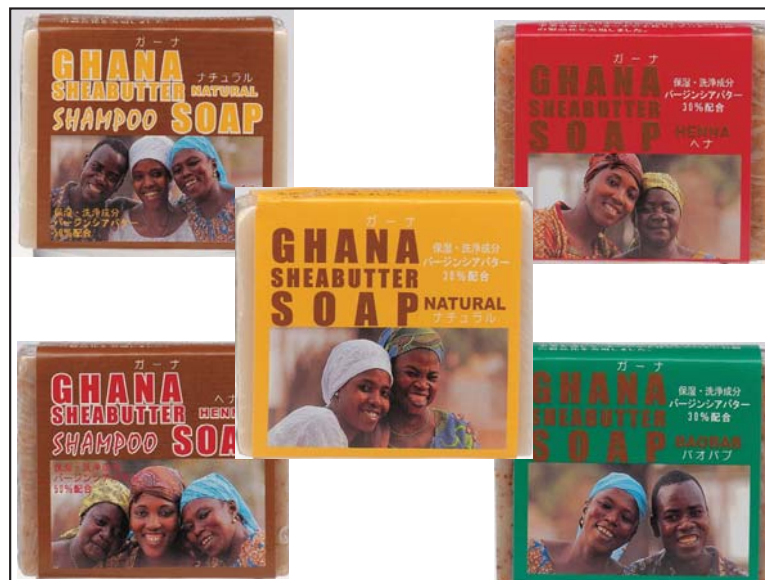
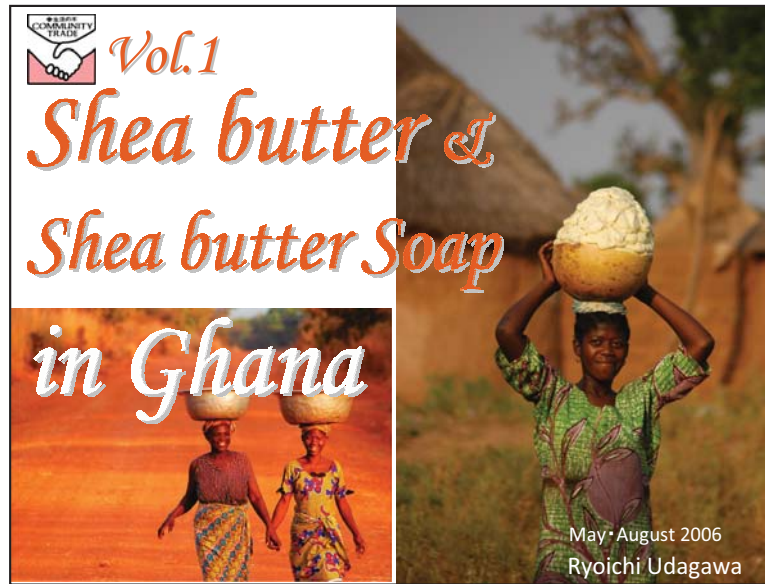


Presentation by
Mr Udagawa





Tree of Life plants trees of life in communities around the world.



African Fair 2008

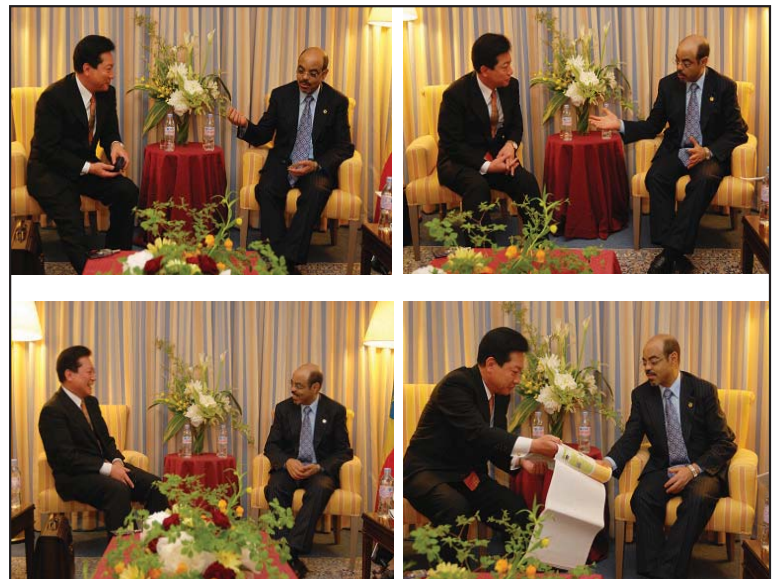
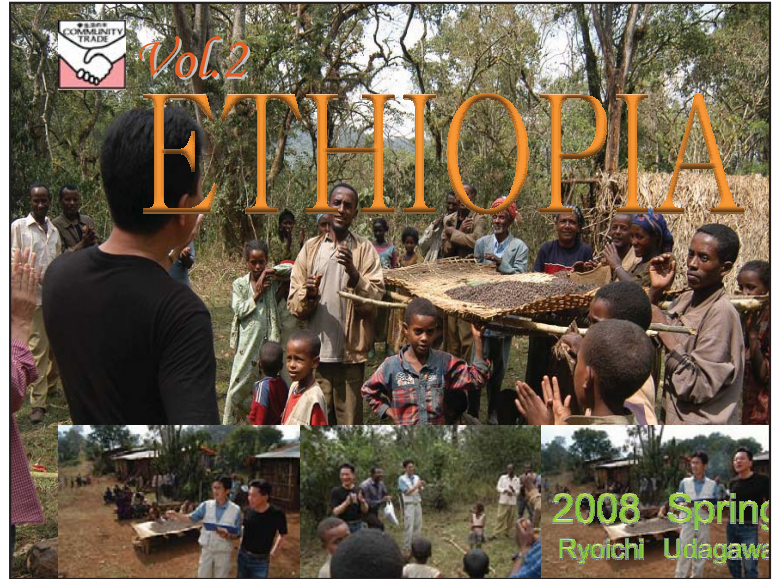
TICAD IV
 Attended by former Prime Minister Mr. Fukuda



African Fair in the national press

The Sankei Shimbun morning edition, on the front page

The Asahi Shimbun morning edition





After the morning picking, manual sorting, and washing processes...



Charcoal fire, Hand-roasting...
This is a real coffee ceremony.



Sorted again, packaged, and we get to see the final products at last...



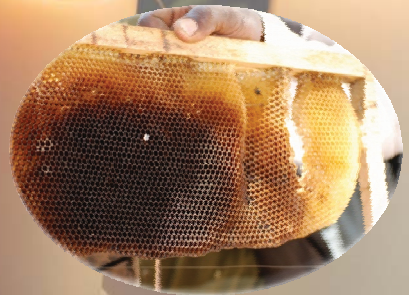
Voila! Smile, everyone. Say, cheese!
The coffee is sent to Japan after going through the ceremony.



