

Submission to the European Investment Bank (EIB) on its Position Paper: EIB Group Climate Bank Roadmap 2021-2025

About Us:

Organization Name	First & Last Name	Function	Country	Email
Institute for Agriculture and Trade Policy (IATP)	Shefali Sharma	Director, European Office	Germany	ssharma@iatp.org
Global Forest Coalition	Isis Alvarez	Unsustainable Livestock Campaign Coordinator	Colombia	isis.alvarez@globalforestcoalition.org

Type of Organisations: non-governmental organizations (NGOs)

By submitting my contribution to this transparent stakeholder engagement process, we consent:

- to the publication of my contribution on the EIB's [website](#);
- to the use of my personal data solely for the purpose of the EIB's internal processing of my contribution and for contacting me in relation to this stakeholder engagement. This does not entail the publication of my first name, surname, email address and function in connection with my contribution (see below).

We give consent to the publication of my first name, surname, email address and function in connection with my contribution.

Yes

4. (A) How should the EIB approach supporting “hard to abate” sectors – such as energy-intensive industry, airports, strategic roads, agriculture – to decarbonise?

The EIB must take a holistic rights based ecosystem restoration approach to the abatement of emissions in the agriculture sector that combine environmental, rural economic (producer/worker welfare) and animal welfare indicators. The EIB uses the term “climate-smart agriculture” throughout its policy position paper, but fails to define it. Currently, controversial intensive practices that increase absolute emissions and those that contribute to ecosystem restoration both can fall under a vague rubric of

“climate-smart” agriculture. We therefore believe that the EIB should define the types of practices it intends to support in terms of climate abatement in the sector.

The EIB should prioritize agroecological models¹ of agricultural production that regenerate agricultural lands and support rural communities. EIB supported practices must not only mitigate, but also adapt agriculture to climate change and increase resilience of rural and agricultural communities, indigenous peoples and local communities. Such practices can and must deliver on key metrics that build agricultural resilience to climate shocks and help mitigate emissions. Such metrics include: 1) measures for ecosystem restoration 2) biodiversity generation 3) soil health 4) water retention 5) trajectory of absolute emissions.

Therefore, the EIB’s framing in Para 3.100 should be reframed to prioritize ecosystem restoration following an ecosystems based approach (EbA) and its mitigative and adaptive potential and avoid a limited and productivist approach: “for reducing GHG emissions in the bioeconomy sector are nevertheless identified today, including **increasing productivity**, reducing food waste, and **adopting innovative technology and practices** (emphasis added).”

4. (G) Taking into account the range of intensive/extensive animal production systems across the world, how can the EIB best support the meat and dairy industry to be consistent with a low-carbon pathway? Would the conditions proposed suffice? If not, what additional/alternative criteria should be considered?

The EIB should define what it means by the “meat and dairy industry” it intends to support. Numerous livestock producers in the Global South and North are dramatically impacted by different aspects of the industry—for instance, market concentration in various parts of the supply chain, including processing and production. The range of intensive/extensive animal production systems are incentivised or thwarted by the inordinate level of market power that different parts of the industry wields on the supply chain. This market power combined with significant political power prevents transformative change in the livestock sector. The EIB’s investment strategy that incentivizes transformation of agricultural practices towards the metrics suggested above can help send a clear market and political signal towards such transformation. It can also help EIB focus in on the parts of the supply chain, including producers and workers and not simply its middle men, that need support to transform the sector. EIB should refrain from investments that facilitate perverse incentives to expand livestock production and which lead directly or indirectly to deforestation and land degradation.

