



Principles for responsible agricultural investment (rai) in the context of food security and nutrition New Zero Draft

Background and rationale

As the world population, particularly urban, grows and incomes increase, diets and consumption patterns are changing. In parallel, natural resources are becoming scarcer and climate change is having significant impact on agricultural productivity.

An immediate increase in agricultural investments in and for agriculture – including livestock, pastoralism, fisheries and forestry - is essential to enhance food security and nutrition, reduce poverty, promote sustainable agricultural development and contribute to the universal realisation of the right to food¹. Eradicating hunger and achieving this sustainably will require substantial increases in the level and the quality of private and public agricultural investments. Investing in agriculture is one of the most effective strategies for reducing poverty and hunger and promoting sustainability.

The central concern of this document, as requested by the Committee on World Food Security (CFS), is to promote responsible investments in agriculture that contribute to food security and nutrition and to support the progressive realization of the right to adequate food in the context of national food security.

Investments in agriculture and food systems², including agricultural research, education, infrastructure and other relevant services, is carried out by a multitude of actors, private and public, domestic and foreign at small, medium or large scale. All these actors are significantly affected by the presence or absence of an enabling environment, including coherent policies.

Given the important role of small scale food producers and processors – women and men - in investing on-farm, as well as their key contribution to food production and processing in most developing countries and taking into account that this group is disproportionately represented among the food insecure, it is particularly important that their capacity to invest responsibly be strengthened, alongside other investors.

Objective, nature and scope

The principles seek to promote responsible investments in agriculture, including fisheries and forestry, that contribute to food security and nutrition and to support the progressive realization of the right to adequate food in the context of national food security.

The principles address all stakeholders that are involved in, benefit from, or are affected by investments in food systems, including among others:

- Governments at national, sub-national and local level in host states and states of origin of investments
- Private and public investors, both domestic and foreign, such as small – medium and large farmers, farmer's organizations, cooperatives, private companies, financial institutions and states
- Intergovernmental and regional organizations, including multilateral/international and regional financial institutions
- Civil society organizations
- Research organizations, universities and extension organizations
- Bilateral donors and foundations.

¹ Universal Declaration of Human Rights, Article 25; International Covenant on Economic, Social and Cultural Rights, Article 11.

² Food systems encompass the entire range of activities involved in the production, processing, marketing, consumption and disposal of goods that originate from agriculture, forestry or fisheries, including the inputs needed and the outputs generated at each of these steps. Food systems also involve the people and institutions that initiate or inhibit change in the system as well as the socio-political, economic and technological environment in which these activities take place (FAO; SOFA 2013).

The principles are in line with the overall focus of the CFS on small scale food producers, but recognize the important roles of other investors in food systems, including public investments, both for their own contribution to food security and nutrition and sustainable development at country level.

In line with the VGGT (para 12.4), the principles recognize that agricultural investments need to contribute to a diverse set of goals, including “*poverty eradication; food security and sustainable use of land, fisheries and forests; support local communities; contribute to rural development; promote and secure local food production systems; enhance social and economic sustainable development; create employment; diversify livelihoods; provide benefits to the country and its people, including the poor and most vulnerable; and comply with national laws and international core labour standards as well as, when applicable, obligations related to standards of the International Labour Organization.*” In addition, they are associated with a number of broader principles and values, including human rights (understood as universal, indivisible, interrelated and interdependent), equity and non-discrimination, gender equality, social inclusion and good governance. The right to adequate food as a human right and the VGGT are key reference point for the principles. All these are important complementary aspects of investments that seeks to contribute to food security and nutrition – including its dimensions of availability, access, stability, and utilization.

The principles are voluntary and non-binding and should be interpreted and applied consistent with existing obligations under national and international law and with due regard to voluntary commitments under applicable regional and international instruments. They should be interpreted and applied in accordance with national legal systems and their institutions.

The principles can be used by any stakeholder group. They should encourage investors at all levels to invest responsibly, and identify key areas where States and other actors should focus their efforts to put in place an enabling environment for responsible investments.

The principles are structured in four parts: part I addresses food security and nutrition and sustainable development, part II governance and grievance mechanisms, part III policy coherence and sector development and part IV review mechanisms and accountability.

