

19 June 2024

WP4: Transformation

Short Report of the Agriculture Sector Roundtable, 2024

The H2020 MERLIN roundtables aim to build a community of practice linking the economic sector representatives with MERLIN scientific and implementation partners. The second Agriculture Roundtable was held on 6 June 2024. This report captures the main discussion points of the event - the findings will contribute to the agriculture sector strategy.

What we did

The Agriculture Sector Roundtable brought together 15 experts from private, non-governmental and public organisations across Europe. The event aimed to better understand how MERLIN and the sector could collaborate in Nature-based solutions (NbS) implementation and upscaling. We also wanted to get feedback and recommendations for the draft agriculture strategy. In the strategy, six action points had been identified, which were dedicated to help the sector contribute to the mainstreaming of NbS in agriculture:

- Action 1: Engaging and assisting farmers to adopt NbS in agriculture
- Action 2: Increasing society's understanding & support
- Action 3: Improving policy and regulatory framework
- Action 4: Setting up a network of local NbS coordinators
- Action 5.: Accelerating relevant innovation
- Action 6.: Creating market mechanisms that reward NbS in farming

During the roundtable, an overview of the six action points of the draft agriculture strategy was shown. Three of them were then highlighted and presented in more detail with presentations by internal MERLIN team members and external speakers, and the discussions turned around:

- Supporting collective action in rural area
- Creating a market for NbS in agriculture: presentation of the value chain analysis
- Adapting the policy framework to support NbS in agriculture

The Roundtable is part of the knowledge sharing and gathering process in which we co-develop a sector strategy for contributing to the EU Green Deal through NbS.

Themes discussed

The following points are not attributed to a specific participant or author and do not suggest a consensus among the participants.

NbS benefits should be clear for the farmers

It is crucial to highlight the NbS's benefits to the agriculture sector and to the society with the help of civil movements. MERLIN focuses on the following NbS measures on three levels at agri-landscapes:

1. On farm water retention:

Soil regeneration (NbS) & conditioning;

www.project-merlin.eu

Anti-erosion interventions & vegetal coverage (NbS);

Micro reservoirs

2. **Micro catchment restoration (creeks, wetlands)**

Re-meandering (NbS) & restoring floodplains (NbS);

Leaking dams (NbS) and bio-engineering streambanks (NbS);

Sideline reservoirs & restoring wetlands (NbS).

3. **River floodplain restoration**

During the discussion, it was acknowledged that there is an urgent need for a transition to a more sustainable agriculture, where NbS play a key role. Unfortunately, recent farmer demonstrations and negative attitudes toward bureaucratic expectations of CAP measures, hinder the transition and even the communication with the farmers' associations. Adopting NbS can help farmers to adapt to climate change and other challenges, but requires transformations to new practices, a shift to a new selfimage and new business models. Overall, it could contribute to a new, more positive, societal image for the sector. Literature on the types of NbS that farmers can introduce, have different spatial scales and temporal scales (plot, farm and landscape) – in some cases, these can produce short-term returns and benefits.

Engaging farmers

The engagement of farmers in mainstreaming NbS in freshwater ecosystem restoration is difficult as the sector is facing heavy challenges (decreasing profits on cash crops, increasing administrative burdens, and climate change consequences). Transformation is needed in unfair distribution of profit and in the unhealthy diets from mass agriculture. Technical innovation concentrating on improving efficiency (e.g. precision farming) is not providing enough of a way out. Farmers need to understand that their farming systems will have to be changed considerably to produce healthy food and provide ecological benefits to become resilient. We need farmers to engage in applying NbS and make CAP to become greener, and we need to use other funds also: e.g.1 regional development funds or a separate new fund for freshwater ecosystem restoration e.g.2 regional development doesn't address villages under 5,000 inhabitants, while CAP doesn't provide enough funds for non-productive investments and climate adaptation actions.