¹ Agroecology is defined as: ‘the science of applying ecological concepts and principles to the design and management of sustainable agroecosystems. It includes the study of the ecological processes in farming systems and processes such as: nutrient cycling, carbon cycling/sequestration, water cycling, food chains within and between trophic groups (microbes to top predators), lifecycles, herbivore/predator/prey/host interactions, pollination, etc. Agroecological functions are generally maximized when there is high species diversity/perennial forest-like habitats’ Source: MacIntyre, B. D. et al. (2009) International Assessment of Agricultural Knowledge, Science and Technology for Development, Volume 1: The Global Report: Agriculture at a Crossroads IN Dooley, K et al. (2018) Missing Pathways to 1.5°C: The role of the land sector in ambitious climate action. Climate Land Ambition and Rights Alliance. Available from: climatelandambitionrightsalliance.org/report

Para 3.116 states that EIB is considering investment support to the industry that are “based on sustainable animal rearing contributing to improved GHG efficiency.” As suggested in our answer to 4A, “improved GHG efficiency” is simply an inadequate indicator for mitigation and adaptation of the sector. The EIB must integrate both concepts (mitigation and adaptation) into its agricultural investment portfolio. The EIB is right to include socio-economic, environmental and animal welfare impacts in its definition of sustainability, however a narrow metric of resource efficiency should be altered to integrate ecosystem restoration as a definition of sustainability which includes GHGs but also vital additional metrics for transformative change (see metrics in response to 4A).

Similarly, in Para 3.117, the emphasis along the “whole value chain (from Farm to Fork)” should prioritize projects that contribute to rights-based ecosystem restoration, rural economic well-being of producers and workers and animals that serve to mitigate and adapt to climate change. Limiting EIB’s investment to “industrial” projects with a focus on “high efficiencies” does little to support EIB’s stated sustainability goals. Whereas a more holistic focus on ecosystem restoration with fair producer prices will help ensure that agriculture contributes to a low-carbon pathway, biodiversity regeneration and rural development.

The same Para states, “The EIB is considering withdrawal of support for projects that increase demand for certain unsustainable agricultural products, where expansion of cropping areas into high carbon stock or high biodiversity is very likely. In addition, it is considering its position with regard to export-oriented agro-business models that depend on long-distance air transport for commercialisation.” We welcome these pronouncements and encourage the EIB to adopt a position against not only export-oriented agro-business models that lengthen transport supply chains, but also those that increase market concentration, thereby incentivizing low farm prices and therefore a race to the bottom in terms of necessary environmental and social investments that need to be made to restore ecosystems.

To summarize: The EIB’s investment criteria should be expanded to support rights-based ecosystem restoration rather than “efficiency” in production. It should integrate agricultural adaptation into its mitigation goals. The EIB should take a two-pronged approach: 1) taking away investments from the meat and dairy industry where further intensification leads to rising absolute emissions and perverse incentives for expansion of livestock production, declining biodiversity and other metrics identified above and 2) supporting agricultural practices, food hubs, decentralized food markets that support rights based restore ecosystems, help empower rural communities, indigenous peoples and local communities and workers and diminish market power of oligopolies that drive social and environmental standards towards a race to the bottom.

Finally, with respect to diets: First, without addressing supply side externalities, the real environmental, social and public health costs of meat and dairy production will continue to be borne by citizens/taxpayers and provide perverse incentives to consumers to continue consuming artificially “cheap” meat and dairy. Second, as the EIB states in the position paper, “beef consumption per capita in the European Union has declined by 30% since 1990, offset by an increase in demand for pork, poultry and fish as alternative protein source options.” The rising trend in pork, poultry and fish consumption have led to greater acreage for feed in both the EU and in fragile ecosystems abroad as well as depletion of vital marine resources. Labelling requirements that do not address these sustainability concerns will fail to result in the dietary shifts envisioned. Moreover, labelling schemes that leave out rural producers in the consultation process and fail to pass on the price advantage to producers will exacerbate problems. Finally, labelling is inadequate to support the dietary shift needed. Dietary and nutrition

guidelines that include clear sustainability criteria must become standard practice across the EU and in other countries.

In addition, the EIB should support investments into the diversification of the food systems regarding balanced diets and food loss as outlined in the [IPCC Special Report on Land](#)² and [IPBES Global Assessment Report](#).

