

**Annotated Outline for Civil Society Consultations
Principles for Responsible Agricultural Investment (rai)
21 March 2013**

Functions of the outline:

- **ensure that issues relevant for small-scale food producers and providers for the principles on responsible agricultural investment are taken up in the consultation process;**
- **serve as a guide to elicit and gather inputs for the civil society document of principles on responsible agricultural investment; this document will be the primary reference for civil society and social movements during the official negotiations on the rai principles;**

Additional issues may emerge in the course of the consultation.

Preamble/preface

- Provide background on the genesis of the rai process. Recall the results of the policy round table on agricultural investment in CFS 37 in which the Committee:
 - Recognised that the bulk of investment in agriculture is undertaken by farmers and smallholders themselves, their cooperatives and other rural enterprises with the rest being provided by a multiplicity of private actors as well as governments.
 - Acknowledged that smallholder farmers, many of whom are women, play a central role in producing most of the food consumed locally in many developing regions and are the primary investors in agriculture in many developing countries.
 - Supported an inclusive consultation process within CFS for the development and the broader ownership of principles for responsible agricultural investment that enhance food security and nutrition

Objectives

The rai principles should help to ensure that investments in agriculture give priority to food production and nutrition and increase the resilience of local and traditional food systems and biodiversity, with a focus on strengthening sustainable smallholder food production, reducing post harvest losses, increasing post harvest value addition, and on fostering smallholder-inclusive local, national and regional food markets including transportation, storage and processing.

Nature and scope

- Voluntary, guiding principles to promote responsible investments in agriculture
- Normative: rooted in the Human Rights framework; responds to the CFS mandate of supporting the progressive realization of the right to Food.

- Based on, complements and builds on the Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGLFF)
- Comprehensive:
 - Principles encompass various stakeholders (public and private, small and large, domestic and foreign), sectors, sources, and stages of investment
 - Covering agricultural, fisheries and forest production systems broadly understood including upstream/downstream segments), but with clear focus on how different segments contribute to investment at the farm level
 - Basis for all stakeholders that benefit from, make decisions about or are affected by agricultural investments
- Define relevance and meaning of the principles for different stakeholders based on their different roles and responsibilities:
 - Special attention to the responsibilities of governments and other public actors in creating the conditions for more responsible investment, including public investment in essential services and infrastructure, social, environmental and food safety safeguards, etc.
 - Emphasis on strengthening the investments and investment capabilities of small-scale producers as the primary producers of most of the food consumed in most developing countries (refer to the HLPE report)
 - Emphasis on mandatory regulation of private-sector and corporate investments in accordance with policies that enable small-scale producers and providers;
- Specify relationship of rai to other relevant international agreements/conventions

Main Concepts to define/describe

- Responsibility
- Agriculture
- investment

Part I What makes an investment responsible?

Principles on the impacts of agricultural investments

1. Food security and nutrition impacts
 - a. Food availability, accessibility, and use
 - b. Dietary diversity, food safety, and nutritional value
 - c. Local food production systems that contribute to domestic food security
2. Environmental impacts
 - a. Sustainable use of natural resources including agro-ecological approaches
 - b. Climate change adaptation and mitigation
 - c. Conservation, biodiversity, and ecosystem management including the responsible stewardship of landscapes and waterscapes
 - d. Pollution and waste management
3. Economic and social impacts
 - a. Models of production and sustainable improvements in agricultural productivity

- b. Access to productive agricultural resources (such as seeds, breeds, land, water, inputs, credit, research, extension, technology etc.) especially for small-scale food producers and for future generations
 - c. Access to markets especially for small-scale food producers and processors
 - d. Rural employment, incomes, and livelihoods
 - e. Labour rights and conditions of employment
 - f. Secure land and resource tenure including collective and customary forms of tenure, shared territories, and the commons
 - g. Gender equality and women's empowerment
 - h. Rural youth
 - i. Poor, vulnerable and marginalized populations
 - j. Solidarity, social security, and peace
4. Cultural impacts
- a. Traditional and local systems of food production and consumption
 - b. Local and indigenous knowledge, education, innovation
 - c. Resilience and coping mechanisms

**Part II Which processes and mechanisms lead to responsible agricultural investments?
Principles for the regulation and governance of investments**

5. Governance structures, review mechanisms and decision-making processes
- a. Rule of law including adherence to human rights standards and the progressive realization of the right to adequate food in the context of national food security
 - b. Access to information based on prior independent assessments on the potential positive and negative impacts of investments (VGLFF 12.10)
 - c. Full, effective, and meaningful consultation and participation of all those affected by agricultural investments in investment decisions (e.g. through multi-stakeholder platforms, FPIC, etc.)
 - d. Rights awareness and capacity building
 - e. Safeguards to protect legitimate tenure rights, human rights, livelihoods, food security, and the environment from harm (VGLFF 12.6)
 - f. Disclosure and transparency of contracts, investment agreements, revenues, and taxes
 - g. Anti-corruption measures
 - h. Accountability (legal and mandatory)
 - i. Monitoring of the implementation and impacts of investments
6. Liability and grievance mechanisms
- a. Complaint mechanisms
 - b. Access to justice including legal aid/support, effective remedy, etc.
 - c. Dispute settlement and conflict resolution
 - d. Compensation and restitution

**Part III What are the roles and responsibilities of different actors in promoting responsible agricultural investments?
Principles addressing specific stakeholders and partnerships**

7. Roles and responsibilities of states

- a. General obligations of states to respect, protect and fulfill human rights, including the progressive realization of the right to adequate food in the context of national food security and to ensure that human rights including the right to food are not undermined or contradicted by investments
 - b. Support investments by small-scale food producers through responsible public investments in agriculture (VGLFF 12.2) including in e.g. public services and public goods, public and participatory agricultural research, public procurement schemes, improved market access, extension services, inputs, credit, technology transfer etc.
 - c. Policy coherence and sector development: states should determine with all affected parties the conditions that promote responsible agricultural investments and then should develop and publicize policies and laws that encourage responsible investments, respect human rights, and promote food security and sustainable use of the environment (VGLFF 12.8). These policies and laws should not be undermined or contradicted by policies in other sectors e.g. investment, trade, finance, resource and energy sectors etc.
 - d. Specific priorities, responsibilities and extra-territorial obligations for states investing abroad and the states of origin of transnational investors
8. Roles and responsibilities of small-scale food producers, providers and their organizations.
 9. Roles and responsibilities of national and foreign investors, including local-national small-scale investors/processors, transnational corporations, private investment funds, sovereign wealth funds and state enterprises.
 10. Roles and responsibilities of multilateral organizations, agencies, financial institutions, and banks
 11. Partnerships, cooperation, coordination
 - a. Governance of public-private partnerships (PPPs)

Part IV Principles for implementation and monitoring of rai

12. Relations of principles to existing national policies and laws
13. Accountability (legal and mandatory)
14. Steps that may be taken to operationalize principles, including harmonization of existing policies/laws with the principles and development of new policies and laws
15. Multi-actor mechanisms at national levels for harmonizing principles with laws/regulations and operationalization processes
16. Monitoring of the implementation of rai by states, the CFS and other stakeholders