Apiculture Project in Kenya by JAICA

Sep 2008

Ryoichi Udagawa





Presentation by Ms Ando

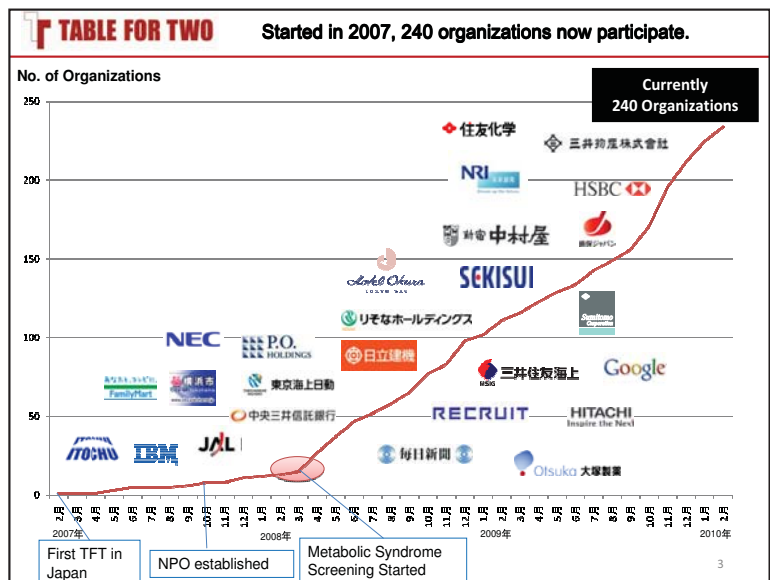
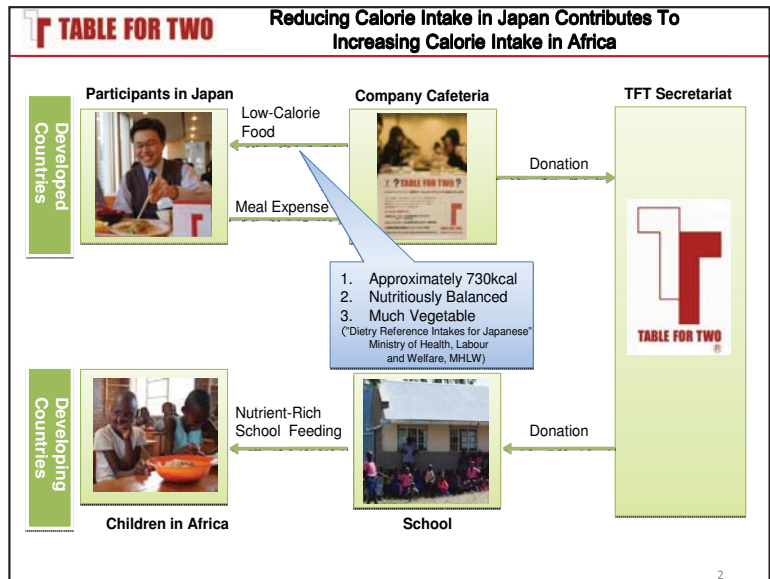
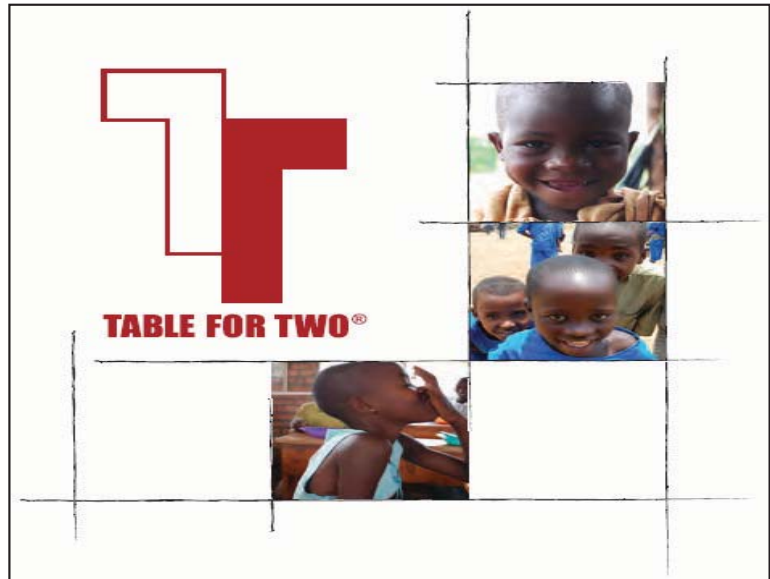


TABLE FOR TWO Public Offices, Municipal Offices, Universities, Hospitals etc.

Ministry/Public Office	Municipal Office	University
<ul style="list-style-type: none"> House of Councilors House of Representatives Foreign Affairs Economy, Trade & Industry Education, Culture, Sports, Science & Technology Finance Agriculture, Forestry & Fisheries Defence Land, Infrastructure, Transport & Tourism Health, Labour & Welfare Environment Justice Cabinet Office Board of Audit National Personnel Authority Patent Office 	<ul style="list-style-type: none"> Yokohama Sagamihara Bunryo-Ward Yamato Ibaragi 	<ul style="list-style-type: none"> Kumamoto Univ. Otsu Women's Univ. Kyoto Univ. of Foreign Studies Aoyama Gakuin Univ. Chiba Univ. Ochanomizu Univ. Seisen Jogakuin College Josai Univ. Kyoto City Univ. of Arts St. Catherine Univ., etc. 

Independent Administrative Corporation

- JICA
- RIKEN

Hospital

- St. Luka Int'l
- Chukyo
- Kumamoto Univ.
- Sasebo Chuo

Anyone can feel free to participate.

Contribution to Society as well as Anti-metabolic Syndrome

Less Stress and Easy to Continue

Started in Japan

Understandability JPY20 per meal

4

TABLE FOR TWO Expanded Activity① : Restaurant, Lunch Box

"HAPPY FOR TWO" Lunch Box




Cafe






- Collaboration with Giant French Chef Seizo Mikuni, JPY20 Donation as per JPY1000 Lunch Box
- Lunch Box "Mikuni" May – July, 2008, at Mitsukoshi, Nihonbashi
- JPY20 per Menu Donation at All Shops
- Same Menu without Donation Available



5

TABLE FOR TWO Expanded Activity② : Retails Goods with TFT Mark

Convenience Store

Web Selling -Delivery

6

TABLE FOR TWO		1 Million Meals Campaign at World Food Day	
			
			
570,000 meals at Three F	240,000 meals at Denny's	75,000 meals at Family Mart	
And Other Participating Restaurant Industries, Company Cafeteria - Total 1,039,401 meals			
Donated 1 Million Meals to Africa Target Achieved			

Presentation by
Mr Schumidhuber

Herausforderungen an die globale Landwirtschaft

How can developing countries better benefit from modern technologies?

PPPs in R&D

- GM technology focuses on needs of OECD agriculture, their agro-ecological environment, their financial possibilities, etc.
- Development of new varieties expensive, Complicated IP issues
- Complicated liability issues, need to understand stewardship

Global Perspective Studies Unit, FAO BASF, Forst, 25 November 2009

Herausforderungen an die globale Landwirtschaft

How can developing countries better benefit from modern technologies?

PPP examples

1. BASF - CIMMYT, AATF (African Agriculture Technology Foundation), STRIGA resistant maize
2. Merial - ILRI (and others): East Coast fever Vaccine Frontier Research Project
3. UNILEVER - ICRAF (and others, Novella Africa partnership): edible oil from *Allanblackia* for margarine production
4. CIMMYT - Syngenta, Pioneer Hi-bred and others: apomixis for maize
5. Monsanto - Tamil Nadu university (Papaya ringspot virus, IP donation)

Global Perspective Studies Unit, FAO BASF, Forst, 25 November 2009

Herausforderungen an die globale Landwirtschaft

PPPs: Pre-requisites for the public sector

1. Understand stewardship and liability (FAO HACCP-based stewardship framework)
2. Create a focal point for the communication with private partners, identify a project leader
3. Develop a centralized intellectual capacity for PPPs and IPs, IP management
4. Get professional help
 - Need for clear legal agreements before entering the PPP ("good fences make good neighbors")
 - Draft an umbrella agreement/MoU on issues pertaining to confidentiality, exclusivity, liability, capacity building, data sharing, etc.
 - Deal with critical issues upfront in separate agreements (prepare containment protocols, address liability issues, SMTA and stewardship questions (including vicarious liability), control over materials, etc.
 - IP issues: seek advice from specialized lawyers and CAS-IP
 - Business: e.g. involve business schools, centralize data management, shape institutional routines
 - Prepare a clear business plan including exit strategies

Global Perspective Studies Unit, FAO BASF, Forst, 25 November 2009

Presentation by
Mr Bwalya for Session One

CAADP

Private Sector Approach To Poverty Reduction

How can cooperation among public sector, private sector and NGOs be facilitated ?

Martin Bwalya, NEPAD
bwalyam@nepad.org

PARTNERSHIPS
IN SUPPORT
OF CAADP

CAADP

1. **Central factor**
 - ✓ **Wealth creation and Growth**

2. **Public-Private-NGOs Collaboration**
 - ✓ **A must (for Africa)**
 - ✓ **Mutual**
 - ✓ **Greater synergies making business secure and efficient**
 - ✓ **Strategy in risk management**

3. **Key “Drivers” for successful Public-Private-NGOs Partnerships**
 - ✓ **Profit / Viable**
 - ✓ **Functioning Systems**
 - * **Stability / Predictability**
 - * **Security (for Investments)**
 - * **Base Infrastructure (e.g. telecommunication, roads)**

PARTNERSHIPS
IN SUPPORT
OF CAADP

CAADP

Therefore, to stimulate/facilitate cooperation ...

- ✓ **Identify/Build on Mutual Elements**

PARTNERSHIPS
IN SUPPORT
OF CAADP

CAADP

NEPAD-CAADP and Facilitating Public-Private-NGO Collaboration

Inherent characteristics to the CAADP Country Process

- Shared responsibility (State and non-state)
- Evidence-based / science / analysis (Planning and reviews)
- Mutual accountability
- The 10% Public budget expenditure to agric



PARTNERSHIPS
IN SUPPORT
OF CAADP

Presentation by
Mr Bwalya for Session Two

CAADP

Toward Enhancing International Investments in Agriculture

Fact: Agriculture = providing for best returns on Investments – both in (i) Profits and (ii) impact

Highest potential to directly translate into incomes for poorer sections of community

Found on Africa's own strength – natural resource

Africa = raise public expenditure into agriculture to at 10% annually

Challenges/Opportunities:

- Population growth / Urbanization
- Climate change
- Political Stability and Government inclusiveness



PARTNERSHIPS
IN SUPPORT
OF CAADP

CAADP

Toward Enhancing International Investments in Agriculture

What / how “Agriculture as best Investments destination in Africa”

👉 Welfare support (safety nets, social protection) = is what we are doing / is what we have done


What more/what else!!

