



New initiative launched to help agri-businesses and financiers benchmark and boost environmental performance across agricultural supply chains

23 April 2018: Agriculture has a major impact on the planet. The sector currently accounts for almost a quarter of global greenhouse gas emissions, 70 per cent of fresh water use and three-quarters of deforestation. Agriculture's impact is set to increase over coming decades, with experts suggesting that a 60 per cent increase in global food production will be required to meet the demands of our growing populations and changing diets.

[Clarmondial AG](#) and [Wageningen Environmental Research \(WEnR\)](#), supported by EIT Climate-KIC's [Climate-Smart Agriculture \(CSA\) Booster](#), have joined forces on a new initiative to promote transparency and science-based approaches to monitoring environmental impacts in agricultural supply chains.

EIRA (Environmental Impact Reporting for Agriculture) is a new reporting initiative designed to boost environmental stewardship across complex agricultural supply chains by aggregating and synthesizing key environmental impact metrics for agriculture. EIRA is intended to result in a new, low-cost, science-based tool to help financiers and agri-businesses benchmark and compare their environmental impact performance to inform better decision-making, to aggregate existing data sources, and to highlight critical research gaps.

While some agriculture-related information is being collected and reported, it remains challenging for financiers and agri-businesses to monitor and act on environmental sustainability, in particular where there is a need to evaluate impact across companies, sub-sectors and geographies. The first phase of EIRA has confirmed this gap as well as strong interest in environmental metrics among key stakeholders including banks, non-bank financing companies and agri-businesses. EIRA seeks to collaboratively address this gap, in part to help the sector attract additional, well-priced funding from the sustainable and impact investing community.

Tanja Havemann, co-Founder and director of Clarmondial, said: "EIRA was initiated in response to the challenge of relatively poor integration of scientific information on environmental impact metrics in financial decision making. We urgently need robust, reliable and transparent environmental impact reporting and aggregation methods, so that the finance community can properly integrate environmental impacts into decision making, and to help the agricultural sector attract more investment."

Peter Kuikman, senior research and project leader at Wageningen Research (WEnR Alterra) said: "EIRA seeks to build a more consistent approach for mobilizing information from the agriculture sector. By enabling increased transparency and comparability, the EIRA tool will help to promote more environmentally sustainable agricultural practices and create transparency on current methods. This may also highlight 'science gaps' where increased investments need to be considered to ensure better governance."

Pan Pan, flagship manager of CSA Booster and deputy director of EIT Climate-KIC's Sustainable Land Use theme said: "Investors need robust, consistent, science-driven information to accelerate and de-risk the new investment urgently needed to boost food security, climate-resilience and agricultural productivity across the sector. EIRA will harness science-based approaches to mobilize more funding for climate smart agriculture."



EIRA is in its early stages of development, it is intended to be a cost-efficient and technically rigorous tool to capture and report key environmental impacts related to agriculture and to generate comparable environmental (e.g. soil health, water) and climate-related metrics. Dr. Christine Negra, who is leading EIRA's development, states: "EIRA is being developed to consolidate and apply best-in-class scientific approaches to assess and monitor the environmental impact of agricultural practices. Our goal is for EIRA users to be able to accurately compare and consider the environmental impacts of specific value chains (and transactions), against a baseline over time and across a potential portfolio."

The main principles of EIRA are:

- Use credible science-based approaches;
- Integrate with existing initiatives: be additive and seek to aggregate, rather than duplicate;
- Promote transparency and consistency in assessing and reporting on environmental impacts;
- Accept, embrace and highlight uncertainties to encourage investment in 'data gap;' and
- Minimize reporting costs to encourage more integration of environmental impact in decision making.

Use cases have been established with the following groups, based on interviews, and EIRA partners are working towards a Minimum Viable Product (MVP) to meet these needs:

1. Financiers (e.g. asset managers, banks) who seek to aggregate environmental and climate-related impact metrics across a portfolio of investments in agriculture for risk management and reporting, and potentially to attract additional funding. EIRA is also being explored with stakeholders in the insurance industry.
2. Agricultural businesses, such as traders, importers and consumer goods companies, that are increasingly seeking to integrate environmental and climate information into sourcing strategies. These EIRA users will be able to compare a specific product's impact against a baseline and the tool may help to inform sourcing strategies. It may also help businesses attract new types of funding, e.g. from financiers willing to peg the cost of capital to environmental impact performance.
3. Others such as research organizations, public institutions and government bodies concerned with the environmental and climate impact of agriculture and the promotion of climate-smart practices. These EIRA users will be able to more accurately assess trends and drivers of environmental impacts thereby improving reporting and informing policy.

For more information on EIRA and how your organization can partner or support its development, please contact: info@clarmondial.com

NOTES TO EDITORS

About Clarmondial AG:

[Clarmondial AG](#) is an independent investment advisory company that focuses on practical, profitable and creative solutions for social and environmental businesses and their funders. Established in Switzerland in 2010, it delivers tailored advice, including investment structuring, strategy and business development support.

About Wageningen Environmental Research:



[Wageningen Environmental Research \(WEnR\)](#), is one of Europe's leading food and agricultural research institutions, based in the Netherlands.

About EIT Climate-KIC's CSA Booster:

[CSA Booster](#) is Europe's leading knowledge and innovation hub pioneering the transition to climate-smart agriculture and food across Europe, and around the world. It works across European supply chains and partners with national, regional and international governments, research organizations, NGOs, entrepreneurs and leading corporates to unlock climate-smart innovation in Europe's farming and food sectors. Established in 2015, CSA Booster is a flagship initiative of [Climate-KIC's Sustainable Land Use](#) programme, sponsored by [EIT](#), a body of the European Union.