



Pathway to better environmental impact reporting in agriculture outlined in new report

1 April 2019: The agriculture sector faces increasing environmental risks related to climate change and resource degradation. With appropriate information, investors, asset managers, and corporate decision makers can direct capital toward agricultural operations with better environmental performance and lower risks. However, many important types of environmental impact data are sparsely collected or difficult to access. Mobilizing such information in a consistent, science-based manner can drive the transition to sustainable agriculture by facilitating sound investment decisions, risk management and robust impact reporting.

Steps to address this increasingly urgent need are outlined in a new report, *"Environmental Impact Reporting in Agriculture (EIRA): Creating a link between agricultural investments and environmental impact."* [https://is.gd/EIRA_global] This report builds on a 2018 feasibility assessment conducted by Clarmondial AG, Versant Vision, and Wageningen Environmental Research (WEnR) with support from EIT Climate-KIC's Climate-Smart Agriculture (CSA) Booster.

Aiming to lay the foundation for dynamic, globally-relevant benchmarking of environmental impacts in agriculture, the EIRA initiative convenes motivated agriculture sector investors, companies, researchers, and others to design, build, and test a software tool that meets their needs for improved and meaningful environmental impact information. This international consortium will work to connect demand and supply for environmental impact information in agriculture, including stimulating greater investment in primary research and monitoring.

Core elements of the EIRA tool will include a methodology for aggregating fragmented data sources and an interface for tool users to customize outputs to specific geographies and commodities. Output metrics will be used to compare the environmental impact of specific value chains and transactions against baselines over time and across investment portfolios. The next phase of development of EIRA will be led by Versant Vision.

Dr. Christine Negra, of Versant Vision LLC, who is coordinating the EIRA consortium, stated: *"Development of the EIRA tool will leverage existing data, tools, and knowledge to better serve private sector needs to integrate environmental risks and opportunities into management of agricultural value chains."*

Tanja Havemann, co-Founder and director of Clarmondial, said: *"As this tool is developed and validated, EIRA-derived environmental impact metrics can be integrated into decision models used by investors and agri-companies for due diligence, risk management, impact reporting and business planning. We look*



forward to using this in the context of the Food Securities Fund and other mandates."

Wies Vullings, senior researcher at Wageningen Research (WEnR Alterra), said: *"Through a tangible tool co-development process, the EIRA initiative will bring together expertise from industry and the scientific community, ensuring that algorithms in the EIRA software are anchored in best available scientific evidence."*

Pan Pan, flagship manager of CSA Booster and deputy director of EIT Climate-KIC's Sustainable Land Use theme, said: *"By creating a structured engagement mechanism, the EIRA consortium can produce a practical information tool, while also building alignment among agriculture sector stakeholders."*

Delta Institute is spearheading EIRA's North American regional node. David LeZaks, who leads the institute's work on regenerative food systems, said: *"EIRA will be important to the financial community as they manage risks and generate positive impacts from the agriculture sector. We have certainly seen strong demand for a viable approach to fixing our fragmented impact information system, while dealing pragmatically with data gaps, and we're committed to lead its development in our region."*

Demand for EIRA has been identified from:

- Institutional investors who want to improve risk management and ensure the sustainability of their agricultural assets;
- International and regional commercial banks seeking to reduce credit risk in their agricultural lending portfolios by selecting borrowers with good agricultural practices;
- Agricultural development and research partners who can contribute data sources, tools, and expertise; and
- Impact investors seeking to better monitor the environmental performance of their portfolios, target new investments, and transform food and agricultural systems.

An international consortium of investors, companies, scientists, and technical partners is now being convened to initiate design of an EIRA prototype that can be applied in multiple regions. As the EIRA tool matures, it will provide environmental metrics to a wide array of companies and financial institutions operating in the agricultural sector.

For more information on the EIRA initiative and how your organization can get involved, please contact Christine@VersantVision.com

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NOTES TO EDITORS

About Versant Vision LLC

[Versant Vision LLC](#) provides consultancy and research services to international organizations, research institutions, and industry groups. Based in New York City, it supports market-based and policy initiatives toward sustainable agriculture, climate change mitigation, and food security.

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 helps leading companies, governments, NGOs, donors and investors, by designing and implementing funding structures that enable ESG impact at attractive risk-adjusted returns.

About Wageningen Environmental Research (WEnR)

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

About Delta Institute

[Delta Institute](#) works with communities throughout the U.S. Midwestern states to solve complex environmental challenges. We envision a region in which all communities and landscapes thrive through an integrated approach to environmental, economic, and social challenges. Since our founding in 1998, Delta Institute has worked toward this vision through collaboration with communities, including the development of innovative financing mechanisms that support regenerative food systems and better land stewardship in our home region.

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.