Supporting collective action in rural areas

Ecolise (European Network for Community-Led Initiatives on Climate Change and Sustainability)

Ecolise focuses on strong sustainability, grass roots movement, collective, community led agriculture, permaculture etc. as part of the transition movement. The organisation believes we need to mainstream community led initiatives to achieve nature restoration aims. According to them it is time for collective action, [Time for Collective Action Manifesto](#) which involved more than 900 people from more than 140 organisations. They aim to support (by finance and resource) community led initiatives for social transformations. Tools such as permaculture, regenerative design and transition design emphasise local knowledge and practices rooted in the ecological, social and cultural specificities of a certain place. The need to put the focus on citizens as agents of change was highlighted, as well as the need to strengthen their role as stewards of the land, and to have a different view on rural development.

C4C (Communities 4 Climate)

DG Regio launched a tender (Communities 4 Climate) in January 2024, which focused on empowerment, community building, climate/sustainability action on local levels. Local communities receive support from experts through participatory facilitation and coaching, inspiration and on-the-ground support to develop and deliver actions. This was launched as a pilot to test how the EU can directly support citizens, and what are the opportunities to replicate, disseminate and scale community case studies and results/impact. Its goal is to spot new and innovative ideas, pilot a variety of local actions and develop (new) models for citizen actions in a series of key sectors defined as renewable energy, water management, biodiversity and circular

www.project-merlin.eu

economy. Local communities who apply for and get selected through a call for projects will receive general and thematic expert support, capacity building and be guided to develop and implement their actions on the ground including study visits and expert's missions. Projects are from 11 EU countries. A key message from this discussion was that communities need to be resourced to fight for climate.

Local Action Groups (LAGs)

LAGs are already existing, widespread networks of the CAP, covering most parts of the EU, providing local help and knowledge, and a 'laboratory' for bottom-up initiatives, building links between citizens, activists and farmers. Funding for cooperation is available and promoted. A good example for coordination is a Finnish NGO (The Association of Water and Environment of Western Uusimaa), that is regularly creating water restoration projects, in partnership with their area's LAG. LAG network can be a quick and suitable solution for fulfilling the need for a local gestor to initiate and maintain local cooperation for freshwater ecosystem restoration actions.

Smart Villages Network & Rural Pact

Smart villages is also a successful network to support local villages with innovations, vision and strategy for the future. It offers technological/digital help and attention to social impact. The message was launched that climate adaptation for rural communities goes beyond farming activities. Rural Pact, on the other hand, wants to encourage and enable rural actors to contribute to the policy changes coming up.

Creating a market for NbS in Agriculture

Agriculture sector is very diverse and complex, there are lots of different value chains, therefore it is necessary to find good examples for demonstrating a value chain with NbS. A case study from Munich was shown, where the local water supply company financed the farmers of the water catchment area to transform to organic farming methods. The program has been running since the 1990s. Dairy production is characteristic at the region, manure and artificial fertiliser cause high N-rate entering the freshwater. In the 80's the water quality in the Munich freshwater catchment area was declining especially due to high concentrations of nitrates. SWM (local water company) started in 1992 to compensate farmers for their transition to organic farming, then continued to support them at maintaining organic farming. Compensation is paid in addition to CAP and other funding, land closer to the spring gets higher compensation. This is still lower costs for the water company than if they had to invest in water purification. There is an added marketing stream – processed milk sold under 'our land' brand valorises local ecological action and links to areas – shows how the milk production protects drinking water. This engages consumers through Mangfalltal products and gives the farmers more control and visibility of how their products come to the consumer.

This example showed the main contributors to a win-win situation at introducing NbS in the agriculture sector: low effort but high impact for the water company, a marketable region product, and more natural landscape. Building brand loyalty can also help incentivise long term uptake of NbS.

Legal basis and standards of EU organic and private organic labels and certifications can hinder the projects, as there isn't enough established and controlled certification that recognises NbS.

The potential of this model to be scaled was acknowledged, as well as the need to communicate on these successful examples to inspire others.

