

**Address by the Civil Society Mechanism Agricultural Investment Working Group  
to the Committee on World Food Security Open Ended Working Group on  
principles for responsible agricultural investment  
Rome, Italy - July 2, 2012**

Preface

The Civil Society Mechanism (CSM) welcomes the opportunity to address the CFS Open Ended Working Group as it meets to start determining the terms of reference for a broad, open and inclusive consultation to define responsible investment in agriculture. Discussions on this issue within the CSM have developed over the past year from the first meeting of its Coordination Committee in May, 2011 through the establishment of a CSM Working Group on Agricultural Investment, participation in the CFS 37<sup>th</sup> Session Round Table on *How to Increase Smallholder Sensitive Investment in Agriculture* as well as in the negotiations of the *Voluntary Guidelines on Responsible Governance of Land, Fisheries and Forests in the Context of National Food Security*. The following presentation is a summary of the main concepts developed by the CSM Working Group through these processes.

1. Introduction

The CSM delegation brings into this room the voices of millions of small-scale food producers – farmers, fisher folk, pastoralists, indigenous peoples, agricultural workers, landless, women, men and young people – who are the backbone of the world’s food system. In addition, we bring the voices of NGOs working with these groups on agricultural issues. For us, investment in agriculture is not an object of study. It is what we ourselves do every day of our lives. It is what we benefit from when our governments get priorities, policies and regulations straight. It is what we suffer from when it is lacking or, increasingly, when it alienates us from the land, water and other natural resources on which we depend and attacks our resilient food systems. Consultations about agricultural investment are not academic or technical exercises for us. We negotiate about investment in agriculture with our governments, with development partners, with outside investors when we are given a chance. We mobilize about it in our communities and our capital cities when we are not consulted. This is why we have invested so much energy in the CFS’s considerations about agricultural investment thus far.

2. Putting Assertions into Practice and Clarifying Terms

Any consideration of the topic of investment in agriculture within the context of the CFS has to take as its guiding principle the Committee’s mission of promoting the food security and right to food of the world’s population, in the first instance for small-scale food producers who are the most affected by food insecurity, yet contribute most to food security. In its report on the October 2011 Policy Round Table on Increasing Smallholder Sensitive Investment in Agriculture, the CFS acknowledged that farmers and smallholders themselves undertake the bulk of investments.

How do we move beyond these assertions into practice? This, for us, is what the consultation process should be about. For this to happen, as we move into determining the terms of reference for the process to define responsible agricultural investment, we need to be clear about the terms that we use.

“Investment”:

When we speak about investment, it must be understood in a broader context than just capital investment. Other forms of investment include labour, knowledge and ecosystem regeneration and community development.

“Responsible”:

The term responsible is too subjective to be effective. We need further definition of this term. We will begin to share our ideas about what it might cover if it is felt useful to retain it in the context of our consultation.

“Small-scale producers as Investors”:

Small-scale food producers themselves do by far the largest part of the investment in agriculture in terms of labour, knowledge and capital. Small-scale food producers 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 often in a multi-generational context. These are, and will continue to be the most important investments in agriculture carried out on a day-to-day basis and need to be recognized as such. The recognition of such an assertion will be a very critical starting point of our consultation since it will bring other perspectives in the debates.

“Private Sector Investment”:

We need better clarification of the range of realities that the term “private sector” comprises and, in particular, the difference between farmers’ own private investments and large-scale corporate investment. While they are both considered private investments, the scale, model and beneficiaries are significantly different. Returns generated by farmers’ own investment are most often re-invested by the farmer, while a large scale model is often accountable to shareholders first.

“Markets”:

Linking producers to markets is one of the buzzwords of today. But we need to be clear about what we mean by markets. What markets are we talking about in our consultation? There are many different levels of markets and they do not all serve the same purpose. What levels of the market from the local, national, regional to global are most important for increasing food security?

“Smallholder sensitive”:

The slippery nature of this term was recognized by the 37<sup>th</sup> Session of the CFS when it enjoined the consultation on responsible investment in agriculture to address the issue of how to define it. We submit that “smallholder sensitive investment” is investment that brings benefits to us and helps us to bring a multitude of benefits to our fellow citizens.