Each principle starts with the *title*, followed by the *principle*, the *rationale* that defines why it is important and what the principle is about, the *objectives* defining what should be achieved and *applications* explaining how the objectives can be achieved. At the end of each part a section on *roles and responsibilities* defines who should do what, related to the corresponding principles.

Process of developing the rai principles

These principles were developed by..... and adopted by the CFS at its Session on ...

PART I: FOOD SECURITY AND NUTRITION AND SUSTAINABLE DEVELOPMENT

FOOD SECURITY AND NUTRITION AND THE PROGRESSIVE REALIZATION OF THE RIGHT TO ADEQUATE FOOD IN THE CONTEXT OF NATIONAL FOOD SECURITY

PRINCIPLE 1

Responsible agricultural investments:

- enhance all people's food security and nutrition, and
- contribute to the progressive realization of people's right to adequate food in the context of national food security.

RATIONALE

Investments in food systems, including the environment where investments take place make an essential contribution to food security and nutrition, both for rural and urban consumers. Food security exists when all people, at all times, have physical and economic and social access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. The four key dimensions of food security include availability, access, stability and utilization.

The development of local and national food production capacity, including small scale food production, is essential to respond to growing rural and urban food demand. Access to food is a function of income, prices and ability to produce one's own food, as well as of physical access. Local food supply results from production and access through stable and well functioning markets – with appropriate links among local, national, regional and global markets. Adequate utilization contributes to good nutrition alongside other factors such as clean water and sanitation, food preparation practices, healthcare, education and women's empowerment.

OBJECTIVES

Responsible agricultural investments contribute to:

- increase and ensure the production of sufficient and nutritionally adequate food at local and national level, including the diversity of food production
- improve and ensure access to and availability of sufficient and nutritionally adequate food, including the diversity of locally available food, especially for the food insecure both in rural and urban areas, small scale food producers and processors, women and men and the most vulnerable
- ensure stable food supply, particularly at local level
- support resilience of food systems before, during and after shocks and crises.

APPLICATION

Enhancing food security and nutrition requires a focus on:

- enhanced productive capacities, especially for small scale food producers, women and men
- increased value generation at different stages in food systems to create income opportunities for the food insecure, small scale food producers, women and men, youth and the most vulnerable
- improved access to markets by food insecure, small scale food producers, women and men and the most vulnerable
- improved nutrition in terms of quality and quantity, including water, sanitation and access to healthcare
- stable and well functioning markets at local, national, regional and global level
- reducing the occurrence and impact of production and market shocks
- the implementation of an integrated approach to transitioning from humanitarian to development investments after-shocks
- prioritizing food production over other uses of land (such as fuel, feed and fibre production) when competition between different uses of land and other resources exists, especially in context with prevalence food insecurity and malnutrition.

ECONOMIC AND SOCIAL ISSUES

PRINCIPLE 2

Responsible agricultural investments:

- generate positive socio-economic and distributional impacts for all, women and men,
- respect internationally recognized labour rights, and
- reflect the voluntary guidelines on the responsible governance of tenure of land fisheries and forests in the context of national food security (VGGT).

RATIONALE

In many parts of the world agriculture is the mainstay of the livelihoods of rural populations, particularly the poor. Investments in food systems that are on the long-term financially and economically viable, creates not only benefits for investors, but has high potential to contribute to reducing poverty and drive inclusive growth and to expand livelihood and employment opportunities for others, such as small scale food producers and processors, agricultural workers, others employed within the food system, women and men. Labour intensive investments can play a critical role for enhancing food security and nutrition through their impact on livelihoods in areas facing high rates of rural un(der)employment and poverty.

OBJECTIVES

Responsible agricultural investments contribute to:

- decent job creation and generation of local employment
- strengthening women's livelihoods opportunities
- strengthening capabilities and market opportunities of other upstream or downstream investors
- increased value generation at different stages in food systems
- enhance local availability of appropriate know-how and technology
- direct or indirect provision of public goods and services.

