



## **ICTSD-IPC Platform on Climate Change, Agriculture and Trade : Promoting Policy Coherence**

### **1. Statement of Need:**

The global agricultural sector must meet three major tests in the 21<sup>st</sup> century: 1. it must adapt to climate change and, where possible, play a role in climate change mitigation; 2. it must provide sustainable global food security for a growing population and 3. it must make good on its promise of poverty alleviation - since some 70 percent of the world's poorest people live in rural sectors and rely on agriculture. The risk exists that these three sets of challenges will be addressed separately, which would reduce their chances of success. Focusing on the climate change challenge alone, for example, could have negative impacts for food security and poverty alleviation. Such negative impacts for food security and poverty alleviation, in turn, would weaken efforts to curb climate change. The world's population will not benefit from climate change mitigation unless it enjoys food security – nor can it contribute to climate change mitigation or adaptation unless it has food security. Food security, particularly for the world's poorest populations, and poverty alleviation requires greater investment in the agricultural sectors of developing countries. Yet, such investment is lacking in part due to a distorted agricultural trade regime, which is still subject to high levels of subsidies, tariff and non-tariff barriers, and care must be taken not to create disproportionate or unjustified trade barriers under the guise of addressing climate change.

It is crucial to identify and better understand the connections between these three sets of challenges in order to arrive at the appropriate policies to address them. Among the important questions to be explored are:

- What will climate change mean for future agricultural production, and in turn for international trade flows?
- Which types of agricultural policies and practices need to be pursued to achieve global food security? What role do such policies and practices play in turn in climate change mitigation and adaptation?

- How can poor smallholder farmers achieve greater income and food security? What does climate change mitigation and adaptation mean in this context?
- What is the role of trade in food security and poverty alleviation? Can trade policy contribute to mitigate climate change, reduce developing countries' vulnerability and enhance their resilience to climate change challenges?

Recognizing the need to combat these major challenges in a coordinated manner, ICTSD and IPC propose to create an interdisciplinary platform of climate change, agricultural and trade experts to promote increased policy coherence, to ensure effective climate change mitigation and adaptation, food security and a more open and equitable global food system. This platform will undertake research, analysis and dialogues on issues at the interface between climate change, agricultural policy and trade.

We believe that these sets of issues constitute the most important elements, which the climate change, agricultural and trade policy communities must wrestle with for the foreseeable future, and to be effective, must do so jointly. For the first year, this interdisciplinary experts' group - given the international community's attempt to reach consensus on a new climate change agreement by the end of 2009 - will focus in particular on the implications of the United Nations Framework Convention on Climate Change (UNFCCC) negotiations on agriculture and trade, with a view to providing policy-relevant insights from the perspective of the climate change and trade regimes. The group's combined expertise and output will serve to assist the UNFCCC negotiators understand the linkages to agriculture and trade, and likewise, inform agricultural policy, trade policy experts and stakeholders about the policy inter-linkages between these three fields.

## **2. Background**

Given its reliance on natural resources and the climate, the agricultural sector - and food security - is particularly affected by climate change. This is clearly recognized in the objective of the UNFCCC, which calls for "a stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system....within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner." (Art.2) It is important to recognize that the UNFCCC, clearly identifies in its objective and principles the need address climate, ensure food security, and enable sustainable economic development, stressing that « economic development is essential for adopting measures to climate change » (Art.3.4) Moreover, the Convention calls for « common but differentiated responsibilities » among developed and developing countries, and cautions that « measures to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. » (Art.3.1 ; 3.5)

Effective climate change mitigation and adaptation is thus of crucial importance for future agricultural production and food security. Considering that the agricultural sector is also a significant emitter of greenhouse gases – the IPCC estimates that it is responsible for some 14% of global emissions (AR4) – the sector will also be called upon to play a role in mitigation efforts (this increases to 30% when deforestation and land-use change is included, and agriculture, of course, is one of the drivers of deforestation). Agriculture provides significant potential for global GHG emissions reduction via 1. reducing its own emissions via improved management practices; 2. stemming land-use changes through improved productivity and increased yields ; 3. providing offsets for emissions (plants and soil act as carbon sinks) and 4. by displacing fossil fuel with biofuel IF these offer significant GHG savings. Adaptation should address both current climate variability and long-term climate change. Adaptation strategies to address short-term climate variability include: changing management practices at the farm level, reliance on insurance and other risk-spreading financial mechanisms, and temporary migration. Strategies to address long-term climate change are often implemented as a planned adaptation and include the development and adoption of new technologies and strategies to build the productivity and resilience of the agricultural sector.

