forestry and Resource Policy, Ministry of Agriculture and Food, Norway



Wangu Mutua, Swedish Cooperative Centre-Vi Agroforestry Project, Kenya

food supply predictability. He highlighted the importance of infrastructure, including for harvest processing, storage and transportation, marketing, and for dealing with invasive species and diseases. Noting that there are many feeding programmes in California, such as school lunches, food stamps and prisoner feeding, Kawamura noted the potential of aligning the agriculture system with such feeding programmes.

Wangu Mutua, Swedish Cooperative Centre-Vi Agroforestry, Kenya, presented the Kenya Agriculture Carbon Project. She explained that the project produces carbon credits and provides immediate benefits to farmers, such as: increased productivity; livelihoods and food security; and protection from drought. She elaborated that key to the programme is improving the livelihoods of the farmers, such that the carbon credits are a bonus, rather than the focus of the programme.

In the subsequent discussion, participants commented on how to leverage positive results from small-scale projects into lessons and mechanisms for wider dissemination in large-scale projects. Responding to comments, Mutua said the ultimate objective of the agricultural carbon finance project is that communities will eventually be in charge of running it. She also noted that to evaluate the outcome of the project, the increase in productivity is used to estimate the amount of carbon sequestered, underlining that the basis for this is that as carbon in soil increases, so does soil productivity.

#### **WORKING GROUPS AFTERNOON SESSION**

##### **WORKING GROUP 1**

Bernard Giraud, Danone, presented his company's carbon emission reduction and offset objectives and highlighted the OCEANIUM mangrove restoration project in Senegal, which generates carbon credits and benefits local communities through tree planting. He also introduced the Livelihoods Funds, which will start at the end of 2010 for 10 years.



Bernard Giraud, Danone



Michael Lesnick, Meridian Institute

Michael Lesnick, Meridian Institute, highlighted some topics from the Option Assessment & Dialogue: Climate Change & Agriculture report, that the Institute will publish in 2011, including: ways to handle adaptation and mitigation relationships in the agriculture sector; appropriate measurements for adaptation; dissemination of lessons learned and successful practices in agriculture; and trade as an underlying issue for agriculture.

Juergen Voegele, Director, Agriculture and Rural Development Department, World Bank, presented a movie on ecosystem restoration projects and stressed that these projects were possible because farmers received long-term land use rights on restored lands.

Participants then addressed the roadmap for action. Peru underlined the importance of ecosystem restoration for improved water distribution and of investments in irrigation infrastructure. Rwanda described soil protection programmes with water harvesting and hillside irrigation, and said capacity building at the local level and linking production to markets are key. The United States emphasized the role of companies in innovative financing. Egypt underlined the importance of scaling up successful programmes and of guaranteeing people's ownership of the process. UNFF said this conference should embrace the landscape restoration concept. Bolivia said the roadmap should highlight the obligations of developed countries under the UNFCCC. Nigeria stressed the need for global governance in climate change and agriculture. Nicaragua read a common statement with Bolivia, Ecuador, Cuba and Venezuela on the roadmap emphasizing that it should build on existing agreements under the UNFCCC. Algeria highlighted the need to work at large scale. XMINY Solidariteitsfonds, the Netherlands, said emission reductions could be achieved by relying on local and seasonal food, and by halting land clearing for biofuel production.



Juergen Voegele, Director, Agriculture and Rural Development Department, World Bank



Arne Cartridge, Yara International

## WORKING GROUP 2

Arne Cartridge, Yara International, described initiatives on climate-compatible agricultural growth, and outlined some internal carbon reduction measures, technologies and tools, such as: improved fertilizers that increase mitigation potential and biomass production; and a low-carbon guarantee for fertilizers available to farmers and companies seeking to reduce their carbon footprint.

Nic Opperman, Agri SA, South Africa, described the promotion of conservation agriculture in South Africa, through programmes and policies such as: the No-Till Club in KwaZulu-Natal; farmer participatory approaches implemented by the Agricultural Research Council; the Conservation Agriculture Academy; provincial initiatives such as demonstration plots and local task forces; and the Black Economic Empowerment in Agriculture. He identified lessons learned, including the need for: a central point for information storage; promotion of conservation agriculture; enthusiasm among conservation agriculture practitioners; and multi-stakeholder platforms and networks.

Michael Kairimba, Kilimo Trust, Uganda, identified the “missing middle” as smallholder farmers and agribusiness processors, who cannot access micro finance and also do not have sufficient collateral to access macro finance. He presented three mechanisms that can be used to build economies of scale for this group within the East African region: loan guarantees; grants; and investment capital. Kairimba explained that the Kilimo Trust aims, in cooperation with NGOs, to: increase access to capital for producers and processors; support scaling up of innovative financial mechanisms; broker inclusive financial markets; and support public and private sector collaboration.

In the subsequent discussion, some participants asked for clarification about how small-scale farmers in high-risk regions can engage with financial institutions. The UN Standing



Nic Opperman, Agri SA, South Africa



Michael Kairimba, Kilimo Trust, Uganda

Committee on Nutrition said nutrition security, together with mechanisms for mainstreaming nutrition and health in climate change mitigation and adaptation plans, should be considered in the roadmap and the corresponding financial mechanisms. Mauritania noted the inherent risk in agriculture, particularly considering the negative impacts of climate change and that many farmers are subsistence farmers. He questioned the willingness of banks to give loans to farmers and the ability of farmers to pay the interest on the loans, and underlined the importance of public finance. In response, Kairimba acknowledged that debt financing will not be suitable for all farmers and stressed that there are other options such as grants and equity investment but that debt financing is appropriate for large-scale operations.

The Netherlands Development Organization underlined the importance of creating ways for the private and finance sectors to support increased productivity, income and purchasing power of small-scale farmers. The Eastern African Farmers Federation reflected on the need for banks and financial institutions to focus more on domestic and regional markets and food security, rather than targeting production for the export market. The Institute for Agriculture and Trade Policy highlighted the importance of addressing the issue of speculation in carbon markets and its impact on agriculture commodities.

## IN THE CORRIDORS

As the morning plenary session started on Wednesday, participants received a document containing the outline and pillars of the roadmap for action. Some welcomed this as a starting point for review by the ministers on Thursday, while others lamented its lack of substance. At the end of the day, some participants expressed disappointment that the outline did not generate in-depth detailed discussion in the working group sessions, but, as one participant put it, “If some of the great variety of topics that we addressed here make their way into the document, then it was well worth coming to the Conference.” This sentiment was shared by several NGO representatives who, however, regretted the lack of stronger civil society consultation, with one saying “We did our best to share our concerns in plenary, so let’s see how this will be reflected in the document.” On another note, many participants were looking forward to the plenary session of Thursday morning, where high profile keynote speakers are expected, among which Kofi Annan. “It’s been a dream of mine to see him, so yes, I’m very excited!” said one participant.