

Investing in agriculture for food sovereignty and sustainable small-scale production

I. Introduction

A process of consultations to develop “guidelines for responsible agricultural investments” (rai) will soon start in the Committee for World Food Security (CFS). The purpose of this note is to facilitate discussion at the regional civil society meetings taking place over the coming months about how best civil society actors involved in the CFS --social movements, unions, civil society organisations (CSOs) –can organise ourselves to engage effectively with this consultation. It is extremely important and urgent that we do so, given the challenges surrounding agricultural investment today.

Rising and increasingly volatile food prices in recent years and the climate crisis have increased poverty, displacement, hunger and undernourishment, and raised serious concerns about food security at national and global levels. Some governments are trying to meet their food security requirements by acquiring agricultural lands and productive capacities abroad and supporting agricultural investments by their home corporations. Over the coming decades, agriculture faces the challenges of feeding a growing world population with rising incomes and changing diets, contributing to the eradication of poverty and food insecurity, building responses to the climate crisis and helping to ensure that agricultural production contributes to environmental sustainability rather than compromising it.

Increased investment in agriculture and supporting services will be essential to meet these challenges, but they need to be targeted to appropriate objectives if they are to increase food security for the poor. What these appropriate objectives are and what kinds of investments and supports are needed to attain them? Eighty percent of the world's hungry people live in rural areas. Increased agricultural investments, therefore, should aim at ending hunger, ensuring the right to food, enhancing the sustainable food production capacity of smallholder food producers in particular (including peasants, pastoralists, fisherfolk, landless, rural women etc.) and creating decent conditions for agricultural workers. Investments must prioritise strengthening local food systems and agro-ecological smallholder food production - with special attention to women - and increasing their resilience to natural disasters, economic shocks, conflicts and wars.

Smallholder food producers themselves invest in their production. They maintain and build soil fertility, select and reproduce seeds, nurture their lands and water sources, build production and storage infrastructure, etc. These are probably the most important investments in agriculture, carried out on a day-to-day basis, and they need to be recognized and supported. At the present time smallholder food producers face severe constraints such as inadequate access to land and credit, insecurity of land and resource tenure, limitations related to seed production and exchange, prices that do not cover the cost of production, research systems that do not meet their needs for sustainable production as smallholders, the absence of mechanisms to stabilize local and national markets, and inadequate regulation of financial and commodity markets. Instead, smallholder producers are left to the mercy of unregulated markets without the structural and systemic support needed to cushion them against market volatility.

Public policies, and public investment and support need to ensure that small holder food producers can overcome these economic, environmental and political constraints that hamper their capacities. Over the past few decades public support and investment in key public goods and services have diminished. Given the current challenges it will be crucial to increase them and target them clearly to smallholder food producers.

Private investors in agriculture comprise a vast and diverse range of actors from companies involved in agricultural production and processing to investment funds that seek opportunities to invest in land and other assets. Public policies should accompany and regulate these investments in such a way that they strengthen smallholder production and facilitate meeting the objective of a resilient, smallholder-based and sustainable food system. A specific challenge is posed by large-scale foreign direct investment in land, which has been proved to have negative impacts on food security.

II. Background: from October 2010 to today

Since the first session of the reformed CFS in October 2010, through coordinated actions at national, regional and international levels, social movements and civil society organisations have made significant gains at the CFS to shift the policy debates and proposals about agricultural investments away from supporting corporate and market interests, and towards the needs of small-scale food production and food sovereignty.

In particular we have:

- participated strongly in policy discussions on investments in agriculture at the CFS plenary session in October 2011, winning recognition in the session report that smallholder producers are responsible for most of the food consumed in developing countries and are the primary investors in agriculture, and that agricultural policies and public investment should privilege food production for domestic consumption and increase the resilience of local and traditional food systems and biodiversity ;
- participated strongly in the negotiation of the *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* (VGGTs), in which the section on investments was among the most highly contested. Although we did not obtain all we wanted, we did win some good language, for example affirming that: “responsible investments should do no harm, safeguard against dispossession of legitimate tenure rights holders and environmental damage, and should respect human rights”.
- at the CFS session in October 2010, blocked endorsement of the “Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources” (RAI) promoted by the World Bank, UNCTAD, FAO and IFAD since late 2009. These RAI attempt to provide legitimacy to the take-over of farmlands and commons by foreign and domestic corporations. Instead, the CFS agreed to launch a broad, inclusive consultative process on principles governing responsible agricultural investment (rai) in general, using the RAI as just one input along with those of social movements, CSOs, academics and others.

We need to build on these gains, while recognizing that the interests opposing our positions are very strong. The rai consultations will be controversial and are particularly vulnerable to manipulation by state and non-state actors who believe that large scale agricultural investments by private corporations and/or public-private partnerships are the most effective strategy for agricultural development and reducing poverty and hunger, and that such investments should be enabled by public policies and regulations including land acquisition and expropriation as needed. The CFS is a strategic space in which to defend our positions since - as compared with the G8/G20, the OECD, the World Bank and others - it is the only global forum which has food security and the right to food as its mission. whose membership includes all countries, and where civil society and social movements are full participants.

The consultative process on rai will involve two steps. The first step is aimed at developing the Terms of Reference (TOR) of the consultation (scope, purpose, intended recipients and structure of the principles as well as the format). In the second step--once the TOR have been agreed--the actual consultation process will take place. Phase one of the rai consultation will

start once the VGs have been adopted in mid May 2012. Some CFS members are trying to delay the process and to minimize its importance. Civil society is fighting to start it as quickly as possible and to have a strong influence in deciding its TOR. This is why the CSM is taking advantage of the regional civil society consultations to gather ideas and proposals from social movements and CSOs around the world. The results of the regional discussions on the rai consultation will be consolidated into a document stating our views.

It is provisionally expected that the results of phase one will be presented to the CFS in October 2012 and that the rai consultation itself (phase two) could start in November 2012. We hope that the outcome of the phase two consultation can be presented for adoption to the CFS in October 2013, at the same time as a report by the CFS High Level Panel of Experts on constraints to smallholder investment. This would make it possible to have an in-depth discussion on agricultural investment benefitting food security and small-scale producers, whose results could be fed into the Global Strategic Framework. We hope that civil society will rally together the necessary forces to shape the process and structure of consultations on agricultural investment, that bring to the forefront the policy and regulatory actions needed to strengthen food sovereignty, and support for sustainable, smallholder-friendly production systems.

III. Points for discussion during the regional civil society consultation

Content and Aims:

1. What might be some of the objectives we want to achieve through the rai consultations (for example, Guidelines on investments and supports for small-scale producers; social, economic and environmental standards to regulate agricultural investments; strategies to enhance and strengthen the investments of small-scale producers, etc.)?
2. What types of information/knowledge should the consultations yield/gather?
3. What should be the thematic segments and broad areas of investigation of the consultations?
4. What questions should guide reflection during the consultations?

Methodology:

1. Who should be consulted (what constituencies, organisations and actors)?
2. Where (in what spaces) and when (at what moments/events) should these consultations take place?
3. How should the consultations take place? (for example through regional meetings? National processes? Electronic discussions? Etc.)
4. What format, structure and process can we propose that are participatory but do not require raising large amounts of funds?
5. Which constituency organisations, unions and CSOs should we contact to get involved in the rai consultations?
6. Which constituency organisations, unions and CSOs are willing to volunteer to commit time and human resources to pull together the results of Step 1 and also guide Step 2?