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**COMMITTEE ON WORLD FOOD SECURITY**

**Thirty-seventh Session**

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**Item VIII**

**PROCESS OF CONSULTATION ON PRINCIPLES FOR  
RESPONSIBLE AGRICULTURAL INVESTMENT (RAI)  
WITHIN THE COMMITTEE ON WORLD FOOD SECURITY**

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**Table of Contents**

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	Paragraphs
I. INTRODUCTION	1 - 7
II. THE PROPOSED PROCESS	8 - 13
STEP 1: MAP EXISTING DEVELOPMENTS, PROCESSES AND INITIATIVES RELATED TO RESPONSIBLE AGRICULTURAL INVESTMENT	8 - 10
STEP 2: THE CFS CONSULTATION PROCESS ON PRINCIPLES FOR RESPONSIBLE AGRICULTURAL INVESTMENT	11 - 13
III. BUDGET	14 - 15



This document was prepared at the request of the Bureau by the Vice Chair of CFS who undertook informal consultations with principal interested parties and took into account comments made during joint Bureau/Advisory Group meetings as well as during meetings of the HLPE steering Committee. It was approved by the CFS Bureau on May 26<sup>th</sup> 2011. Modalities for the implementation of the proposal were considered by an OEWG in July 2011 but are not included in this document. The document is non-binding for the proposed process of consultation on principles for responsible agricultural investment within the CFS that will take place after the 37<sup>th</sup> Session of the CFS plenary in October 2011 and after the “Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests” have been approved. It is presented here for information.

**The Committee is asked to:**

- Launch an inclusive consultation process within CFS for the development and the broader ownership of principles for responsible agricultural investments which enhance food security and nutrition. This will be conducted by the CFS Bureau, with the assistance of the joint Secretariat and in close collaboration with the Advisory Group and the involvement of all interested stakeholders, with a view to submitting these principles for the consideration of CFS
- Consider that the first step of this inclusive consultation process will be to find agreement on the scope, purpose, intended recipients and structure of these principles as well as on the format of the consultation process, taking into account existing frameworks including the RAI principles developed by FAO, IFAD, UNCTAD and the World Bank and respecting the need to maintain full coherence and avoid duplication with the Voluntary Guidelines which should be approved prior to the start of the consultation on principles for responsible agricultural investments.

## I. INTRODUCTION

1. The global surge of interest in investment in agriculture since the food crisis in 2008 has profound implications for global food security and nutrition. For example, large scale acquisition of farmlands by foreign or domestic investors in natural resource rich countries with weak land governance raises complex economic, institutional and ethical issues in relation to food security and nutrition, poverty reduction and rural development. Various stakeholders have called for principles, guidelines and even codes of conduct to govern such investments, as well as an international framework or plan that translates the principles into action. There is a general consensus that urgent action is needed since the situation on the ground is deteriorating quickly.

2. At its 36<sup>th</sup> Session in October 2010 the Committee on World Food Security (CFS) decided to start an inclusive process of consideration of principles for responsible agricultural investment, within CFS, taking note of the ongoing process of developing Principles for Responsible Agricultural Investments that Respect Rights, Livelihoods and Resources (RAI) undertaken by FAO, IFAD, UNCTAD and the World Bank. On 13<sup>th</sup> December 2010 the CFS Bureau designated

Hugo Verbist, its Vice-Chair, to hold informal consultations with a view to presenting a roadmap for such a broadly inclusive process.

3. Input was received from, amongst others, France, Germany, USA, Japan, Brazil, Switzerland, FAO, the World Bank, Oxfam, Action Aid International, International NGO/CSO Planning Committee (IPC), Roppa, Mijarc, International Land Coalition (ILC) and the International Agri-Food Network. Comments made during joint Bureau and Advisory Group meetings and meetings with the Steering Committee of the HLPE were also taken into account. The proposed process that resulted from these discussions was adopted by the Bureau on 26 May 2011. This document is based on the document approved by the Bureau.

