

Speech by Commissioner Phil Hogan at High Level Event on Sustainable Development

8th February 2016, Bogota, Colombia

- Check Against Delivery –

- Minister Irigorri Valencia, Minister Álvarez-Correa Glen, Director Vélez, President Lacouture, ladies and gentlemen,

- I'm very pleased to be here with you to discuss how we can sustainably develop our agri-food sectors and rural areas.

- The phrase "sustainable development" has been a buzzword for many decades, but our understanding of it has evolved.

- In the past, sustainable development was mainly viewed through an economic lens. The question asked was: "how can we create jobs and businesses that will endure in the medium and long term"?

- That objective remains critically important today. Without the ability to earn an honest living for a decent income, rural dwellers – particularly the young – will continue to migrate to urban areas. We owe it to our farmers and rural communities to provide livelihoods worth staying for.
- But the parameters of what we expect from sustainable development have changed. Today, we take it to include a social dimension, an environmental dimension, and a climate dimension.
- Let's take a look at the economic dimension first. My visit to your beautiful country is all about trade, and finding mutual opportunities between Colombia and Europe.
- The EU considers Colombia as one of our key trading partners in Latin America and therefore it is not surprise that I have decided to start my visits here.
- The visit is part of the "*Tastes of Europe*" campaign by the European Union, promoting the quality and diversity of European agricultural products. After Colombia and Mexico the campaign will continue in China and Japan in April 2016 and in Indonesia and Vietnam in the autumn.

- I have the pleasure of being accompanied during this visit by more than 30 representatives of EU businesses active in sectors with large potential in Colombia. Some of them represent large companies, others come from small enterprises.
- The Business Delegation is at this precise moment doing business with their Colombian counterparts and learning about the import requirements and other legal requirements needed for import and export into Colombia.
- Three key European companies are with us for this event to tell us about their experience doing business in one of the three areas we're discussing today, organic production. These are the German company HIPP, the Dutch company EOSTA and the Spanish company COATO.
- Many thanks to you all for being here, I'm sure your experience will be much welcomed by the audience.
- On agricultural trade, we have a Trade Agreement in place since 2013, which sets the ground for a privileged and thorough trade relationship between the EU and Colombia. This covers a variety of economic sectors, with agriculture being one of the main ones.

- We are also cooperating with Colombia by providing funds for rural development programs and towards the modernisation of the dairy sector. I will be visiting one of these projects tomorrow in Cali.
- It is our responsibility as public authorities to assure that the Agreement is fully implemented and that maximum benefit is enjoyed from it.
- Bilateral agricultural trade is progressing since the entry into force of the Agreement, but certain trade distorting measures remain and need to be addressed.
- I would like to remind you that the WTO request for consultations that we have recently launched - due to the existing discrimination towards imported spirit drinks - is not good news for anyone, neither for us nor for Colombia's reputation and Colombia's accession process to the OECD.
- Ministers, I want to assure you that you can count on my support and collaboration to work with you to swiftly correct this issue.

- **Overall, promoting agriculture to create growth and jobs is one of the economic avenues that the Colombian Government is correctly exploring.**
- Once the peace process is concluded, agriculture and rural development will play a key role in Colombia's future. The land that until now was kept aside from its legitimate owners will be workable again. The question that will then be raised is: **what type of agricultural model does Colombia want to build?**
- **This is where the social, environmental and climate dimensions to sustainable development come into play.**
- The EU's agriculture model, especially after the recent Common Agricultural Policy reform, is designed to contribute to developing intelligent, sustainable and inclusive growth.
- We produce not only final products of great quality but the quality is also seen in the production process itself, as well as in the welfare of farm animals and workers, and last but not least in the soil and the environment.

- EU farmers must meet some of the most stringent requirements in the world regarding environmental protection, animal welfare and the use of pesticides and veterinary drugs.
- This may seem an "expensive" model, but in the end we firmly believe that it "pays its costs" greatly, not only for us but also for the land that we want to leave for our children and the high value added products that we produce.
- The EU exports quality and is keen to import quality. All over the world consumers are increasingly interested in the quality of food and in the production conditions. This is valid for Colombia, as well. European agriculture guarantees the quality of products that consumers can trust.
- Like Colombia, we are proud of long standing traditions which have been passed on over centuries, linked to the uniqueness of Europe's regions, to techniques of production handed down from generation to generation.
- I am referring to Geographical Indications, some of them as well-known as Scotch Whisky or Roquefort Cheese, for instance.