- Triggering the demand side
 - * Investment in base infrastructure and services
 - * Off-farm / industrialization Investment (Storage, Processing, Industrial use, etc...)
 - * Support to regional and local trade (infrastructure, information, etc...)
- Align to /complement Public Sector and ODA financing



PARTNERSHIPS
IN SUPPORT
OF CAADP

Presentation by
Mr Al-Obaid



Kingdom of Saudi Arabia
Ministry of Agriculture

“Toward Enhancing International Investment in Agriculture: The Saudi Experience”

- Food Security: The Concept and Principles.
- Basic Food Requirements (current, future).

- Local production.
- Imports.
- Internal Policies and Regulations .
- International Investment.


King Abdullah’s Initiative for Saudi Agricultural Investment Abroad.

- Objectives.
- Vision.
- Strategy.
- Component.
- Principles.

Dr. Abdullah A. Al-Obaid
Deputy Minister For Agricultural Research and Development Affairs, Ministry of Agriculture, Riyadh, Saudi Arabia

Presentation by
Mr Nakada

GIALINKS Co, Ltd, Company to secure food Profile

Management Objective	①Secure food of Gifu Prefecture (Japan) in emergencies ②Support immigration farmers from Japan to South America																		
Management Type	Corporate capital 99,9million Yen Number of investors 478																		
Activities	Owens a farm of 1250ha in Argentina in South America and sells agricultural products produced in that farm. In Paraguay, introduces soybeans produced by Japanese agricultural cooperatives to Japan on a regular basis, building food procurement and supply route in emergencies																		
History	<table border="0"> <tr><td>1998</td><td>Started study on securing food in Gifu Prefecture</td></tr> <tr><td>2000</td><td>Incorporated GIALINKS(100% private capital)</td></tr> <tr><td>2003</td><td>Acquired a farm of 1250ha in Argentina and started production</td></tr> <tr><td>2003</td><td>Signed an agreement on food supply with Central Union Of Paraguay Japanese Agricultural Cooperatives</td></tr> <tr><td>2004</td><td>Started to supply soybean and maize from South America to Japan</td></tr> <tr><td>2006</td><td>Signed an agreement on food supply in emergencies with Gifu Prefecture</td></tr> <tr><td>2008</td><td>Started to trade maize, macadamia nuts, garlic</td></tr> <tr><td>2009</td><td>Opened exhibition pavilion in Tikori village in Gifu Prefecture to introduce activities</td></tr> <tr><td>2010</td><td>Introduced Pisco produced by Japanese producers in Peru to Japan</td></tr> </table>	1998	Started study on securing food in Gifu Prefecture	2000	Incorporated GIALINKS(100% private capital)	2003	Acquired a farm of 1250ha in Argentina and started production	2003	Signed an agreement on food supply with Central Union Of Paraguay Japanese Agricultural Cooperatives	2004	Started to supply soybean and maize from South America to Japan	2006	Signed an agreement on food supply in emergencies with Gifu Prefecture	2008	Started to trade maize, macadamia nuts, garlic	2009	Opened exhibition pavilion in Tikori village in Gifu Prefecture to introduce activities	2010	Introduced Pisco produced by Japanese producers in Peru to Japan
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Presentation by
Mr Fujita



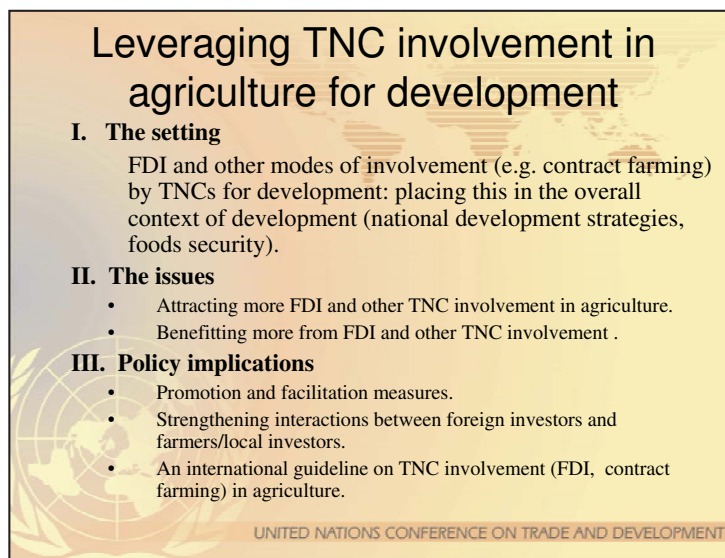
Session 2: Toward Enhancing International Investments in Agriculture

FAO International Symposium on Poverty Reduction and International Investment in Agriculture

10 March 2010
Tokyo, Japan

Masataka Fujita
Officer-in-charge
Investment Trends and Issues Branch
Division on Investment and Enterprise
UNCTAD

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Leveraging TNC involvement in agriculture for development

I. The setting
FDI and other modes of involvement (e.g. contract farming) by TNCs for development: placing this in the overall context of development (national development strategies, foods security).

II. The issues

- Attracting more FDI and other TNC involvement in agriculture.
- Benefitting more from FDI and other TNC involvement .

III. Policy implications

- Promotion and facilitation measures.
- Strengthening interactions between foreign investors and farmers/local investors.
- An international guideline on TNC involvement (FDI, contract farming) in agriculture.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Presentation by
Mr Lamb**

The slide number 38 was presented at the Symposium



International Symposium on Poverty Reduction and International Investment in Agriculture

United Nations Food and Agriculture Organization

Tokyo 10 March 2010

Addressing the Legacy of Underinvestment in Agriculture: Responsible Agro-investment

“In the 21st century agriculture remains fundamental for poverty reduction, economic growth and environmental sustainability” (World Development Report 2008)


John E. Lamb, Agribusiness Team Leader
Agriculture and Rural Development Department
World Bank, Washington, DC



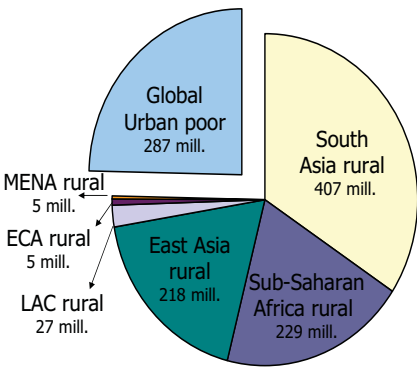
Agriculture fulfills multiple functions in development



- **Trigger of growth**
- **Source of livelihoods**
- **Provider and user of environmental services**



Agriculture matters because poverty and hunger are still rural

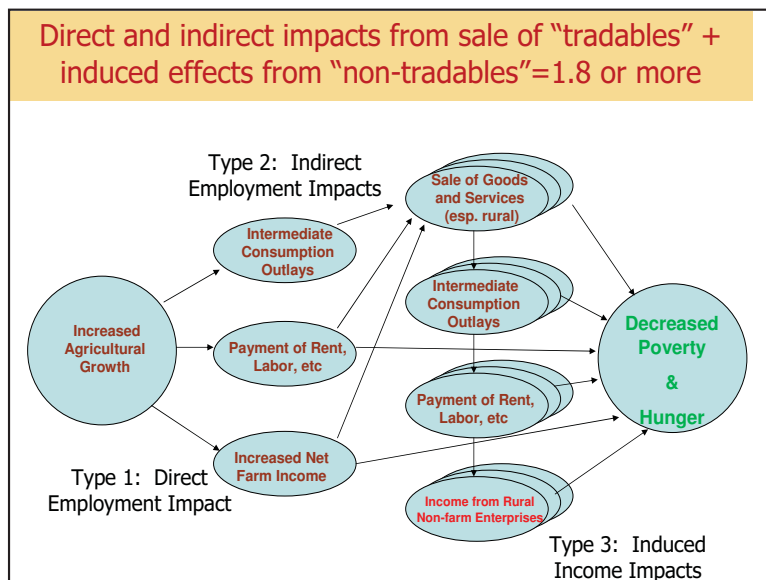
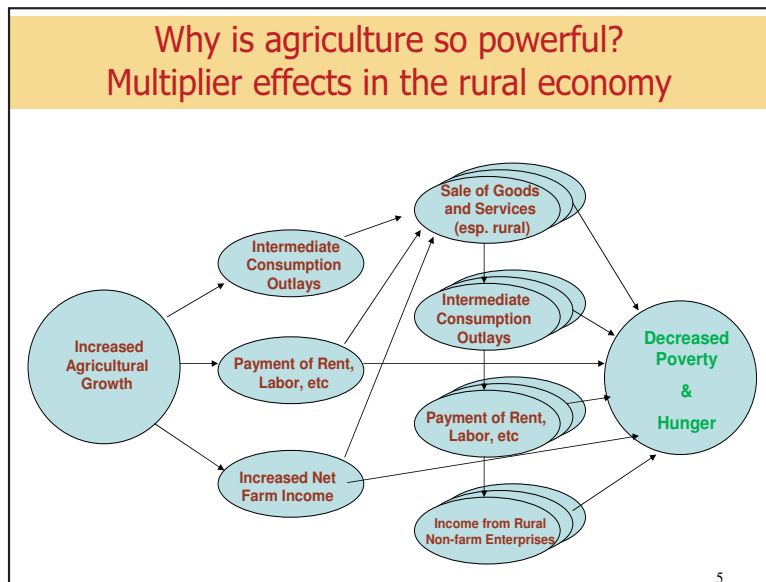
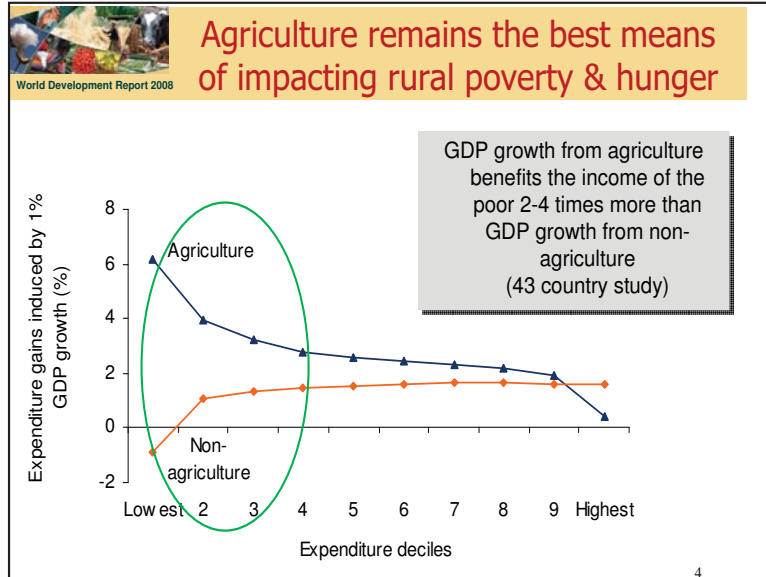