APPLICATION

Internationally-recognized labour rights act as a point of reference. When job opportunities are created, male and female workers need to be treated in a fair and non-discriminatory manner. Equal opportunities, wages and social benefits that ensure a safe and decent standard of living and healthy workplaces need to be provided. Upstream and downstream linkages create opportunities for other investors and lead to multiplier effect on local economies. When investments affect tenure or access to land, water, and other natural resources, the VGGT provide relevant guidance.

ENVIRONMENT, NATURAL RESOURCES AND CLIMATE CHANGE

PRINCIPLE 3

Responsible agricultural investments:

- use, develop and regenerate natural resources sustainably, and
- contribute to climate change mitigation and adaptation.

RATIONALE

Agricultural production requires use of natural resources, such as land, water and biodiversity, which are increasingly scarce or becoming degraded. Well functioning ecosystems are also vital to agricultural production and investments are needed to enhance their functioning or redress their deterioration. Actions and investments in food systems, around production, processing and transport can result in GHG emissions, which contribute to climate change. The impact of climate change in turn increases the risks for all investors and in particular for more vulnerable populations.

OBJECTIVES

Responsible agricultural investments contribute to:

- the sustainable use, development and regeneration of natural resources, including land, water and biodiversity
- avoiding negative environmental externalities
- improving ecosystems and their related services
- climate change mitigation and adaptation, including minimizing GHG emissions.

APPLICATION

Harmonizing food security and environment requires a focus on:

- sustainable agricultural production and sustainable approaches to food processing, transportation, marketing and consumption, including the reduction of post harvest losses and food waste:
 - reclaiming or increasing productivity on resources already in use in a sustainable manner
 - the most sustainable and efficient production, processing and distribution system
 - the provision of desirable ecosystem services
 - reducing pollution and emissions
- strengthen positive impacts and externalities on the environment and natural resources, such as availability and quality of water, land, ecosystems, biodiversity, fisheries and forests, and on climate change
- increasing resilience of food systems and related livelihoods to climate change through mitigation and adaptation measures
- the use of traditional and scientific knowledge, expertise and skills and appropriate technologies and practices
- strengthening capacity building and local availability, adaptation, and uptake of best practices.

CULTURAL ISSUES

PRINCIPLE 4

Responsible agricultural investments:

- respect cultural heritage and landscapes, and traditional knowledge, and
- are considered legitimate by local and relevant stakeholders.

RATIONALE

Agriculture shapes and is shaped by rural lifestyles and landscapes and individual and collective identities. While there has been a global accelerating trend towards urbanization, rural lifestyles and landscapes continue and will continue to forge collective identities. Large-scale agricultural investments can rapidly change rural lifestyles and landscapes and local systems and practices in ways that are positive or negative depending on the perspectives of different stakeholders.

OBJECTIVES

Responsible agricultural investments:

- ensure the safeguarding of cultural heritage and landscapes, including religious sites
- value and support traditional knowledge and cultural heritage around local food systems
- acknowledge the long-term economic, social and environmental benefits of maintaining rural lifestyles and landscapes
- are consistent with local people's vision of development.

APPLICATION

The identity shaping dimension of rural lifestyles in countries in transformation and in urbanized contexts needs to be recognized and taken into consideration. Local stakeholders are entitled to decide on the desirability of changes. While decisions about appropriate change vary across contexts, there are a number of tools available to address this, such as the UNESCO Convention for the Safeguarding of Intangible Cultural Heritage, the Convention on Biological Diversity and the Akwé: Kon guidelines.

ROLES AND RESPONSIBILITIES

STATES:

States are the main actors called upon to promote an enabling institutional and policy environment to incentivize investments in line with principle 1-4 and are the main investors in public goods required for private investments, including R&D, infrastructure, and education.

States:

- have obligations to respect, protect and fulfil human rights, including the right to food, including through actions related to food and agriculture
- are encouraged to incorporate internationally recognised human rights and social standards relevant to agricultural investments and labour into their legislation
- are encouraged to develop and implement tenure-related policies in line with the provisions set out in the VGGT
- have obligations to apply binding international agreements on the environment that they ratified.

States are encouraged to develop, establish and implement policies, laws and regulations to ensure that investments in food systems are encouraged, that they are designed and conducted with a view to enhancing food security and nutrition and contributing to sustainable development and that all investors – domestic small and medium investors, including small scale food producers and processors, women and men, in particular – have the capacity and the needed institutional, policy and service support and information.

