



How to value and fund agroecological transformation (Policy brief)

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HOW TO VALUE AND FUND AGROECOLOGICAL TRANSFORMATION

AE4EU

April 28, 2023

Forward

Our current food system cannot continue as it has. Soils, rivers and the atmosphere are polluted, biodiversity and insects are declining rapidly due to continued use of agricultural inputs, while a third of all food produced is wasted. In addition there are serious issues with lack of ‘animal welfare’ (lack of daylight, not free-range), and ‘farmer welfare’ (long hours, low social status).

Agroecology aims to comprehensively transform food and farming systems, in all dimensions, from production to distribution and consumption, as well as governance. The aim is to achieve greater environmental and societal benefits, while reversing the negative effects caused by existing food systems. Yet an agroecological transformation requires ‘valuing’ agroecology and making available investments that strengthen innovative agroecological approaches, support new markets and help food system actors break free from current lock-ins. Therefore, funding agroecology is a fundamental step to enable the necessary transition.

Thus, AE4EU has created a snapshot of agroecological funding. Quantitative data was collected via European online statistic platforms, whereas qualitative data was generated through questionnaires and interviews with stakeholders directly involved in practicing, funding, and implementing programmes on agroecology in various countries. The qualitative data provides key information for understanding the context, barriers and opportunities, as well as the material realities of agroecological funding from a grassroots perspective.

EU administered funding in research frameworks

The CORDIS and COST databases were searched for agroecology-related keywords (see Table 1) to identify projects that were awarded funding between 1995-2020 (COST Actions) and between 2014-2020 (Horizon 2020). A closer look at the specifics of each project on CORDIS indicates that the use of the term ‘agroecology’ may be limited to the environmental dimension of agriculture and food systems, with the socio-economic and policy dimensions being addressed in projects using terminology linked to territorial food systems. It is thus likely that ‘agroecology’ is used in European research projects to denote field- and farm-level practices rather than encompass the entirety of the food system as in its more comprehensive definitions. The amount of funding made available for each keyword family is found in Table 2.

It needs to be noted that in many cases, projects do not actually use the term ‘agroecology’, yet nonetheless come up in search queries using the keyword ‘agroecology’, due to CORDIS-internal classifications. Conversely, some projects which use the term ‘agroecology’ do not necessarily address agroecological transformation. This is a key data constraint that points towards the need to analyse research funding in greater depth.

| Keyword families | Including the related search terms | No. of Projects |
|--------------------------|---|-----------------|
| Organic food & farming | Organic horticulture; organic livestock; biodynamic | 59 |
| Agroecology | Agroecological farming; peasant agroecology | 95 |
| Agroforestry | Silvopasture; silvoarable | 16 |
| Territorial food systems | Food justice; CSAs; food sovereignty; rural development | 49 |
| Regenerative farming | Permaculture; regenerative agriculture; soil health | 5 |
| TOTAL | | 224 |

Table 1: Projects corresponding to each of the five word families in Horizon 2020 projects.

When analysing the COST-Actions database, results show that in the early years of the 1995-2020 period none of the 5 word-families were used, not even the word 'organic'. The first project dedicated exclusively to 'organic', and with the word in the title, is BioGreenhouse (2012-2016). However, results also show that COST provides more support to agroecology-relevant concepts than Horizon 2020. In the future, promising projects that were funded through COST could be invited to develop RIAs (Research and Innovation Actions) and IAs (Innovation Actions) within Horizon Europe.

Within both Horizon 2020 and COST, it is interesting to note that projects specifically addressing problems within certified organic farming systems are rare (4%), despite the fact that 'organic' is often mentioned (48%), especially alongside the need to address issues in both farming systems (organic and conventional). Nevertheless, the use of the word 'organic' as well as the use of the word 'agroecology' have over time increased.

| EU Horizon 2020 period | Total Project Budget (€ million) | Organic | Agroecology | Agroforestry | Territories, Food systems, Rural | Regenerative, Permaculture | Organic specific |
|------------------------|----------------------------------|------------|-------------|--------------|----------------------------------|----------------------------|------------------|
| H2020 2014-15 | € 80.5 | € 37.5 | € 0.0 | € 22.5 | € 31.0 | € 0.0 | € 0.0 |
| H2020 2016-17 | € 170.0 | € 109.0 | € 24.0 | € 67.0 | € 43.0 | € 10.0 | € 14.0 |
| H2020 2018-20 | € 131.0 | € 126.0 | € 32.0 | € 33.0 | € 3.0 | € 0.0 | € 10.0 |
| Total | | € 272.5 | € 56.0 | € 122.5 | € 77.0 | € 10.0 | € 24.0 |
| H2020 2014-15 | | 41% | 0% | 25% | 34% | 0% | 0% |
| H2020 2016-17 | | 41% | 9% | 25% | 16% | 4% | 5% |
| H2020 2018-20 | | 62% | 16% | 16% | 1% | 0% | 5% |
| Total | | 48% | 10% | 22% | 14% | 2% | 4% |

Table 2. Horizon 2020 funding in 2014-2015, 2016-2017, and 2018-2020, with the 5 word families and funding totals.

National funding – Good practices

The study also investigated national funding opportunities in various countries. Some good practice examples are presented and discussed below:

Czech Republic: Within the Liberec region, the equivalent of 25,000 Euros (€) have been set aside from the regional public budget since 2021 to improve current farming practices. What makes this funding scheme interesting is that unlike the long, bureaucratic process usually present in schemes, farmers can access the money in less than two months by filling out a very simple application form which is only two pages long. Further, the selection process is very transparent, with a point system and a score appearing as the application is being filled in. This scheme is accessible to small-scale farmers, making it very important as such farmers are not able to access funds coming from the national budget.