### 3. Prioritizing Small-Scale Food Production

A key objective of the consultation should be to clarify what needs to happen for small-scale food production to be prioritized to the benefit of the food security and the resilient food systems of our societies. Small-scale food production is the dominant and most important form of food production worldwide. 85% of the food that is grown is consumed within the same local environment or, at least, within national borders and most of it is grown beyond the reach of multinational food chains. The food consumed by over 70% of the population of the world is produced by small-scale food producers: peasants, fisher folk, pastoralists and indigenous people, who are mainly women: women play a pivotal role in producing much of the food worldwide. Small-scale food production also contributes to social, economic and environmental advantages such as creating employment, maintaining good cultural practices, sustainable rural development, preserving ecosystems and strengthening local, national and regional economies in many ways through job creation, wealth mobilisation and redistribution, local and national markets organisation and enhancement. All investments in agriculture need to support this production if future food supplies are to be secured.

Therefore, policies and investments aiming to strengthen food production have primarily to support and facilitate investment by small-scale food producers themselves. This means putting in place adequate price and market policies, which will provide them with fair conditions to reinvest in agricultural production, processing and marketing. It also means policies that ensure small-scale food producers’ access and security to land, water, grazing, rivers, lakes and coastal waters, seeds, livestock breeds, aquatic resources, agricultural biodiversity, the productive resources they need to produce food.

Public investment and support for peasant and family-based food production should aim at creating decent conditions for agricultural workers. They should prioritize strengthening local food systems – with special attention to women and young people. They should support small-scale food producer-led research; strengthen their existing knowledge systems that are essential for innovation; increase local capacity to conserve food producing, ecological and genetic resources on-farm, on the range and in water bodies; strengthen basic services and support local food systems. Agrarian or land reform is crucial and requires public support and investment.

In short, food and agricultural investment policies should be based on food sovereignty that will strengthen local, sustainable food systems, reinforce local, national and regional food markets in order to realise the right to food and increase food security. These policies should enable and support investments by the small-scale food producers themselves with particular attention to women food producers who, as the 37<sup>th</sup> Session of

the CFS acknowledged, face specific difficulties and need specific policies and specific support.

#### 4. Defending Small-scale Food Production from Corporate Takeover

For the reasons mentioned above and recalling the distinction we have made between investments by corporations and by small-scale food producers themselves there is a need to protect the latter from national and international corporate control in production and marketing. To achieve this, we need strong alliances between the governments and CSOs at the national and regional level through social movements. The trend we have today does not show this. The tendency for decision makers to develop public-private partnerships is continuously harming this potential alliance. Processes that are not inclusive harm the construction of good policies and practices. To end up, there is a strong need to rebuild alliances with an accountable, respectful state that cares about human rights issues and that has a code of conduct for good management of public resources.

#### 5. Purpose, Value, Scope and Recipients of the Consultation

We welcome this consultation process, as the CFS is the legitimate platform to consolidate a single set of standards on investment developed through the food security lens and anchored in a human rights framework. Only the CFS can do that, based on its vision to become the foremost inclusive international and intergovernmental platform for a broad range of committed stakeholders to work together in a coordinated manner towards the elimination of hunger and ensuring food security and nutrition for all human beings. The capacity of the CFS to deliver this crucial task will contribute to raise the legitimacy, credibility, and moral authority of the reformed CFS in front of the entire world community.

We expect this to be a valuable, evidence-based process which takes into account concrete, positive, and context-specific experiences, while also bringing evidence on the impacts of different forms/models of agricultural investments on small-scale agricultural producers and agricultural workers, with particular regard to women.

The process should lead to the adoption of a normative document that provides clear guidance on which investments should be permitted and prioritized, based on their capacity to integrate the human rights framework, strengthen food security and local food systems, prioritize investments by small-scale producers, promote gender equality and empowerment. The process must help to prevent negative kinds of investments that lead to massive land concentration and loss of control over productive resources and production decisions by producers.

The primary focus of this consultation process should be the types of investment by and for small-scale food producers and the pre-conditions for allowing small-scale producers to invest in their own development. It should also look at positive and negative impacts of other form of agricultural investments, at different models of production, at governance,

accountability and decision-making processes, at implications for natural resources including land, water, fisheries and forests.

The final users will be the Governments, Inter-governmental organizations and institutions, private sector, small-scale food producers and their organizations, local communities, CSOs, but their different responsibilities, based on their different roles, should be elaborated during the consultation process.