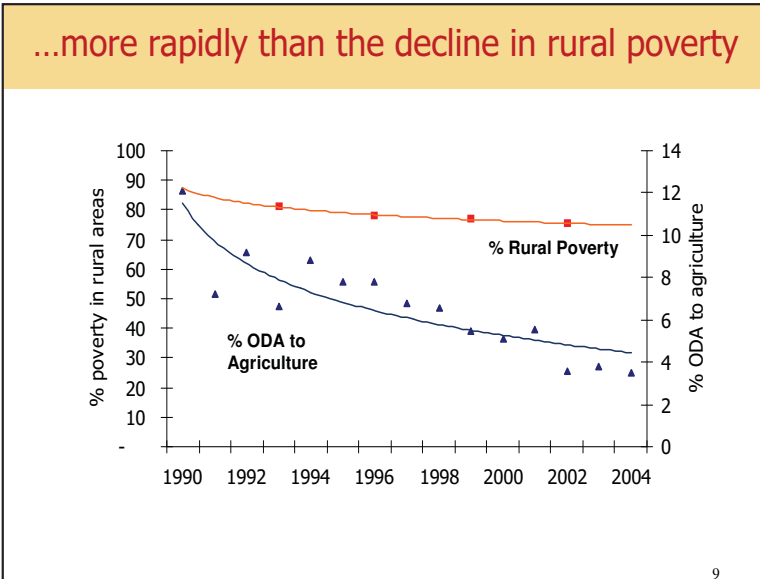
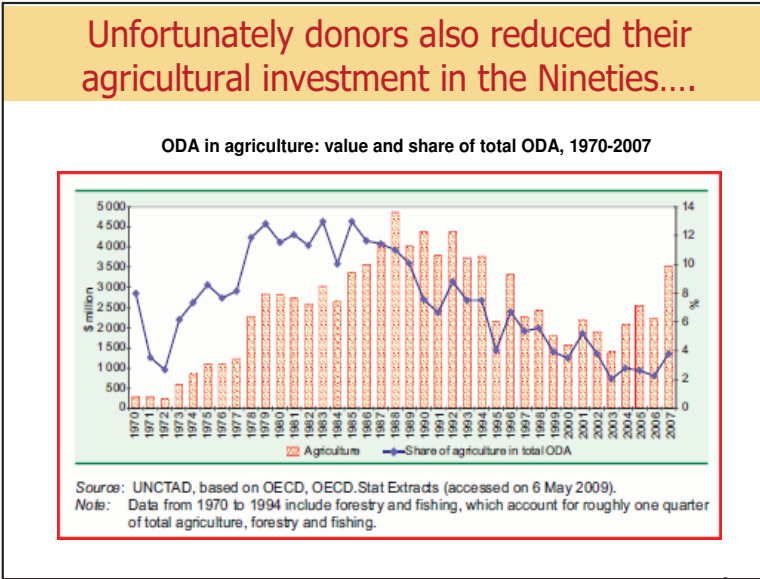
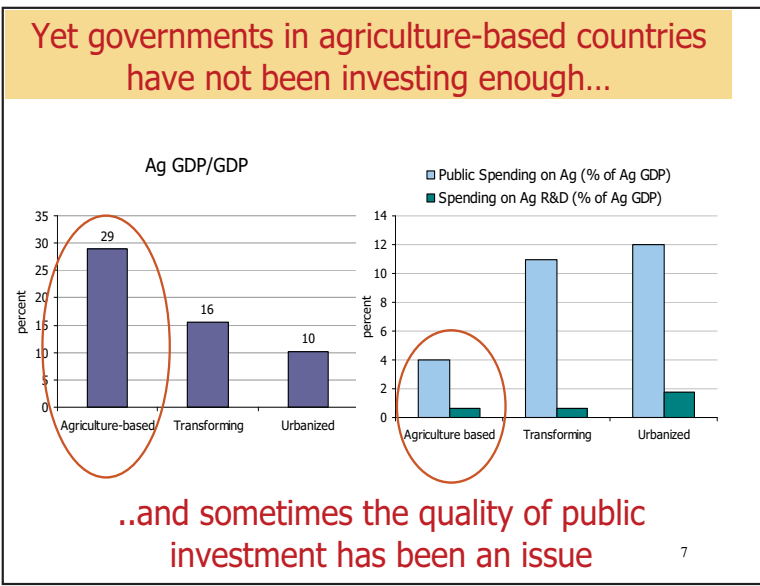
Region	Population (mill.)
Global Urban poor	287
South Asia rural	407
Sub-Saharan Africa rural	229
East Asia rural	218
LAC rural	27
ECA rural	5
MENA rural	5

- 2.5 billion people depend directly on agriculture
- 800 m smallholders
- 75% of poor are rural and the majority will be rural to about 2040

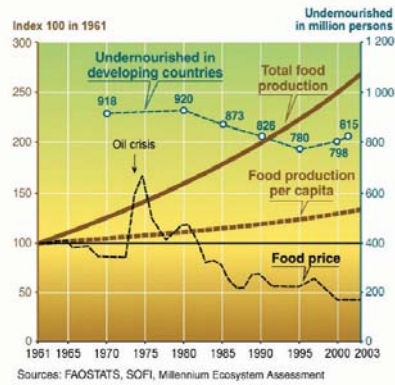
N.B. Global extreme poverty (2002) = <\$1.08 a day

3

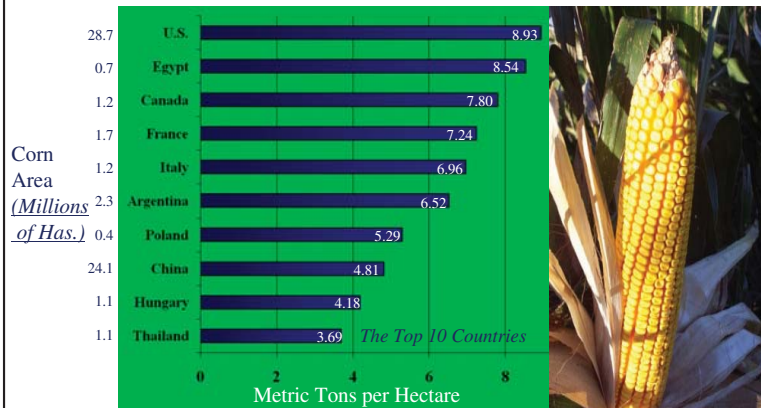




Arguably technological advances and area expansion led to public sector complacency...

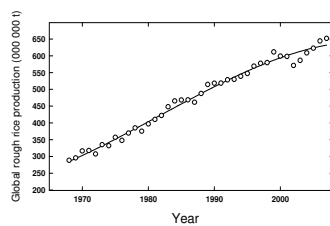


...understandable perhaps, given progress achieved with maize ...



Source: Ganesh Kishore, Meeting the Ag Science and Technology Challenges of the 21st Century, Singapore, 2009

..yet we all should have paid more attention to global trends in the other major cereals...