Agricultural management, procurement and trade practices have already begun to shift in response to private sector considerations or as a result of policies and regulations pursuant to national decisions and international agreements. There will be further pressure for these to shift in order to both mitigate and adapt to climate change. An example from the private sector was the decision by some European retailers to label agricultural products flown in with an airplane label to indicate that they had been transported from afar and thus contributed to greater greenhouse gas emissions than locally produced products - without taking into consideration a complete lifecycle analysis, which would show much more nuanced results, or the negative economic repercussions such a campaign could have for developing country producers. The prominent example of the decision by Saudi Arabia in early 2008 to cease a thirty-year program aimed at self-sufficiency in wheat production and to rely instead on wheat imports given the serious water shortage the country faces, could portend similar considerations by other countries concerned about the impact of climate change. **It is important to get these policies right: the key question is how to ensure that real mitigation and adaptation occurs WITHOUT *unduly* hampering food security and poverty alleviation?**

The food security challenges are equally daunting: it is anticipated that agricultural production will have to double by the year 2050 in order to meet increased demand stemming in part from population growth and income growth in developing countries. Agricultural feestocks are also increasingly used in the production of energy sources. This ratcheting of production must be accomplished under the serious constraints posed by limited availability of arable land and shrinking water supplies, and the need to reduce greenhouse gas emissions. Agricultural measures, such as an intensifying agricultural production, moving toward less fossil-based inputs, promoting food self-sufficiency or relying more on imports, all carry different

implications for global food security and climate change, which are important to delineate.

Poverty alleviation will require greater investment in the agricultural sectors of poor countries. A level playing field for global agriculture would importantly help restore incentives for public and private investment in the agricultural sector in developing countries and thus contribute to greater food security and poverty alleviation. It would also facilitate an increase of developing country exports in global trade, which could play an important role in sustained economic growth. This in turn can lead to increased global capacity of the agriculture sector to meet and adapt to the challenge posed by climate change and environmental resource constraints; such global participation is needed for truly effective results. Within the debate over climate change and agriculture, it is important to keep in mind that the majority of agricultural GHG emissions come from vulnerable farmers in developing countries: about 74% of agricultural emissions come from developing countries (UNFCCC November 2008). Whereas agricultural emissions in developed countries decreased by about 12% in developed countries from 1990 until 2005, emissions from developing countries increased during the same period by 32% (UNFCCC November 2008)

### **3. Platform on Climate Change, Agriculture and Trade**

The ICTSD-IPC platform will convene climate change, agriculture and trade experts to jointly examine and recommend agriculture and trade policy options intended to promote climate change mitigation and adaptation, without losing sight of the need to strengthen food security and contribute to economic development. The platform will convene throughout 2009 (with possible extension if determined to be useful by the experts), and focus in 2009 primarily on the UNFCCC negotiations.

#### **Composition:**

##### **Steering Committee (all confirmed):**

- John Anthony Allan, Kings College (UK)
- Jason Clay, Senior Vice President Market Transformation, WWF US (US)
- Franz Fischler, Former Commissioner for Agriculture, European Union (Austria)
- Adrian Macey, Ambassador of Climate Change Negotiations (New Zealand)
- Daniel Martino, Carbosur, Coordinating Lead Author of Agriculture Chapter for IPPC AR4 (Uruguay)
- Raul Montemayor, Vice-President, Federation of Free Farmers Cooperatives/International Federation of Agricultural Producers (IFAP), IPC Member (Phillippines)
- Peter Smith, Aberdeen University, Coordinating Lead Author of Agriculture Chapter for IPPC AR4 (UK)
- Ajay Vashee, President, International Federation of Agricultural Producers (IFAP), IPC Member (Zambia)

- Michel Petit, Professor, Institut Agronomique Méditerranéen, IPC Member, (France)