4. It was agreed that this process should aim at offering policy guidance and a common understanding to all governments, international organizations and other stakeholders on what needs to be done to ensure that investments in agriculture has a positive (or at least neutral) impact on food security and nutrition. Furthermore, to be inclusive, the consultation should take into account the RAI Principles as well as related principles elaborated by other institutions with a view to preparing a set of practical principles with broad legitimacy and ownership by all stakeholders.

5. The broad consultation within the context of the CFS should start after CFS 37<sup>th</sup> and not before the adoption of the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests (VGLT) which will influence the content and scope of the consultation, and hence the likely cost of such a process. Unlike the VGLT, no formal approval procedure has been decided for such principles. It remains to be decided whether the principles should be endorsed, approved or supported in any other way by Plenary in 2012.

6. A change of name of the principles which will result from the broad consultation within CFS should be considered to distinguish these clearly from the RAI Principles.

7. An informal seminar for all Permanent Representatives and other stakeholders will be scheduled to provide a brief update on progress.

## **II. THE PROPOSED PROCESS**

### **Step 1: Map existing developments, processes and initiatives related to responsible agricultural investment**

- Keep track of the ongoing CFS and non-CFS developments, processes and initiatives related to responsible agricultural investment which can serve as input for the broad consultation within the context of CFS (see Step 2). The CFS Bureau will establish an Open Ended Working Group (OEWG) on responsible investment in agriculture. The OEWG, with the input from the Secretariat, will map what has been done, who has done it and what the results are. It will identify the remaining gaps and get a clear understanding of best practices. It will also gather evidence on the actual and potential socio-economic, environmental and human rights impact of large-scale agricultural investment in land. This will help to identify the key issues that need to be addressed
- Open a web-based working space for electronic information exchange and for storing relevant information. This working space will be part of the CFS website and link to the existing website on the principles on agricultural investment ([www.responsibleagroinvestment.org](http://www.responsibleagroinvestment.org)) which is managed by the Global Donor Platform for Rural Development

- Define the CFS consultation process in detail bearing in mind budgetary implications. A cost estimate for the proposed consultation process will be prepared by the CFS Secretariat.
8. There should be a close link between the OEWG for responsible agricultural investment, the OEWG on the VGLT, and the High Level Panel of Experts (HLPE), in particular the project team carrying out the study on land tenure and investment in agriculture.
9. Existing CFS and non-CFS initiatives, on which the CFS consultation process will be able to build on, include, but are not limited to:
- a) Negotiation on the VGLT scheduled to be adopted at CFS 37<sup>th</sup> in October 2011
  - b) Report by the High Level Panel of Experts (HLPE) on Land Tenure and International Investment in Agriculture to be presented at CFS 37<sup>th</sup>
  - c) Action Plan to be agreed upon by FAO, IFAD, UNCTAD, World Bank, including:
    - i) Reports by the four organizations in the context of the G20 Process (the Preliminary Report in March 2011, the Final Report in June 2011, the G20 Summit in November 2011)
    - ii) Events foreseen by the four organizations such as:
      - Consultation with private sector (2nd March 2011)
      - Annual World Bank Meeting on Land and Poverty (Washington, 18-21 April)
      - Consultation with LDC countries (UN LDC Conference, Istanbul, 11 May 2011)
    - iii) Pilots foreseen with countries and the private sector by the four organizations where the principles as drafted are 'tested'. The results of these pilots can feed into the consultation process. The choice of the pilot countries and a concept for the pilot testing will be presented by the four organizations for information, specifying their respective roles. These pilots will not be funded by CFS.
10. Other relevant initiatives are listed in Annex Ib, Related Processes and Initiatives.