Italy: At the Italian national level, the Ministry of Agriculture issues a call each year to fund any school canteen that provides organic and locally produced foods. Further, since October 2021 there has been a regional three year plan for Bio-districts in Lazio to expand organic agriculture, reduce the use of pesticides and engage in a territorial approach to food.

Poland: Within the Podkarpacki region another important scheme has been implemented in the past 5 years that supports farmers who engage in grazing with 50€/ha/year. In order for farmers to access the funds they must attend a training course, which in 2021 included 3 days of discussions on agroforestry, organic

production, biodiversity and the economics of production. This scheme has been successful because it also provides an easy entry for farmers as the paperwork is done by an intermediate foundation.

Portugal: In Portugal the government has enacted a nationwide public funding scheme that discriminates for family farms (small to medium sized farms that use family labour for more than 50% of their work). The articulation of the law is transversal, involving ten ministries, which demonstrates to society the importance of farmers to the nation.

Romania: In Transylvania, multiple funding schemes exist that support agroecology. Within the Sancraiu municipality a scheme exists that provides support to protect the commons-pasture lands managed collectively between the municipality and small-scale cattle farmers with the common objective to maintain high nature value farms and ensure rigorous management in extensive cow herding. In the Hosman municipality on the other hand, CAP funds are directed to maintain the presence of small-scale farmers. Through the high-nature-value subsidy schemes, such farmers receive additional benefits for keeping their input low, while maintaining pastures and meadows.

Spain: In the Valencia region, 78 million euros were allocated to an ecological and organic plan for the 2016-2020 period with the objective to promote local and ecological agricultural production, with a special focus on family agriculture. The specific budgetary lines include the promotion of conscious, responsible and ecological consumption; organic production; the commercialisation and transformation of organic food; Valencian agroecological knowledge; as well as the improvement of governance and transparency in the sector.

Barriers and opportunities on the ground

Results from the survey (questionnaire and interviews) were revealing of important barriers and opportunities for funding an agroecological transformation of food systems. 70 % of respondents belonged to farmer groups, while the remaining 30 % were researchers or individuals from the national ministries of agriculture.

While agri-environment measures, including the new CAP eco-schemes, are seen by many respondents as potentially supportive of agroecological initiatives, such measures can also work to undermine agroecological development by creating so-called 'perverse incentives', such as the removal of old-growth hedgerows to be able to qualify for funds for planting new hedgerows.

Respondents overwhelmingly pointed to the local scale as the ideal scale for funding initiatives, underlining the important role of municipal governments in the distribution of funds. Yet this channel of funding is unevenly used as not all municipalities, in all countries, administer funding for agricultural development. Funding via the LEADER approach and Local Action Groups was highly praised by multiple respondents, supporting the view that the local scale is crucial to effecting agroecological transitions.

Similarly, it was pointed out that smaller amounts of funding for small initiatives, small groups or cooperatives generally have a stronger impact on enhancing agroecological development than large-scale funding for large programmes, which are often only accessible to large farms and businesses due to the transaction costs involved in the application process.

The most fundamental barrier remains the unequal playing field which is geared towards large-scale farms. The problem is not just lack of support for small scale or agroecological farmers, but the existing support for conventional, large-scale, industrial production. This holds true both for public funding, as well as private investments and loans from financial institutions. Further, receiving subsidies through the CAP comes with administrative difficulties such as transaction costs, time, effort and the complexity of bureaucratic processes, which is often more challenging for small-scale agroecological farmers due to the higher diversity that is found in the field and within smaller plots.





Recommendations

1. Fund projects that are dedicated to all levels and dimensions of food system change.
2. Avoid projects that are too large (beyond 10-15 million), as it could concentrate power.
3. Integrate long-term thinking into funding strategies and allow transformative results over time, including the continuation of successful projects after reassessment and amendments.
4. Develop results-based payments that reward evidenced results (e.g. increasing soil carbon content and insects, less pollution, higher welfare).
5. Increase the understanding and capacity of agroecology by supporting participatory agroecological research; introducing agroecological expertise into agricultural colleges and training programmes; and create farmer-to-farmer knowledge exchanges and field schools.
6. Create intelligent and responsive funding mechanisms with simplified application processes; free or low cost advisory services for small farmers to access funding; more small-scale funding opportunities; and more flexible funding schemes which empower applicants to experiment with agroecological principles.
7. Empower local governments and municipalities to dispense funds to local initiatives, and continue to build and provide funding via the LEADER approach.
8. Create an enabling environment for agroecology by strengthening the development of short food supply chains (including public procurement); value and support small agroecological farms and enterprises, including those under 1 ha in size; support new entrants to use agroecological practices; and educate advisory services and bank personnel on the potential of agroecology.
9. Think and act systemically by overcoming siloed conversations, connecting institutions and ministries, and building integrated thinking and funding.

The way forward

For a paradigmatic transformation of food and farming systems, increased investments are needed in every aspect of the food system. Our research has shown that across Europe good examples do exist to support agroecology. These can be used as models to be scaled out in other contexts.

Crucially, it is necessary to create more accessible and effective funding for agroecology to reach 'grassroots' actors on the ground, that is, the growing agroecology movement, which includes many young people and new entrants into farming, as well as small-scale farmers more broadly. Further work to level the 'unequal playing field' is needed, which the forthcoming Horizon Europe Agroecology Partnership is set to help with. In addition, better support for agroecological innovations, both social and technical, and a food system approach fostering short food supply chains and a change to healthy diets and zero food waste is vital.



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Images

Image 3 & 4 by Ulrich Schmutz

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www.ae4eu.eu

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