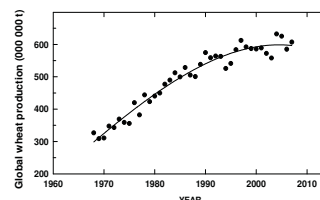


Rice

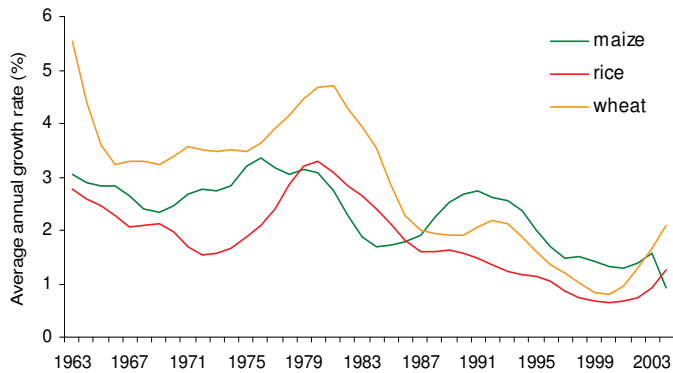
1980s: 3.1% per year
 1990s: 1.4% per year
 2000s: 0.8% per year

Wheat

1980s: 2.9% per year
 1990s: 0.9% per year
 2000s: 0.4% per year



...and especially what was happening to growth rates of all cereal yields in developing countries



The WBG has recognized this and reversed the trend internally, while urging others to do so

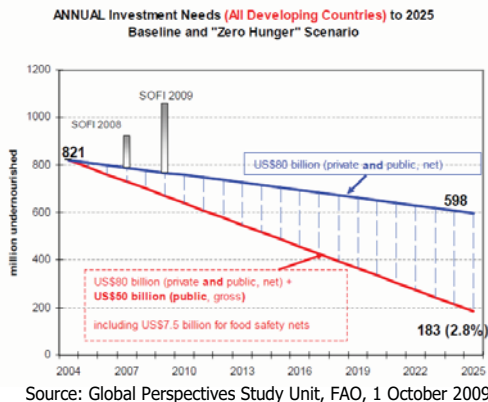
**Sector Strategy:
Reaching The
Rural Poor (2003)**

world development report
2008
Agriculture for Development

**Agriculture Action Plan
(2010-12) from \$4.1 B
to \$6.2-8.3 B in lending
operations to:**

1. Reduce risk and vulnerability
2. Raise agricultural productivity
3. Link farmers to markets and strengthen value chains
4. Facilitate rural non-farm income and diversification/exit
5. Render environmental services

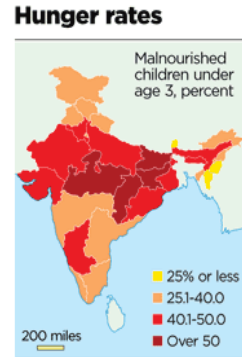
The funding gap to meet MDG goals is substantial, all around



Source: Global Perspectives Study Unit, FAO, 1 October 2009

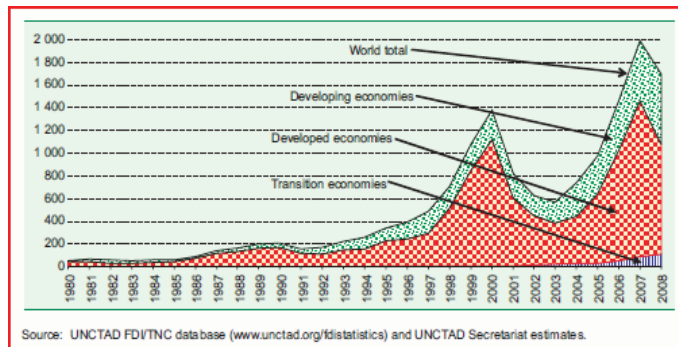
To meet the MDGs, SSA alone needs much more investment in agriculture and infrastructure

- Estimate of \$7-9 billion needed annually in ag R&D
- Another \$0.7 billion annually for irrigation
- Perhaps \$10 billion annually for transport (not counting O&M)



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FDI rose sharply from 2003-2007, especially in developed economies but also developing



17

..yet the distribution across regions and even within them varied widely...

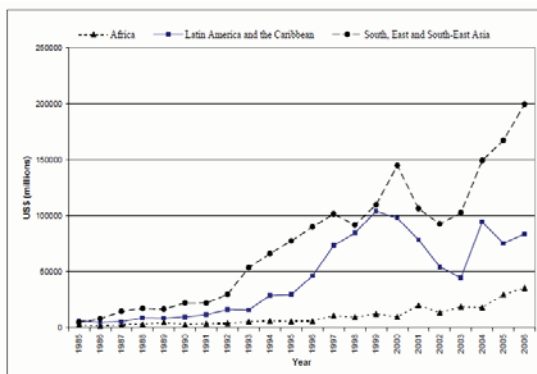


Figure 2: Foreign Direct Investment in Africa and Select Regions
Source: UNCTAD FDI-Online Database

18

...and the share for primary agriculture was small in absolute terms and compared to food and beverages

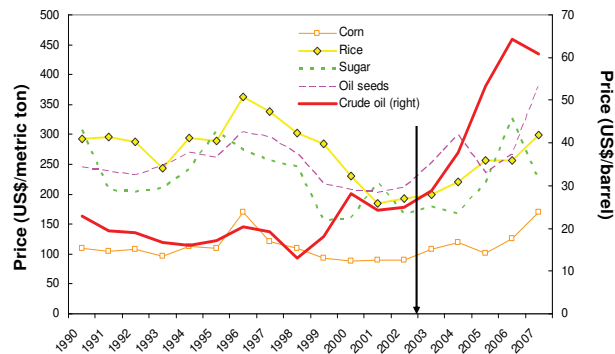
Estimated FDI agriculture, forestry and fisheries, and in food and beverages, 1989-2007 (billions of dollars and percent)

Region	FDI flows				FDI stock			
	Inflows		Outflows		Inward stock		Outward stock	
	1989-1991	2005-2007	1989-1991	2005-2007	1990	2007	1990	2007
(a) Agriculture, forestry and fishing^a								
World	0.6 (0.3%)	3.3 (0.2%)	0.5 (0.2%)	1.1 (0.1%)	8.0 (0.4%)	32.0 (0.2%)	3.7 (0.2%)	10.2 (0.1%)
Developed economies	- 0.0	0.0	0.5	0.6	3.5	11.8	3.4	7.5
	-	-	(0.2%)	-	(0.2%)	(0.1%)	(0.2%)	(0.1%)
Developing economies	0.6 (1.8%)	3.0 (0.8%)	0.0 (0.7%)	0.5 (0.4%)	4.6 (1.3%)	18.0 (0.5%)	0.3 (1.5%)	2.4 (0.1%)
South-East Europe and the CIS	-	0.3 (0.7%)	-	0.0 (18.2%)	-	2.2 (0.7%)	-	0.3 (1.3%)
(b) Food and beverages^b								
World	7.2 (3.8%)	40.5 (2.8%)	12.5 (5.6%)	48.3 (3.3%)	80.3 (4.1%)	450.0 (2.9%)	73.4 (4.1%)	461.9 (2.8%)
Developed economies	4.8 (3.2%)	34.1 (3.2%)	12.2 (5.6%)	45.7 (3.4%)	69.9 (4.4%)	390.7 (3.4%)	73.1 (4.1%)	458.1 (3.2%)
Developing economies	2.4 (6.8%)	5.1 (1.4%)	0.3 (4.1%)	2.6 (1.9%)	10.4 (2.9%)	46.9 (1.2%)	0.3 (1.4%)	3.5 (0.2%)
South-East Europe and the CIS	-	1.4 (3.2%)	-	- 0.0 (-4.5%)	-	12.4 (4.2%)	-	0.3 (1.7%)

Source: World Investment Report 2009, UNCTAD

19

Rising agricultural commodity prices sparked renewed interest in agroinvestment...



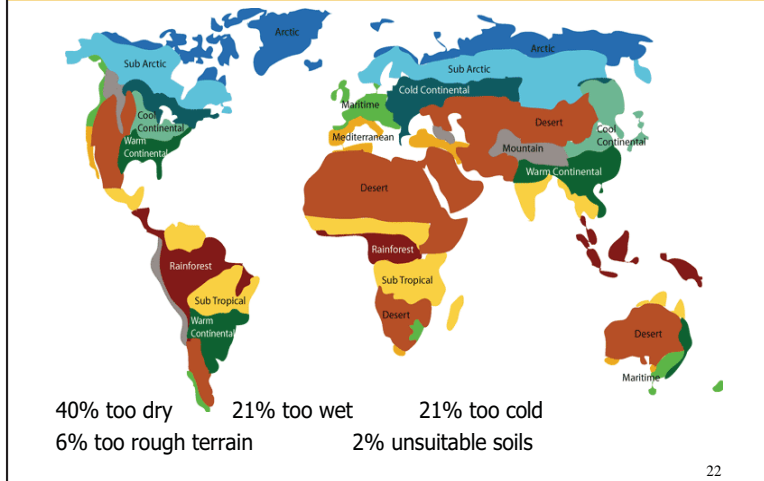
Sources: Corn, rice, sugar, and oilseeds for 1990-2005 - OECD 2005; 2006-07 - WB 2007
Crude oil - IMF 2007, all as quoted by Rosegrant, 2008

...partly in response to the rising share of agricultural production going to non-food uses...