States are encouraged to:

- provide predictable and relevant information, including on policies, laws and regulations to investors about how and where to focus their investment choices to contribute both to food security and nutrition and to sustainable development
- facilitate the financial and economic viability of investments for all investors through a stable incentive and service system
- facilitate equal, non-discriminatory access to productive resources, capital, markets and public goods
- ensure a competitive and transparent market environment with a focus on assessing needs and capacities of food insecure and poor populations
- promote gender equality in access to investment opportunities, markets, inputs, capital and services
- support gender- and socially-inclusive agricultural and rural education, and knowhow and technology development as well as transfer
- encourage forms of organization of food systems and investment schemes that do not involve large-scale transfer of tenure rights
- creating an enabling environment that promotes the creation of inclusive and efficient producers organization, such as cooperatives and other institutions and that strengthens their negotiation power
- promote and reward sustainable use of natural resources in agricultural investments and remove incentives to unsustainable use of resources
- ensure the safeguarding of cultural heritage and landscapes, including religious sites
- support traditional knowledge and cultural heritage around local food systems.

INVESTORS:

Private investors in agricultural production, including small scale food producers who are the main on-farm investors in agriculture, and investors upstream and downstream of food production – from research institutions and input and technology providers to financial institutions, processors and distributors and public investors - have a key role to play in enhancing food security and nutrition and contributing to sustainable development. Principle 1-4 have implications for all categories of investors involved in agricultural investments, but these implications are most relevant for medium and large-scale investors and States.

Investors are called:

- to respect internationally recognized human rights and labour rights
- to comply with relevant national policies, laws and regulations
- to act in line with the provisions set out in the VGGT

- to apply international environmental standards, supported by measures undertaken by States in this regard.

Investors are encouraged:

- to prioritize positive food security and nutrition impacts from their investments, looking at all four dimensions of food security
- to generate sustainable livelihood opportunities for other stakeholders - including food insecure, small scale food producers and processors (when these are not themselves the investors at issue), women and men, youth and vulnerable people relying on the same natural resource base or markets as the investor at issue
- to undertake and promote sustainable practices and use of technology, including by other stakeholders, and with particular attention to promoting sustainable technology uptake among small scale food producers and processors, women and men, when these are direct stakeholders in corporate investments
- to pay special attention to strengthen positive impacts and externalities on the environment, natural resources and climate change and to seek opportunities to generate value from enhancing sustainability
- to establish a system of environmental management to avoid, minimise and remedy possible adverse environmental impacts, using appropriate practices and technology
- to engage proactively and in a participatory manner with local stakeholders, including traditional or religious institutions, to ensure that investments do not impact negatively on cultural heritage, landscapes and lifestyles
- to recognize local entitlements over use of traditional knowledge and cultural heritage and to work with States relevant stakeholders to devise fair mechanisms for benefit sharing.

Furthermore public investors:

- should integrate food security and nutrition and sustainable development considerations into their investments in R&D, education, infrastructure and services
- should provide the public goods and services needed to enhance food security and nutrition and contribute to sustainable development with a special focus on the needs of small scale producers and processors, women and men, youth and the most vulnerable.

RESEARCH AND EDUCATIONAL INSTITUTIONS, CIVIL SOCIETY ORGANISATIONS, INTERGOVERNMENTAL AND REGIONAL ORGANIZATIONS AND BILATERAL DONORS AND FOUNDATIONS:

All these actors can play complementary role in generating data, information, good practices, and guidelines to assist States as well as private investors in assessing and managing impact on local livelihoods of planned or on-going investments.

Research and educational institutions are encouraged to:

- place sustainable development of food systems, including sustainable production and processing of nutritious food and nutrition-sensitive agriculture, at the centre of their agendas and reward systems
- direct their research towards local needs and demand, sustainable practices, resilience and nutritious foods
- work in a collaborative manner with other stakeholders, including small scale food producers and processors, women and men in furthering agricultural innovation systems that can support responsible agricultural investments
- disseminate good practices and facilitate knowledge exchange and skills development.