#### **Expert Group:**

- Christian Friis Bach, International Director, DanChurchAid (Denmark)
- Bruce E. Dale, Michigan State University (US)
- Jane Earley, consultant, Earley and White Consulting Group LLC (US)
- Lin Erda, Professor and Ex-Director General, Agro-Environment and Sustainable Development Institute Chinese Academy of Agricultural Sciences (China)
- Ni Hongxing, Deputy Director-General, Ministry of Agriculture (China)
- Marcos Jank, President, UNICA (Brazil)
- Melinda Kimble, UN Foundation (US)
- Willem-Jan Laan, Director, Global External Affairs, Unilever, IPC Member (NL)
- Wendy Mann, Senior Advisor Natural Resources and Environment Department, Food and Agriculture Organization of the United Nations
- Gerald Nelson, Senior Research Fellow, International Food Policy Research Institute (IFPRI) (US)
- Tim Searchinger, Research Scholar, Princeton University, former co-Director of Center for Conservation Incentives at Environmental Defense (US)
- Hasit Shah, Managing Director, Sunripe Kenya Ltd. ; Chairman, Fresh Produce Exporters Association of Kenya (FPEAK) ; Chairman, Kenya Horticultural Council (KHC) ; Director, COLEACP (Kenya)
- Youba Sokona, Executive Director, The Sahel and Sahara Observatory (Tunisia)
- Vanessa Stiffler-Claus, Manager, Federal Affairs, John Deere (US)
- Ancha Srinivasan, Senior Climate Change Specialist, Asian Development Bank (India)

In addition, all members of IPC's Working Group on Food Security and Climate Change (see About IPC), the UNFCCC Secretariat and Delegates will be invited to participate in platform meetings.

#### **Publications:**

A series of issue briefs will be disseminated throughout the year. Two issue briefs will be completed prior to the first formal meeting of the group and form the basis of the first meeting's discussion. Other issue briefs will follow based on the recommendations of the experts' group. The issue brief findings and the outcome of the group's deliberations will also be compiled in a synthesis report to be completed by the end of 2009, which will serve as a reference guide on the most important interrelated policy issues in climate change, food security, and trade.

First series of issue briefs:

- An overview of the agricultural issues at play in the UNFCCC, the Kyoto Protocol, implementation thereof and negotiations on a post 2012 regime.
- A scoping paper on the linkages between trade, trade policies and rules and climate change adaptation and mitigation in agriculture, which need to be explored.

Suggested topics for other issue briefs:

- What do we know about the likely impact of climate change on agricultural production and, in turn, on trade flows?
- Measuring emissions and sequestration from agriculture
- Agricultural Climate Change Projects under the Clean Development Mechanism and Options for post 2012 regime
- Links Between REDD (Reducing Emissions from deforestation and forest degradation) and Agriculture and Trade
- Food Security and Trade Impacts of Various Mitigation/Adaptation Options
- Climate Change Impacts of Various Trade Policies
- Trade measures used as penalties (i.e. carbon tax adjustments) or incentives to promote mitigation and adaptation (green box or other types of subsidies; labeling/certification)
- Private Sector Efforts – what are processors and retailers doing or considering (i.e. carbon accounting)?
- Climate Change risk mitigation measures for agricultural producers
- Win-win scenarios – what policies and options are optimal for climate change mitigation/adaptation, food security and equitable trade?
- Trade offs in crafting coherent climate change, agriculture and trade policies

### **Planned Meetings - 2009:**

(A preliminary meeting was convened at the margin of the COP-MOP 14 in Poznan in December 2008.)

- April 5 : platform meeting at the margin of climate change negotiations in Bonn
- April 6 : public side event at the margin of climate change negotiations in Bonn
- May 12 : platform meeting in Salzburg following IPC international public seminar on food and environmental security of May 10-11
- November 3 : Seminar in Washington to disseminate platform findings and recommendations
- Oct/Nov/Dec. – dissemination event in Europe
- December : Public side-event at the margin of the UNFCCC COP-MOP 15 in Copenhagen

## Annex 1. About ICTSD

The International Centre for Trade and Sustainable Development (ICTSD) was established in Geneva in September 1996 to contribute to a better understanding of development and environment concerns in the context of international trade.