- But here in Colombia you also know them very well, since "Café de Colombia" is a prestigious world-known GI that was indeed the first non-European GI protected in the EU, back in 2007.
- Our Trade Agreement offers the possibility of protecting new Colombian GIs in Europe and this is the case with 9 new GIs that have been proposed for protection.
- In an increasingly open world marketplace, GIs embody the philosophy of caring about origin. In a globalised world, it is great to have food and drink that is different because of its origin; GIs are the opposite of a standardised restaurant chain meal which tastes the same all over the world, made to a standard recipe.
- As you can see, the promotional value of GIs in a global marketplace is varied and significant. But what is just as significant is the impact this has had on rural areas.
- According to a recent EU study, on average, the price obtained by the farmer or local producer for a famous traditional product is 2.23 times the price received for a comparable non-local product.

- Income stability is also increased, as a farmer will typically sign longer-term contracts with suppliers for an origin product than for other foodstuffs. This resilience to fluctuating market patterns is music to local producers' ears, as it allows for better long-term planning and financial management.
- This means better and more sustainable jobs for rural communities.
- Another very important sector and agricultural model in the EU is the organic sector. This continues to be one of the most dynamic market and production sectors in European agriculture and Colombia has great potential for developing opportunities for organic farmers and businesses.
- The organic sector in the European Union has been rapidly developing during the past years. The market for organic food products has been booming, quadrupling in size over the past decade. In order to meet this sustainable demand, the area cultivated as organic has almost doubled between 2004 and 2014 in the EU, with an average yearly growth of 5.5%.

- Furthermore, studies indicate that organic consumers are very loyal customers, which also gives producers and exporters confidence to innovate and export.
- **This growing and sustainable demand presents current and future organic producers in Colombia with a huge range of commercial opportunities.**
- In this sense, I am happy to inform you that, along with Minister Iragorri, we have decided to officially launch the negotiations for an Agreement on organic farming between the EU and Colombia. I expect that good progress will be made in the coming months and that an agreement will be concluded soon.
- I believe that the development of organic production will be of importance for farmers and rural communities in Colombia as it provides, on the one hand, for sustainable development of Colombia's rural areas and, on the other hand, it contributes to business and job creation of the rural population by providing access to differentiated high value added markets.
- The development of organic farming has great potential in Colombia. There is a lot of land which could not be used in the past because of the conflict.

- Also, many of those involved in the conflict were previously farmers. And the country is famous for its amazing biodiversity.
- All these factors point towards a great opportunity for Colombian organic products. If these are successfully promoted, they could enjoy great success meeting the growing global organic demand.
- Finally, let's look more closely at the environmental and climate dimensions – the "green" side of the equation.
- In Europe, it is now agreed that good farming equals sustainable farming. For this reason, one of the priorities of the CAP reform was the improvement of the sustainability of our agricultural sector.
- There are several elements in the reform which enable us to claim that we have a "Greener" policy. Let me briefly recap what they are:
- The "green direct payment" – as from 2015, farmers have to respect three obligatory practices that are beneficial for the environment and climate change in order to receive a green payment. This represents 30% of the direct payment budget.

- It is a very important change because it highlights to taxpayers the eco-services which farmers provide. They are environmental public goods which are not remunerated by the market. Hence the role for public policy.
- We have also brought in a simplified and targeted cross-compliance system, in other words, the compulsory minimum level of environmental requirements and obligations to be met in order to receive CAP funding.
- Each of the Rural Development Programmes applied to the 119 regions of Europe has to allocate at least 30% of funding to measures with positive environmental and climate change impacts (including organic farming), with priorities on "promoting resource efficiency" and "restoring and enhancing eco-systems".
- These are some of the models you may wish to examine in designing a holistic sustainable development model for your wonderful country.

- It is vital that we recognise the global realities. Climate change and the connected issues of environmental sustainability are arguably the principle global challenges linked to food security and agriculture in the 21st Century.
- The world population will increase and global agriculture will come up against natural barriers of drought and flooding, water shortages, reductions in habitats and biodiversity as well as extreme weather events.
- So it makes sense to plan for the future now. And I believe the discussions we will have today are an important step on that journey.
- Thank you, good luck today, and I look forward to hearing your thoughts and ideas.