Adapting the policy framework to support NbS in agriculture

The CAP is providing a flexible toolbox. There is not a one size fits all approach to agricultural policy and freshwaters. They have very different scales, very different contexts - e.g riparian, floodplains, hills, and different farming systems - different constraints, opportunities and profitability. In addition to that in all part of the EU, the different political and cultural contexts in the Member States affect the implementation. These differences can be found across Europe but also in landscapes. They lead to differences in

productivity, value-chain, practices (current and opportunities), and therefore in opportunities to implement and mainstream NbS.

Significant change requires multi-annual schemes. The total budget of CAP (2021-2027) is 307 billion euro: 60% direct payments (income support and eco-schemes) that can be relevant to NbS. Agri-environment and climate (Agri-environment and climate measures - AECS) and ecoschemes together cover about 80 Billion of the overall 307 billion for incentives. These are voluntary schemes and vary across the Member States, also farmers can choose, they are not mandatory. Ecoschemes are mostly annual payments. AECS are multiple- annual measures, and therefore play a key role at NbS.

Strengthen the CAP. CAP was more ambitious in terms of conditionality (differs by MS); ecoschemes and AECS but some of the ambition (e.g. landscape features) were watered down through amendments. Even before these amendments, the conditions were not as ambitious as they could have been. In particular, peatlands and wetlands are not very clearly included, or the interventions are not really the most appropriate to meet the desired objectives. The focus is on water quality with the majority of interventions about precision farming and agronomic measures but there is a need to think about ecosystems, particularly natural flow and morphology, not just water quality, when looking at measures (e.g. GAEC 4).

The Measures under CAP are quite complex. Complexity confuses farmers. The confusion also stems from spatial overlap and conflicts in implementing the schemes. There is a lack of support for NbS or natural water retention measures in CAP.

There should be a more strategic approach supporting freshwater restoration at landscape scale.

CAP simplification is needed in order to answer these challenges: there is a need for more attention to distribution of incomes or the goals of food sovereignty and improved farm incomes won't be achieved; CAP implementation should not weaken the original green infrastructure, but to get it implemented in different MS, there needs to be more training programmes; and civil society consultation. Farmers should get support for transition, and in particular training in NbS approaches.

Perspective on Blue Deal. European Economic and Social Committee (EESC) is a consultative institution for the Commission and Parliament – employers, workers, civil society with the goal to create a bridge between society and policy making. Water stress affects many people; so the EESC developed a call for the EU Blue Deal, and generated recommendations to the Commission “[A call for the Blue deal](#)”: an umbrella opinion piece to better include water in European decisions, and policy framework, and support EU towards water-smart society. Therefore, the Blue Deal can help farmers to change their practices and use less water in agriculture.

Main conclusions

- Since farmers manage their own companies, they need evidence that the NbS measures will have business advantages for them.
- The CAP currently provides some tools to implement NbS, but these also depend on the willingness of Member States to design and promote NbS aligned measures, and payments are often very complex. In any case, there is a lack of strategic support to NbS and European Natural Water Retention Measures (NWRM). Simplification is important.
- Agricultural and rural cannot be de-coupled. Beside CAP regional development funds should be available for rural areas (settlement below 5000 inhabitants)
- The top-down approach is not sufficient; there is a need to work bottom up with communities and local networks, to support them to become real stewards of their land
- Showing good examples for cooperation (win-win situations by implementing NbS) to farmers can accelerate the mainstreaming of NbS in agriculture.
- Creativity and innovation are needed to come up with new value chains around the work of the farmers as NbS implementers.

What could MERLIN do?

The tasks for MERLIN to tackle include:

1. Find and promote NbS pilot cases.
2. Define the method of building up/joining local networks, which could help mainstream and implement NbS.
3. Identify the effective and ineffective measures in CAP and try proposing new measures and simplification tools.
4. Identify potential new value chains around NbS cases in agriculture.

Next steps

- Share findings with other teams from the MERLIN project.
- Improve the Agriculture Sector Strategy till the end of 2024
- Finalise the Value Chain Analysis till the end of September
- Hold the cross-sector roundtable.
- Consider and provide policy recommendations.

Please let us know if you have any comments or clarifications on this report. Please address your comments, questions to merlin@wwf.hu or geza.gelencser@wwf.hu

