

## **Common Understanding on Sustainable Agriculture and Rural Development**

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**Introduction to the:  
Common Understanding on Sustainable Agriculture and Rural Development**

**Forward from: *Farming that Works: Reforms for Sustainable Agriculture and Rural Development in the EU and US - Background Paper to a transatlantic workshop "Sharing Responsibility for Promoting Sustainable Agriculture and Rural Development: The Role of EU and US Stakeholders", Lisbon, 24-26 January 2001, by Bill Vorley, International Institute for Environment and Development (IIED), London***

The *New Transatlantic Agenda* (NTA) agreed between the United States (US) and the European Union (EU) in December 1995 was established with the aim of “making swifter and more effective progress towards the political, economic and security goals which the US and EU first set for themselves in the Transatlantic Declaration of 1990.” From the beginning, it was recognised that the Agenda should be shaped and driven not only by governments, but also with the full participation of people from all walks of life. *Building bridges between different communities on either side of the Atlantic* has therefore been one of the four fundamental aims of the NTA. Businesspeople, parliamentarians, scientists, academics, trade unionists and a broad range of citizens’ groups were encouraged “to reinforce links with their transatlantic counterparts, to share their experiences on the challenges that they face and to make their own input to pursuing our shared aims.”

Starting with the Transatlantic Business Dialogue (TABD) in 1995, the US and EU have officially encouraged and funded meetings of interest groups from both sides of the Atlantic. These meetings facilitate information exchange on issues important to industry, labour, consumers, environmentalists, and other groups. But the more important function is to allow interest groups to *reach common positions on various issues that they can take to governments and press for in ongoing bilateral negotiations*. The evolving dialogues on business, labour, the environment, and consumer issues are sponsored by the governments for the express purpose of obtaining *policy advice* towards more effective intergovernmental policymaking. Government relations with the Dialogues were agreed at the EU-US Summit in December 1999. Complete information on the NTA and the different dialogues is available at <http://tiesweb.org/nta/default.html>.

The first substantive event *among* the NTA dialogues will address the subject of *sustainable agriculture and rural development* (SARD) and will be hosted by the Luso-American Foundation in Lisbon on January 24-26 2001. The focus of the workshop is the *role of EU and US stakeholders in promoting sustainable agriculture and rural development* and the *importance and impact of EU-US relations in this field, both domestically and globally*.

The workshop and this background paper draw on an appreciation that governments alone cannot achieve sustainable development, and that sustainability is a social quest

rather than a scientific blueprint<sup>1</sup>. It therefore requires the active commitment and participation of all sectors of society, and inclusive processes that allow wider society to have access to decision-making processes of government, the private sector, international organisations and other key institutions.

This paper builds on the work of the Food and Agriculture Working group of the Transatlantic Environmental Dialogue (TAED), who developed a statement on *World Trade, Food Production and Multifunctionality* around 6 key objectives (see Appendix)<sup>2</sup>.

This paper has greatly benefited from discussions with David Baldock, Pete Hardstaff, and Richard Perkins, and comments of Raymond Van Ermen, Steve Light, Sophia Murphy and Chris Fisher on earlier versions, under very tight time pressure.

**The attached "Common Understanding" is the results of the mentioned workshop held in Lisbon in January 2001. Participating individuals and organisations - as well as all other interested parties - are invited to endorse the conclusions and recommendations in advance of the next EU-US Summit to be held in Sweden in June 2001.**

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<sup>1</sup> [ref to Arie vdB/In Natura]

<sup>2</sup> Available at [http://www.tiesweb.org/taed/wg/agriculture/world\\_trade\\_food\\_prod.htm](http://www.tiesweb.org/taed/wg/agriculture/world_trade_food_prod.htm)

## **Common Understanding on Sustainable Agriculture and Rural Development**

**Adopted by Participants at the Lisbon NTA Multi-Dialogue Workshop  
January 26, 2001**

We, the participants in the Lisbon NTA dialogue on Sustainable Agriculture and Rural Development, building upon the important work of many others, including the TAED, OECD, Agenda 21, and FAO, call upon the citizens and their governments of the European Union and the United States to acknowledge the following:

- 1.) Agriculture has the proven capacity and potential to support the vitality of rural communities through maintaining family farming, rural employment, quality of life, and cultural diversity.
- 2.) Agriculture has the potential to produce positive contributions to biological diversity, environmentally and socio-culturally responsible recreation and tourism, soil and water systems, renewable energy, landscape, food quality, food safety and culturally appropriate foodstuffs for all.

To realize these potentials, stakeholders must create a new relationship among civil society, the state and the market. A new contract must be developed which enables producers to move away from the emphasis on low-valued raw materials to one that also values and promotes the production of multiple benefits and public goods.

This will require new policy, market mechanisms and civil society actions that address the following deficiencies:

- Current government policies and expenditures do not adequately foster a more sustainable system of agriculture.
- Markets alone are not able to deliver social justice, provide for cultural and biological diversity nor protect common goods.
- Citizens take too little responsibility for directing the efforts of government and making market decisions that support the value of common goods.

In order to harness the potential of tripartite cooperation to achieve a sustainable food system:

- Society must recognize and account for the value of common goods including water quality, biodiversity, soil fertility, landscapes, and others.

- Producers must be paid fairly for their food products and for the social and environmental services provided by their production systems; farming systems with multiple benefits in developing countries must be buffered from global economic forces that undermine their resilience and stability.
- Public investments in sustainable agricultural research, genetics and extension must be expanded with the resulting benefits becoming public goods.
- Negative externalities such as pollution must be reflected in a full cost accounting of production systems.
- More transparency is needed on sustainability performance along the food chain and based on this transparency, benchmarking and green competition must be developed.
- Minimum environmental and social standards for production and production-related economic activity must be established in the US and the EU to avoid market distortions.
- Localized program management and simplified program administration must be developed in partnership with farmers and other stakeholders.
- Government must exercise its ability to balance market power to advance the sustainable production of food and fiber.
- Government must exercise its ability to integrate various sectors of development policy in order to enhance rather than undermine sustainable agriculture.
- The richness and multiple benefits of agriculture in transitional and developing economies must be restored and protected in the process of economic modernization.
- The US and the EC, using a multi-stakeholder approach, must implement a strategic impact assessment of domestic agriculture policy on Southern countries, indigenous peoples and farmers.
- Governments should stimulate the transition to sustainable agriculture through positive incentives via greener tax systems.
- Food retailers and processors should recognize and act on their role and responsibility in achieving sustainable agriculture and rural development.

We believe that through these measures governments, the private sector and civil society can share responsibility for promoting sustainable agriculture and rural development in Europe, the United States and globally.