As an independent non-profit and non-governmental organisation, ICTSD engages a broad range of actors in ongoing dialogue about trade and sustainable development. With a wide network of governmental, non-governmental and inter-governmental partners, ICTSD plays a unique systemic role as a provider of original, non-partisan reporting and facilitation services at the intersection of international trade and sustainable development.

ICTSD's mission consists in empowering stakeholders in trade policy through information, networking, dialogue, well-targeted research, and capacity building, to influence the international trade system such that it advances the goal of sustainable development. In order to effectively advance its mission the centre has become a leading broker of knowledge and information on trade policy and sustainable development. The Centre identifies knowledge gaps in international trade rule and policy making from a sustainable development perspective; mobilises the best expertise around the world through dialogue and research to address those gaps in a solution oriented way; processes the knowledge generated by such expertise in a way that is applied to, and relevant for international policy making processes, and makes it available to strategic constituencies in a timely manner. Fulfilling this role requires several attributes.

### A reflective, responsive and opportunistic strategy

ICTSD has developed an ability to remain ahead of the game and anticipate policy developments. At the same time, the Centre is responsive to external developments and adapts its programmes accordingly, particularly in an environment which can be characterised as highly dynamic and volatile. Finally, the Centre is opportunistic in exploiting strategic windows of opportunities as they occur to advance its mission.

### A non-partisan and value-based approach

As a leading broker of knowledge, ICTSD has developed a long term vision and has established strong relationship with key constituencies based on trust. ICTSD's non-partisan approach has enabled the Centre to be perceived as a credible, independent and neutral player. Together with its focus on sustainable development, this approach has enabled the Centre to focus on promoting specific public policy outcomes that lie at the core of sustainable development instead of privileging short term mercantilist interests or vested interests of specific actors or country groupings.

### Generating and processing knowledge to deliver sustainable development outcomes

As a generator of new knowledge, ICTSD has developed an advanced and solutions-focused understanding of the sustainable development dimension of trade negotiations. Every year, the centre generates between 70 to 90 different research papers and think pieces. It has the ability to identify and mobilise the best suited

expertise to address knowledge gaps from a sustainable development perspective, and build and nurture knowledge communities. To do this, ICTSD engage in purpose-full networking and strategic partnerships. In 2007 for example, the Centre has established formal partnerships with 89 institutions in 40 different countries. It also has developed a solid understanding of who is who in the trade and sustainable development community.

#### Opening space for interaction

ICTSD's strategy of enabling, facilitating and supporting interaction among trade policy makers and policy influencers has been effective in fostering constructive interaction in a non negotiating setting. In 2007, ICTSD convened more than 70 dialogues in over 30 different countries. In this capacity, ICTSD is recognized for its effectiveness to bring new voices and perspectives to the debate and its ability to mobilise a wide range of stakeholders at different levels of the policy making process.

#### Reaching out to strategic constituencies

ICTSD is broadly recognized as a trusted non-partisan information source on international trade policy making and sustainable development issues. On weekly and monthly frequencies, ICTSD produces 12 different periodicals in five languages that reach out to roughly 20'000 targeted policy makers and influencers in more than 180 countries. It has a strong presence in Geneva and is close to trade negotiations, policy makers, NGOs, and academia. To support all this, the Centre has developed innovative outreach and information dissemination systems.

## **Annex 2. About IPC**

The International Food & Agricultural Trade Policy Council (IPC) promotes a more open and equitable global food system by pursuing pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC convenes influential policymakers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, and advocate policies to decision-makers.

With its broad and diverse membership, IPC represents a global voice and the interests at stake in agricultural policy debates. IPC's members are an independent group of influential leaders in food and agriculture from developed, developing, and least developed countries, and are chosen to ensure the Council's credible and impartial policy approach. Members have extensive experience in farming, agribusiness, government, and academia.

IPC develops practical policy recommendations addressing the critical issues facing the world's agricultural system. It focuses its research and advocacy on agricultural trade negotiations, agricultural and rural development policies, and food technology and standards. IPC conveys recommendations directly to policy-makers and decision-makers around the world through policy papers, seminars, conferences, and

personal contacts. It is supported by generous contributions from agribusinesses, foundations, and governments.