Civil society organizations – including organizations of food producers – are expected to have a major role in advocating application of the principles for their constituencies and the food insecure, monitor compliance with the principles, inform and report, as well as building the capacity of actors to translate the principles into action, as appropriate. Organizations of food producers also have critical roles to play in strengthening the capabilities of small scale producers as investors, through improved access to information, markets, technology, inputs and financial capital and services.

PART II GOVERNANCE AND GRIEVANCE MECHANISMS

GOVERNANCE AND DECISION MAKING PROCESSES

PRINCIPLE 5

Responsible agricultural investments are:

- implemented with free prior and informed consent of those who are primarily affected, and
- supported by good governance.

RATIONALE

Participatory policy- and decision-making based on free, prior and informed consent of those who are primarily affected is prerequisite to enable responsible agricultural investments. Good governance is a key part of what constitutes an enabling environment for all investors, as it reduces risk and transaction costs and provides the necessary framework for the needed public goods and services. Policy-making, investment planning and implementation through processes, aiming to ensure that legitimate rights and interests, including those of the most marginalized and vulnerable stakeholders, women and men are properly represented and influence decision-making and negotiation processes, is important.

OBJECTIVES

To develop, promote and ensure an enabling governance environment for responsible agricultural investments. Key elements are: the rule and application of law; the respect for existing human rights standards; equity and justice; transparency and disclosure of information; consultation, participation and inclusive decision-making, representing the interests of legitimate constituencies, including free prior and informed consent (FPIC); efficiency and effectiveness; review and accountability; gender equality and anti-corruption.

APPLICATION

The application of good governance and FPIC requires a focus on:

- promotion of good governance
- transparent application of law to all parties
- substantive and meaningful consultation, participation and negotiation in policy- and decision-making, based on transparency and disclosure of information, with legitimate constituencies – including small scale food producers and processors, women and men and vulnerable groups - through their chosen representatives
- preventing corruption in all forms, at all levels, and in all settings.

GRIEVANCE MECHANISMS

PRINCIPLE 6

Responsible agricultural investments are accompanied by:

- non-discriminatory access to justice grievance procedures, and
- fair and effective administrative and judicial remedies.

RATIONALE

The availability of independent and accountable conflict resolution and grievance procedures is prerequisites to enable responsible agricultural investments and ensure that rights can be claimed.

OBJECTIVES

To ensure that independent and accountable conflict resolution and grievance procedures and fair and effective administrative and judicial remedies are in place and non-discriminatory access to justice is secured.

APPLICATION

All individuals or groups potentially affected by investments should have access to equal non-discriminatory justice to claim their rights. Justice mechanism should be available, accessible and affordable to all.

ROLES AND RESPONSIBILITIES

States play a main role as enablers and regulators of governance structures and processes, including decision making processes and grievance procedures for investments in food systems.

States are encouraged to:

- identify areas where governance reforms are needed to promote responsible investments and to ensure that it better contributes to food security and nutrition and sustainable development, in line with principles 1-4
- further develop, promote or implement an enabling governance environment for responsible investments
- ensure the participation of representatives of all stakeholders involved in or affected by agricultural investments in policy-making;
- ensure that procedural requirements for consultation, participation and negotiation in decision-making on investments planning and implementation are in place and respected, based on transparency and disclosure of meaningful information
- establish impartial and competent judicial and administrative bodies for timely, affordable and effective resolution of disputes related to agricultural investments
- provide guidance and over-sight on non-judicial mechanisms
- provide effective remedies as needed, ensure that these are enforced, including restitution, indemnity, compensation and reparation
- ensure equal and non-discriminatory access to relevant bodies and mechanisms for all affected individuals and groups.

Investors should comply with policies, laws and regulations applicable in the country the investment takes place and with all relevant international treaties and conventions.

Investors are encouraged to:

- contribute to and promote good governance and transparency in their own activities and interaction with public officials and other relevant stakeholders
- hold themselves to high standards in terms of accountability and undertake due diligence to the best of their ability
- cooperate in non-judicial mechanisms to provide remedy
- set up operational-level grievance mechanisms that are effective, legitimate, accessible at no costs, predictable, equitable, transparent, timely, understandable, consultative, culturally appropriate and accountable, while ensuring that operational-level grievance mechanisms are not a substitute for, or act as an impediment to, legal alternatives.