4. (H) How can EIB support for LULUCF be increased? Can agriculture – besides forestry – make a significant contribution to LULUCF through differentiated cropland management options?

Maintaining existing terrestrial carbon stocks through protecting and enhancing ecosystem integrity is critical to preventing sink reversal. Putting ecosystem function and rights-based approaches first maximises the resilience of that sink to natural disturbance and climate impacts.³ The [Climate Land Ambition and Rights Alliance \(CLARA\)](#), of which we are members, provides an in-depth analysis of how agriculture and forestry can contribute to significant and lasting contribution to LULUCF in the report, [Missing Pathways to 1.5°C](#):

[The role of the land sector in ambitious climate action](#). Secure tenure rights for Indigenous Peoples and rural communities results in lower rates of deforestation and soil degradation and better protection of the biodiversity and ecosystem functions upon which these communities depend.⁴ EIB must ensure these rights form an integral part of its LULUCF strategy.

With regards to agriculture specifically, “agroecological farming systems rely on the recycling of nutrients, rather than the exogenous addition of critical nutrients such as nitrogen. Systems are built on diversity, which contributes to resilience and enhances productivity. How diversity is incorporated in any particular agroecosystem will vary depending on the features of the system—cultural, ecological, biophysical, economic. Trees are incorporated into pastures; farmers create multi-storey home gardens; or they give up their above ground systems for below ground cropping that provides security for families and communities in the wake of climate disasters”⁵. See Figure 5 (Dooley, K et. al 2018) below:

² See for example, Para B.6.2 (on diets); Para B.6.3 (on food loss), Summary for Policymakers, IPCC Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems https://www.ipcc.ch/site/assets/uploads/sites/4/2020/02/SPM_Updated-Jan20.pdf

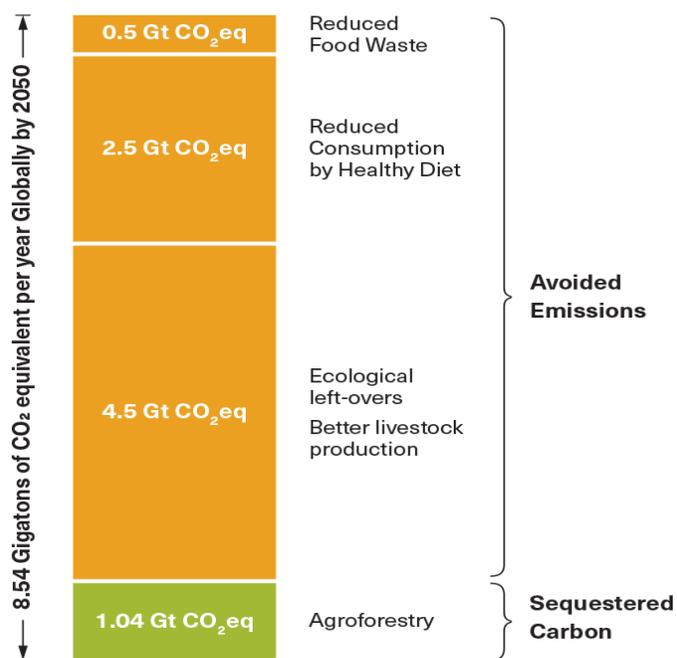
³ Dooley, K et al. (2018) Missing Pathways to 1.5°C: The role of the land sector in ambitious climate action. Climate Land Ambition and Rights Alliance. Available from: climatelandambitionrightsalliance.org/report

⁴ Ibid

⁵ Ibid, pg. 21.

Mitigation Potential Across All Agricultural Pathways

The potential for avoided emissions by better production, less consumption and reduced waste of food and agricultural products is significant. At the same time, agroecological practices such as agroforestry can increase carbon stocks.



Calculations and assumptions can be found in the supplementary table, available here: www.ClimateLandAmbitionRightsAlliance.org/report