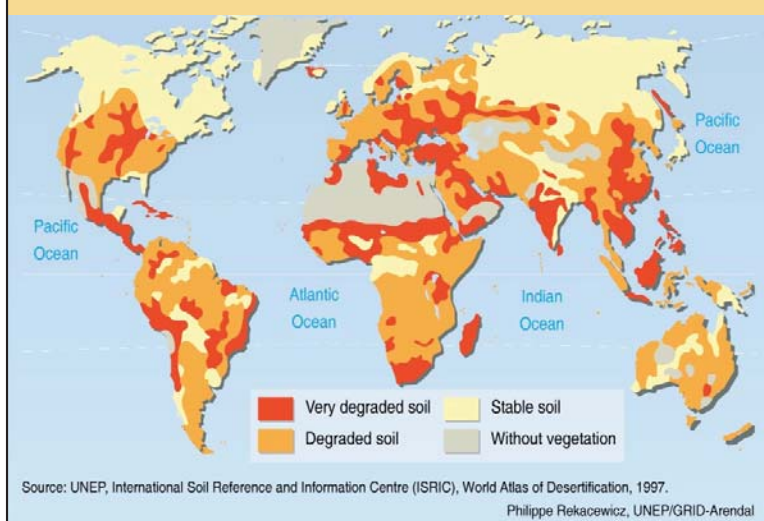
- US used 80 million tons of corn (24%) for ethanol in 2007 and around 100 million in 2008 (31%)
- In effect, 75% of increase in global corn production from 2004-07 went for ethanol in US
- Biodiesel used about 9 million tons of vegetable oils in 2008 (7% of global supplies)
- Brazil used about 55% of sugar cane for ethanol, but sugar exports remained adequate to prevent major price increases

21

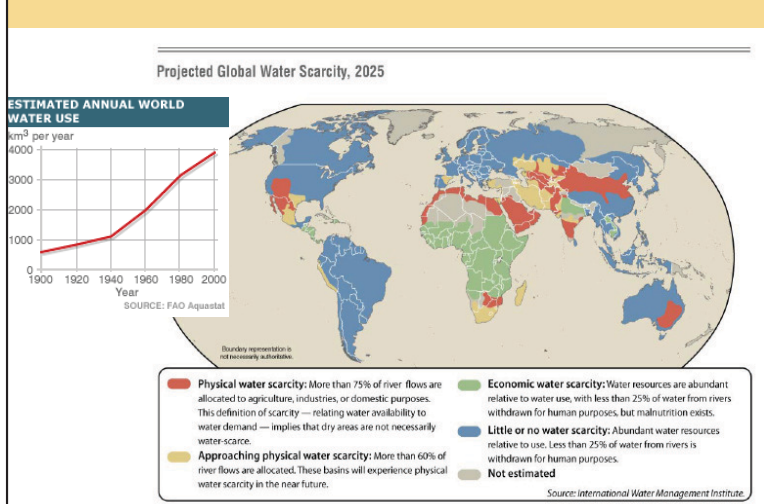
...partly because there are natural constraints in terms of growing conditions,...



...man-made problems like soil degradation...



...and excessive water consumption...



(agriculture is the biggest user of water by far)

- ❑ Agricultural uses account for almost 70% of global water withdrawals
- ❑ Irrigation is the largest use within agriculture
- ❑ The top 5 geographic units account for 60% of the total irrigated land area of 2.77 million km²
 - India 558,080
 - China 545,960
 - USA 223,850
 - Pakistan 182,300
 - EU 168,050

...all exacerbated by climate change impacts on agriculture

- Greater variability in weather
- Less precipitation and groundwater in some areas, with longer droughts
- Excess rainfall in other areas, with increased flooding, loss of coastal areas
- Reduction in crop yields and agriculture productivity in some producing areas
- Increased spread/life of pests/diseases
- Lower livestock productivity and higher production cost
- Lower availability of human resource and lower labor productivity

26

So there is a growing sense that the planet may face a long-term, perhaps chronic problem...



- We need to double cereal production by 2050 to feed 9.3 B people

(versus 6+ billions at the present time)

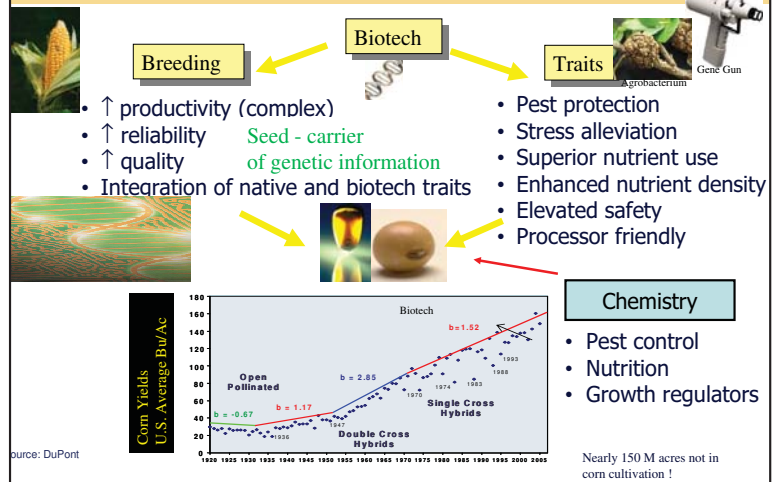
27

...the solution to which is not clear

- About 10% of cereal production growth may come from area expansion (from the current level of 3.75 billion hectares)
- Maybe 20% from intensification based on irrigation, cultural practices, multiple cropping, etc
- So the remaining 70% must come from innovation

Uhhh., is that evcn possible?

One key to the future of agriculture is biotechnology, which has become a major driver of growth



...another key is agro-enterprise investment, which can bring many benefits if done right...

- ✓ Capital deepening and broadening
- ✓ Better production, post-harvest handling, processing technology
- ✓ Better product quality
- ✓ BOP value propositions including food fortification
- ✓ Creation or stimulation of a local market
- ✓ Modern management know-how
- ✓ Investment in collateral businesses
- ✓ Cross-cutting productive infrastructure

...and export-oriented agro-investment can bring still more benefits...

- ✓ Introduction of scale and other economies
- ✓ Better quality assurance systems
- ✓ Adherence to WTO SPS commitments
- ✓ Compliance with private food safety, environmental and social requirements
- ✓ Linkages to larger, more diverse markets, coupled with traceability
- ✓ Value –addition through innovation in products and processes as well as branding
- ✓ Improved social services in rural areas not easily served by government

31

..yet the recent upsurge in agro-investment in developing countries has been controversial

Le « Néocolonialisme Agraire »
Gagne du Terrain dans le Monde

Le Monde.fr

23 September 2008



“Conflicts over Natural Resources will Grow”

The Economist

13 November 2009



“Farmland Scramble”

19 November 2009

“Is There Such a Thing as Agro-Imperialism?”

The New York Times

16 November 2009

“The Water Rights Grab: Big Business, Investors Push for Privatization”

“Global Warming is Real” blog

13 November 2009

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...so it is critical that agro-enterprise stay faithful to its Mission, which should be...

To responsibly and sustainably grow, pack, process, and deliver consistently to consumers and other users...

...food, feed, fiber, and biomass in sufficient quantity





...that is safe to consume, compliant with applicable regulations, and in conformity with buyer needs and expectations...

...at prices that are viable over time for both seller and buyer

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International agencies are framing an appropriate response to pressures on land....

Government of Japan

Promoting Responsible International Investment in Agriculture

Roundtable concurrent with the 64th United Nations General Assembly

Chair's Summary

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...seeking a consensus around good and eventually best practices...



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...so far seven key principles for Responsible Agro-investment have emerged, centering on ...