Civil society organizations have an important role in engaging in dialogue with State authorities on institutional and policy matters, including monitoring, related to investments. Intergovernmental and regional organizations also have roles to play in establishing governance mechanisms beyond the country level to promote and regulate responsible agricultural investments.

PART III POLICY COHERENCE AND SECTOR DEVELOPMENT

PRINCIPLE 7

Responsible agricultural investments are supported by policies, laws and regulations which:

- are consistent with each other, and
- address all aspects of responsible investments as described in this document.

RATIONALE

To promote responsible agricultural investments and enhance food security and nutrition all actors involved – including central, regional and local governments, small-, medium- and large- scale investors in food systems, including small scale food producers and processors, women and men, financial institutions, civil society organisations, multilateral and regional organizations, research, donors and foundations – pursue a greater harmonization of their respective efforts and better integrate their respective activities to create positive impacts on food security and nutrition and sustainable development.

A distinct challenge in establishing policies, laws and regulations to create an enabling environment for investments in food systems is the harmonization and coherence of relevant policies, laws and regulations, in the field of agriculture, fisheries, forestry, investment, infrastructure, trade, environment, land, research and education, healthcare and social issues, which also represent in a balanced manner the interests of all involved types of investors, including small scale food producers and processors, women and men and vulnerable groups.

Consistency is also needed between extraterritorial policies supporting overseas investments and a country's or region's international commitments to food security and nutrition, sustainable development and human rights.

Food systems can only fulfil their different functions if all actors working in and around the sector harmonize their respective efforts and better integrate their respective activities through coordination, cooperation and partnerships to enhance food security and nutrition for all.

OBJECTIVES

To ensure that:

- the different public-sector institutions at national and local levels work together, are informed and act in a compatible manner in order to create synergy and avoid duplication and conflicting measures
- the objectives defined by one policy or law are not contradicted or undermined by weaker or contradictory provisions in other policies or laws
- positive impacts in all areas highlighted in principles 1-4 should be strengthened
- all relevant services, such as research, education, finance, infrastructure, markets and input supply are in place and are accessible for all
- strengthening collaboration, coordination and partnerships between all actors involved including small scale food producers and processors, women and men.

APPLICATION

Divergences among different interests, sectors, ministries and policies may emerge in different contexts, these should be resolved in such a way as to promote responsible investments and therefore with priority given to impact on food security and nutrition and sustainable development.

Policies, laws and regulations should be developed on evidence base, learning from experience and remedying negative impact when necessary, accountably and transparently.

Clarity in the regulations governing investments, including taxes and incentives, also makes it more likely that investors can operate effectively. Furthermore for promoting investments in food systems it is essential that all relevant and needed services, such as education, agricultural extension, stable and reliable financial services such as credit, saving and risk mitigation and infrastructure services such as roads, water, electricity and communications are in place and accessible for all, especially small food producers and processors, women and men.

Domestic and foreign investments should not strive only to increase shareholder value but also to generate significant, long-term and tangible co-benefits for the project area, affected communities and the country. These benefits should not bypass vulnerable groups. If incentives are offered they should be made public to ensure that countries, affected communities and local stakeholders are all likely to benefit.

Governments of countries that invest, promote investments abroad or are home base of private transnational investors should ensure that their conduct is consistent with the protection of human and legitimate tenure rights in line with the provisions set out in the VGGT, promote food security and nutrition and sustainable development and their own development policies and commitments. Voluntary initiatives of the private sector in developing such standards are important and should be recognized and built upon.

ROLES AND RESPONSIBILITIES

States are encouraged to:

- ensure coherence and consistency of policies, laws and regulations shaping and affecting agricultural investments
- ensure coordination in and for agricultural investments within the different branches of the government
- support and equip national and sub-national departments and agencies to be informed of and act in a manner compatible with government's strategies, laws and regulations.

States of transnational investors' origin are encouraged to:

- ensure that their national and regional international investments policies, laws and treaties to support foreign investments are consistent with their policies, laws and international commitments to food security and nutrition, sustainable development and human rights
- ensure that companies operate according to the highest human rights and environmental management standards
- require companies investing overseas to fully disclose their activities and ensure that standards and safeguards are implemented to protect small-scale food producers, local communities and livelihoods, and the environment.