### IPC Membership

#### IPC Board

Carlo Trojan (The Netherlands), Chairperson  
Former Ambassador of the European Commission to the WTO

Carl Hausmann (United States), Vice Chairperson  
President and CEO, Bunge North America

Marcelo Regúnaga (Argentina), Vice Chairperson  
Professor, Universidad de Buenos Aires and Universidad de San Andres. Former Secretary of Agriculture

Piet Bukman (The Netherlands)\*  
Formerly Dutch Minister of Agriculture, Minister of Trade, Minister of Development Cooperation, and former President, Dutch Farmers Union

Pedro de Camargo Neto (Brazil)\*  
Former Secretary of Agricultural Production and Trade

Raul Montemayor (Philippines)\*  
President, Federation of Free Farmers Cooperatives, Inc.

Hiroshi Shiraiwa (Japan)\*  
Former Counselor, Japan International Agriculture Council, Former Director, Mitsui & Co.

Robbin Johnson (United States)\*  
Former Senior Vice President and Director, Corporate Affairs, Cargill, Inc.

Hans Jöhr (Switzerland)  
Corporate Head of Agriculture and Assistant Vice President, Nestlé

#### **IPC Members**

Bernard Auxenfans (France)  
Managing Director, Kincannon & Reed

Malcolm Bailey (New Zealand)\*  
Dairy Farmer and Member of the Board, Fonterra Cooperative Group, Ltd.

Devry Boughner (US)\*  
Director, International Business Relations, Cargill, Inc.

Joachim von Braun (Germany)  
Director General, International Food Policy Research Institute

Csába Csáki (Hungary)  
Member, Monetary Board, Hungarian National Bank

Jason Clay (US)\*  
Vice President, World Wildlife Fund

H.S. Dillon (Indonesia)  
Chair, Center for Agriculture Policy Studies and Former Assistant to the Minister of Agriculture

Franz Fischler (Austria)\*  
Former Commissioner for Agriculture, European Union

Michael Gifford (Canada)  
Former Chief Agricultural Trade Negotiator, Agriculture and Agri-Food Canada

Jikun Huang (People's Republic of China)  
Director, Center for Chinese Agricultural Policy, Chinese Academy of Sciences

Sarah Hull (US/Switzerland)  
Global Head of Public and Government Affairs, Syngenta International AG

Nicolas Imboden (Switzerland)  
CEO, IDEAS Centre

Timothy Josling (United Kingdom)  
Senior Fellow and Professor Emeritus, Institute for International Studies, Stanford University

Willem-Jan Laan (NL)\*  
Director, Global External Affairs, Unilever

Rolf Moehler (Germany)  
Former Deputy Director General for Agriculture, European Commission

Joe O'Mara (United States)  
President, O'Mara & Associates. Former Special Agricultural Trade Negotiator

J.B. Penn (United States)  
Chief Economist, John Deere & Company

Carlos Perez del Castillo (Uruguay)  
Former Permanent Representative of Uruguay to the World Trade Organization

Michel Petit (France)\*

Professor, Institut Agronomique Méditerranéen, Montpellier. Former Director, Rural Development, World Bank

Lord Henry Plumb (United Kingdom)

Former President, European Parliament. Former President, National Farmers Union

Jiro Shiwaku (Japan)

President, Japan Meat Technology Institute (JAMTI). Former Vice-Minister for International Affairs, Ministry of Agriculture, Forestry, and Fisheries.

James Starkey (United States)

Former Vice President, Universal Corporation. Former Deputy Undersecretary for International Affairs and Commodity Programs, US Department of Agriculture

Jerry Steiner (United States)\*

Executive Vice President, Monsanto Company

Robert L. Thompson (United States)\*

Gardner Endowed Chair in Agricultural Policy, University of Illinois at Urbana-Champaign

Ann Tutwiler (United States)\*

Managing Director for Trade and Development, William and Flora Hewlett Foundation

Ajay Vashee (Zambia)

President, Southern African Confederation of Agricultural Unions

\* designates membership in IPC Working Group on Food Security and Climate Change