- 1. Land and Resource Rights**
- 2. Food Security**
- 3. Transparency, Good Governance and Enabling Environment**
- 4. Consultation and Participation**
- 5. Economic Viability and Responsible Investor Behavior**
- 6. Social Sustainability**
- 7. Environmental Sustainability**

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In late April the World Bank will report on a study designed to further inform the principles

- To identify key drivers and aggregate trends
 - Global demand, agro-ecological potential, land values
 - Aggregate investment determinants
- To assess country level evidence in 2 ways
 - **I: Quantification & Context**
 - Inventory based on official data
 - Policy, legal, institutional framework
 - **II (subset): Actual implementation**
 - Social, environmental impact assessments
- To help address the phenomenon
 - Country level: Link to Bank analytical & operational work
 - Global community: Feed into voluntary guidelines on tenure of land and guidelines on responsible agroinvestment

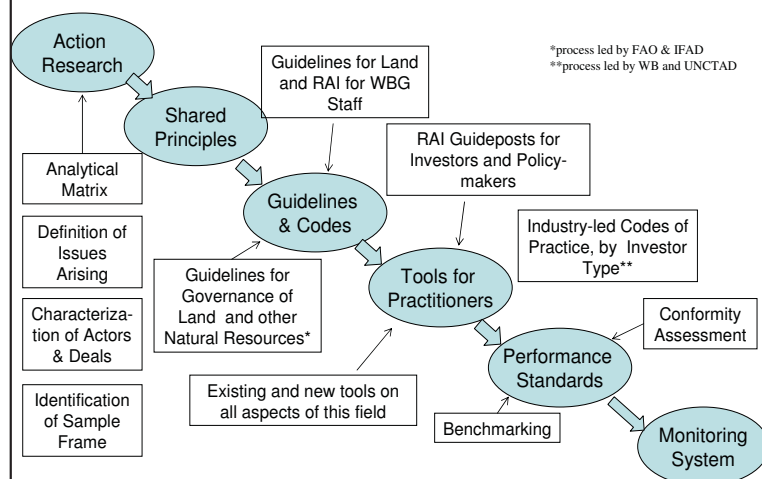
37

Also in April a Knowledge Exchange platform for RAI will be presented for the first time, as:

- A joint repository for research, analytical work, principles, guidance, etc
- A one-stop shop for information that practitioners and stakeholders may need
- A source of practical tools on all relevant topics
- A virtual meeting place for practitioners
- A forum for exchanging views on hot topics, lessons learned, and best practices
- A conduit for e-learning
- A gateway to other resources

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All part of joint process by the development community to promote and facilitate RAI



Annex 1: Details Slides for Each RAI Principle

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Principle 1: Land Rights

Existing rights to land and natural resources are recognized and respected.

This depends on:

- (i) Proper identification of all rights holders
- (ii) Legal recognition demarcation and registration/recording
- (iii) Direct and informed negotiation with land holders/users
- (iv) Fair and prompt payment for all acquired rights
- (v) Independent avenues for resolving disputes or grievances

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Principle 2: Food Security

Investments do not jeopardize food security, but rather strengthen it.

Protecting food security requires that governments and investors:

- (i) Ensure at least equivalent access to food by affected populations
- (ii) Expand opportunities for outgrower/off-farm employment
- (iii) Adopt strategies to prevent food shortages/reduce risks
- (iv) Consider impacts on national food security in design/approval

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Principle 3: Transparency

Processes for accessing land and making associated investments are transparent, monitored, and ensure accountability by all stakeholders.

Public and private sector policies, rules, and practices should ensure that:

- (i) All relevant information is publicly available
- (ii) Institutions have capacity to operate efficiently and transparently, practice good governance, & are audited
- (iii) An independent system to monitor progress towards a better investment climate is in place

Principle 4: Consultation

All those materially affected are consulted and agreements from consultations are recorded and enforced.

This requires clarity on:

- (i) Procedural requirements
- (ii) The character of agreements reached in such consultations
- (iii) How the agreements can be enforced

Principle 5: Responsible Investing

Projects are viable economically, respect the rule of law, reflect industry best practice, and result in durable shared value.

All investors (whether private or government-linked) should:

- (i) Comply with laws, international treaties, best practices
- (ii) Adhere to global best practices
- (iii) Aim to increase shareholder value & benefit host area

Governments must also **assess economic viability** in a cost-effective way and **integrate major projects** into broader development strategies.

Principle 6: Social Sustainability

Investments generate desirable social and distributional impacts and do not increase vulnerability.

Social sustainability can be enhanced if governments and investors:

- (i) Identify social issues/risks—and strategies to mitigate these and increase social benefits—during preparation
- (ii) Consider interests of vulnerable groups & women
- (iii) Include provision of local public goods in project design

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Principle 7: Environmental Sustainability

Environmental impacts due to a project are quantified and measures taken to encourage sustainable resource use, while minimizing the risk/magnitude of negative impacts and mitigating them.

It is crucial that investors and government collaborate to:

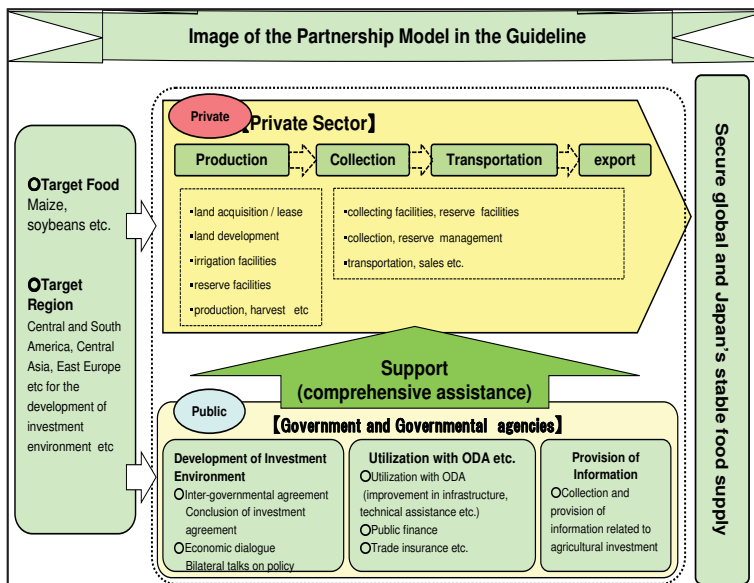
- (i) Conduct independent environmental impact analysis prior to approval
- (ii) Promote increasing productivity on already used areas
- (iii) Use production systems that enhances resource efficiency
- (iv) Ensure that good practices are followed
- (v) Encourage beneficial ecosystem services
- (vi) Address negative impacts via env. management plans.

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Presentation by Mr Hiramatsu



Presentation by Mr Miyahara



APPENDIX 8: JAPANESE TRUST FUND PROJECT (GCP/GLO/267/JPN)

Outline of the Project

Project Title:	Support to Study on Appropriate Policy Measures to Increase Investments in Agriculture and to Stimulate Food Production
Donor:	Government of Japan, Ministry of Agriculture, Forestry and Fisheries
Expected Total Budget:	USD 2 783 736
Duration:	Three years, beginning October 2009
Objective:	To identify a policy framework for promoting, facilitating and supporting acceleration of investment by the public and private sector to achieve domestic capital formation for stimulating sustainable food production.

Outputs of the Project:

Output 1: "Handbook"

which will include a) policy options for promoting proper agricultural investment from all sources, including international investment (private, ODA), leading to increased domestic capital formation for stimulating sustainable food production and b) good practices and lessons learned from past experiences of agricultural development and investment.

Output 2: "Data base"

a. Statistical data set on agricultural investment/ capital stock which will include investment flows from different sources including domestic sources and foreign sources and data on capital items such as arable land, irrigation, livestock, storage facilities, and so on.

b. Information set which will include a domestic legislative and policy framework regarding agriculture and investment including land, water, environment, agro-industry, financing, and so on; information on investing enterprises and institutions; international, bilateral and multilateral investment agreements; and good practices regarding international investment.

Output 3: "Compendium"

which is composed of analytical papers and results of country case studies carried out for the preparation of the Handbook and Database.

Project Implementation Plan

A. Project Outputs

Among the three outputs of the project, Output 1 is: *Preparing A "Handbook", illustrating successful policy options for promoting appropriate agricultural investment, leading to increased domestic capital formation for stimulating sustainable food production.* Output-2 is: *Agricultural investment/capital formation data base on the web* and Output-3 is: *A compendium of the analytical papers and country case studies carried out for Output-1, which will be a by-product of Output-1 and 2.*

B. Background

- 1. The objective of the project is to:** promote, facilitate and support increased investment by the public and private sector, domestic and international investment, including ODA and migrant remittances to promote investment/domestic capital formation in agriculture for stimulating sustainable food production.