Through specific provisions for enhancing investments by different actors, States can promote responsible investments:

- clear and consistent information about State priorities, policies, laws and regulations and predictable policy environment
- ensure respect for rights and entitlements – notably those of the most vulnerable or marginalized, on a gender equal basis
- support the capacity of small scale food producers and processors, women and men, to have the knowhow, skills, services and technology to invest in sustainable and climate adapted agricultural intensification
- support services and investments, including addressing the needs of smallholder producers and processors, women and men, such as financial services, education, infrastructure and access to markets
- put in place sustainable, affordable and effective incentive systems, risk management and mitigation measures
- promote and facilitate coordination, cooperation and partnerships among stakeholders.

Furthermore States are called to respect, apply and promote extraterritorial obligations under international law, including when negotiating investment treaties with other countries. They should introduce reporting and reviewing of investments and enshrine the right to food and other human rights and corporate social responsibility in bilateral investment treaties and international investment agreements, alongside investor protection.

Civil society organizations and private sector have an important role in engaging in dialogue with State authorities on institutional and policy matters related to investments. Intergovernmental and regional organizations also have roles to play in establishing policies beyond the country level to promote and regulate responsible agricultural investments, striving for policy coherence.

Multilateral international and regional organizations, including international and regional financial organization, donors and foundations involved directly or in a supportive role in agricultural investments are invited to orient their activities around the principles proposed in this document, in addition to serving their respective mandates and to respecting international and country-level laws and regulations, including human rights.

PART IV: REVIEW MECHANISMS AND ACCOUNTABILITY

PRINCIPLE 8

Responsible agricultural investments are based on independent, transparent and participatory assessment of their potential impacts on food security and nutrition, environments, societies, economies and culture before, during and after each investment, with mechanisms for regular review.

All actors involved in agricultural investments are accountable for their decisions, actions and the impacts thereof.

RATIONALE

Part I dealt with intended impacts of agricultural investments. To ensure that these will materialize and negative impacts are avoided, the potential and actual food security and nutrition, environmental, social, economic and cultural impacts of agricultural investments as well as those on human rights and tenure rights need to be assessed. Part II and III address governance, decision making processes, grievance mechanisms and policy coherence and sector development. These need to be reviewed regularly and adjusted if need be.

Neither the principles outlined so far nor existing laws and international norms affecting investments can have the desired impact on food security and nutrition if the actors involved are not accountable for their actions and for the impact they have on others, their livelihoods, and the environment.

OBJECTIVES

To develop and implement rules, procedures and methodologies:

- for independent, transparent and participatory impact assessments for agricultural investments, including the review of agricultural investment-related governance instruments and policies
- for remedial actions if shortcomings are identified
- for accountability of decisions, actions and their impact.

APPLICATION

Assessments need to be independent, meaningful involve all stakeholder groups, and lead to remedial actions and remedial changes in the policy/governance frameworks in case of negative impacts. Practical application of this Principle may vary depending on the nature and size of investments.

Stakeholders affected by investments as well as investors can only hold decision makers to account if accurate and transparent information is available about investments as well as the key factors that influence them. Therefore transparency is a key precondition for accountability in agricultural investments, and it needs to apply to the actions and information held by all actors involved.

ROLES AND RESPONSIBILITIES

States:

- are encouraged to establish and implement rules and procedures for reviews and impact evaluation of agricultural investments and policies, laws and regulations and on accountability which will enable them to undertake improvements or remedial actions.

Investors:

- are encouraged to follow these rules and good practices and to make the necessary adjustments.

Research institutions, civil society organizations, and development institutions can play an important role in identifying possible impacts of investments and advising about possible alternatives in investment design and implementation planning and in evaluating agricultural investments and investment policies, related governance instruments, drawing lessons learned and providing recommendations. CSOs are also expected to have a key role in reviewing and reporting on implementation of the Principles.

The CFS should be the global platform where relevant stakeholders learn from each other's experiences and where lessons learnt from implementation can be generated and disseminated.