2. Domestic capital formation is fundamental for increasing production and Total Factor Productivity (TFP) and consequently development and reduction in poverty. FAO analysis shows that poverty can be explained by relatively low capital stock, capital/labour and capital/land ratios in the poor countries. Therefore, how to increase in domestic capital stock, as well as capital/labour (K/L) and capital-land (K/LI) ratio will be main focus of the project.
3. The above objective would imply that the **main thrust of the project** is to study and evaluate the strategies and policies that stimulate investment and sustainable increase in productive domestic capital formation through agricultural investment for stimulating sustainable food production. The analysis will investigate the speed and quality of capital formation through agricultural investment and identify the type and sequence of investments (domestic private and public, international private sector and ODA) that are likely to be more effective in generating the appropriate mix of productive capital formation. The project will view capital formation in its broader sense, including investment in human/social overhead and economic infrastructure, i.e. including human capital, social capital, physical (technical) capital and embodied capital. This is because increase in domestic physical technical capital without simultaneously increasing human capital and/or *vice versa* is not likely to be effective. For example –an increase in human capital without embodied and physical technical capital will lead to migration of human capital to societies where capital is higher. Likewise, an increase in the physical technical and embodied capital without corresponding increase in human capital will lead to under-utilization of capital stock.
4. The principal agents for investment/contributor to capital formation are:
 - a. Private Sector:
 - a1. Farmers/households at farm level
 - a2. Domestic corporations/businesses
 - a3. FDI: Foreign corporations/businesses: (though mostly private sector, foreign governments and sovereign wealth funds are also involved in providing finance and other support to private investors)
 - b. Public Sector
 - b1. Central government
 - b2. Local government
 - b3. ODA
 - c. Civil Society Organizations
5. The main sources of investment financing are:
 - Domestic Private and Public sector
 - Foreign /International investors, ODA
 - Micro finance institutions
 - Remittances
6. The behaviour of the above agents, as well as their relative role and importance will depend on policies. However, appropriate policies will depend on the development strategies and national agricultural and development objectives, as well as level/stages of development of the countries. If the objective is to maximise agricultural growth and/or maximization of agricultural value added, instead of focusing on small scale farmer led equitable agricultural development for food security and poverty, the relative roles of the public sector and FDI will be different. For example, greater focus on small scale farmer development will require a higher proportion of public investment/capital than a strategy focusing on promotion of private sector led commercial agriculture.
7. Bulk of the investment/capital formation in and for agriculture comes from **domestic** private and public sources. However, the existing investment gap (actual vs. what is needed for food security) is huge and domestic sources are unlikely to fill this gap. International investment plays an important role of supporting and complementing domestic investment. Hence, **international investment** should be promoted to make a maximum contribution to this end.

8. The critical elements for increasing farm-level capital formation are farmers' income and saving behaviour and access to credit. Remittances received from migrants are now changing the pattern and level of capital formation in the rural areas in many developing countries.
9. Private investment depends on savings and savings depends on income. Public investment on capital formation for agriculture also depends on income (source of public revenue) and borrowing. For sustainable development, a country should reach a level of savings where the marginal rate of savings is higher than the average rate. Hence capital formation must focus on maximising income in such a way that it contributes most to increasing income with highest marginal propensity to save (we need to understand saving behaviour of the farming households). Hence, policy options for promoting investment should be based on the analysis of the drivers of domestic savings, as it is domestic savings which will eventually lead to sustainable investment.
10. Investment/capital formation in agricultural land and related resources which are not privately owned by any individual and are owned by either the village/community/tribe/state, i.e. "common property", is crucial in many developing countries of Africa. Policy issues and determinants of investment in common properties are very different and have to be looked into and analysed separately with particular attention, as several issues related to common properties are not clearly resolved.
11. Support and subsidies leading to effective capital formation in and for agriculture must be consistent with international agreements, in particular, the WTO Agreement. These policy measures should be studied from this point of view.

C. Project Activities

1. Understanding the nature and determinants of domestic capital formation and appropriate investment in agriculture for increasing food production

- i. Alternative development strategies for agriculture, food security and rural development and their implications for investment in agriculture. This will analyse alternative strategies for development and identify the type and magnitude of capital formation through agricultural investment under each strategy;
- ii. The nexus between capital formation through agricultural investment in and for agriculture and agricultural growth, overall development, food security and poverty alleviation;
- iii. Determinants of capital formation at farm level and policy options for enhancing farm level capital formation, including the role of remittances and migration;
- iv. Determinants of capital formation and policy options for enhancing investment in lands which are not privately owned, such as those owned by either village/community/tribe/state, i.e. "common property";
- v. Determinants of capital formation in public goods and services and policy options for enhancing public sector investment in and for agriculture; and
- vi. Support to agriculture and capital formation through agricultural investment. This will investigate the type of support the developing countries can provide for increasing investment/capital formation in agriculture which are consistent with international agreements, in particular, the WTO agreements.

2. Promoting international investment in agriculture

Most of the developing countries may not be able to mobilise all the investment needed for agricultural development for enhancing food security. Hence, international investment would be very important. However, with regard to mobilization of foreign investment, focus should also be on generating development benefits to the receiving country in terms of technology transfer, employment creation, export growth, and upstream and downstream linkages. In this way, these investments can be "win-win" rather than "neo-colonialist". However, these beneficial flows are not automatic: care must be taken in the formulation of investment contracts and selection of business models; appropriate legislative and policy frameworks need to be in place to ensure that development benefits are obtained and the risks minimised. The information base for design and implementation of effective policies and legislation in developing countries, however, is very weak.

Therefore the project will:

- i. Conduct analysis of past and current flow and trends of international investment in agriculture, as well as its contribution to food security at national, regional and global levels;
- ii. Conduct analysis of the extent, nature and impacts of international investment in agriculture and catalogue good practices of recipient countries and investors, public and private, in order to identify desirable international investment in agriculture;
- iii. Identify good practices in domestic policy and other measures for attracting international investment, clearly illustrating the relative role of the public and private sector, along with analysis of how to adapt the good policies in the low income food deficit countries;
- iv. Review legislative and policy frameworks of receiving countries and investing countries concerning international investment in agriculture;
- v. Review and analyse the different financing sources of international investment in agriculture, assess their relative merits/demerits vis-à-vis benefit to the recipient countries and contribution to food security, agriculture development and food production;
- vi. Review and analyse alternative business models for international investments in agriculture and assess their relative merits and demerits; and
- vii. Review and analyse potential role of international guidelines and current/existing cooperation mechanism, bi-lateral between recipient of investment and investors (voluntary and/or binding) and multi-lateral through international organizations and Regional Economic Grouping for promoting investment in agriculture, and provide recommendations of enhancing and/or strengthening appropriate cooperation mechanism for desirable international investment.

This work will be conducted in close coordination with the ongoing work of other international organizations.

3. Case studies for Best practices and Policies for increasing proper domestic and international investment

- i. Case studies will investigate the type, magnitude and trends of capital formation through agricultural investment with analysis of the contributing factors in order to identify good practices and policies. Countries to be covered, initially, during the 1st Phase are²:

Asia:	Nepal, Bangladesh, China
Africa:	Burkina Faso, Ethiopia, Mali, Malawi
Near East:	Egypt
Latin America:	Bolivia

- ii. Case studies will also include the following countries based on the level and importance of international investment.

Asia:	Cambodia, Thailand
Africa:	Ethiopia, Kenya, Sudan, Senegal, Tanzania
Latin America:	Brazil, Paraguay

4. Agricultural investment/capital formation data base on the web

For output-2, the project will set up a Web-based data which will include: (i) data on investment/capital formation; and (ii) relevant policy and related information for promoting investment.

- i. Data set: In order to establish the data set, the project will enhance and improve conceptually and methodologically the existing ESS (the Statistics division of FAO) data of agricultural capital stock in order to develop complete, comprehensive and comparable data for all countries. For this purpose, the initial activities will include:

2 The criteria for country selection are: LDCs, Share of agriculture in GDP, value added by per agricultural worker; level of poverty and food insecurity.

- a. Establishing a clear definition and concept of capital formation, taking into account that:
 - the definition and concept should be realistic enough to facilitate collection of data; and
 - data collected can be used in preparing analytical papers which will eventually help policy makers to develop sound strategies for agriculture and rural development.
- b. Collecting data, according to the definition and concept of capital formation, in some pilot countries and then compare these collected data against the available data of capital stock with ESS.
 - ii. Information set: This database will include, among others, domestic legislative and policy frameworks regarding agriculture and investment, including land, water, environment, agro-industry, financing, etc.; information on investing enterprises and institutions; international, bi-lateral and multi-lateral investment agreements; and good practices regarding international investment. This work will be conducted in close coordination with the ongoing work on the Knowledge Platform by FAO, World Bank, UNCTAD and IFAD.

The Food and Agriculture Organization of the United Nations (FAO), with extra budgetary financial support from the Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF), has initiated the project “*Support to study on appropriate policy measures to increase investments in agriculture and to stimulate food production*” (GCP/GLO/267/JPN). The aim of the project is to identify a policy framework for promoting, facilitating and supporting acceleration of investment by the public and private sector to achieve domestic capital formation for stimulating sustainable food production. As an activity of the project, FAO, in collaboration with MAFF, organized the *Symposium on Poverty Reduction and Promotion of Agricultural Investment* in Tokyo on 10 March 2010 with Dr Supachai Panitchpakdi, Secretary-General, the United Nations Conference on Trade and Development (UNCTAD), as the keynote speaker.

The discussion focused on two themes: Private Sector Approach to Poverty Reduction; and Promotion of International Agricultural Investments. It highlighted the importance of increasing agricultural investments for increasing agricultural production and suggested various pragmatic approaches to induce different sectors and stakeholders to invest in agriculture. These Proceedings put together the summary report, papers presented, presentations shown at the Symposium and other related materials.



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