### **Step 2: The CFS consultation process on principles for responsible agricultural investment**

11. A proper inclusive and participatory process will take time and must build on ongoing (CFS and non-CFS) processes and initiatives. Some of these will only be finalized in late 2011 such as the adoption of the VGLT and the presentation of the report of the HLPE on Land Tenure and Investments in Agriculture at CFS 37<sup>th</sup> in October 2011, the outcome of G20 Summit in November 2011, foreseen regional consultations, studies and pilot projects by the four organizations (FAO, World Bank, IFAD, UNCTAD), the Dialogue Partnership (see Annex 1) and others throughout 2011.
12. In November 2011 a broad consultation process can follow the pattern of the consultation process that was established for the VGLT. More details on the proposed process for the consultation process are contained in Annex 2. Further details need to be defined but the consultation process should include:
- Electronic consultations based on the key issues identified in 2011 to prepare for working group meetings
  - Consultations in Rome and regional consultations
  - Five to ten full-day working group meetings between November 2011 and June 2012 with a CFS led open-ended plenary review and finalization of the discussion by end of July 2012
13. In October 2012 the result of the consultation process will be presented to CFS 38<sup>th</sup>.

### III. BUDGET

14. The CFS process on the consultation of the principles for responsible agricultural investment (Steps 1 and 2) will, at least in 2011, mainly have to be funded by extra-budgetary resources as the core-budget of CFS for the biennium 2010-2011 can only cover two CFS activities which have already been identified, namely the development of a mapping tool for mapping food security and nutrition actions at country level and the development of the Global Strategic Framework. The question is therefore which stakeholders are financially committed to support such an inclusive process of consultation. Member countries should be approached for active contribution to these consultations.

15. The CFS Secretariat will present to the CFS Bureau and the OEWG a cost estimate for the proposed two-step process following endorsement of the process by CFS 37<sup>th</sup>. It should be noted that different initiatives and developments, which are being mapped in Step 1, are themselves not funded from the CFS budget. In the light of recently announced extra-budgetary contributions, the funding for 2011 seems to be secured, but funding for the biennium 2012-2013 is still uncertain.

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## ANNEX 1

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### a. Background on the development of principles for responsible agricultural investment

At the G8-summit in L'Aquila in June 2009, the G8, "*with a view to ensuring a more food secure world*", committed itself as follows: "*noting a growing trend of international agricultural investment, including land leasing and purchasing in developing countries, we will work with partner countries and international organizations to develop a joint proposal on principles and best practices for international agricultural investment*". In November 2009, the Declaration of the World Food Summit on Food Security in Rome expressed agreement "*to continue studying principles and good practices to promote responsible agricultural investment*". (Par. 40).

Since then, FAO, IFAD, UNCTAD and the World Bank have been working together to develop a set of draft Principles for Responsible Agricultural Investment (RAI). A synoptic version of seven "Principles for Responsible Agricultural Investment that Respect Rights, Livelihoods and Resources" was jointly published by the four organizations in February 2010 as a "*discussion note to contribute to an ongoing global dialogue*" and some events were organized where the principles were presented and discussed. These include side events at UNGA (NYC, Sep 2009), FAO Regional Conferences for Africa, Asia-Pacific, Near East (May-Dec 2010), World Bank Land Policy Conference (Washington, April 2010) and the FAO Committee on Commodity Products (June 2010). The principles proposed relate to respecting land rights, not jeopardizing food security, transparency and good governance, consultation and participation, economic viability, social sustainability and environmental sustainability.

The RAI Principles are currently being used as guidance by the four organizations to countries or the private sector. However, many national governments are not asking for advice and unconditionally embrace foreign investment. This highlights the need for principles with broad legitimacy and ownership.

At the 36th session of the Committee on World Food Security in October 2010, the Committee: "*taking note of the ongoing process of developing Principles for Responsible Agricultural Investments that Respect Rights, Livelihoods and Resources (RAI), and, in line with its role, decided to start an inclusive process of consideration of the principles within the CFS*" (Par. 26 ii, CFS Final Report). No details were provided on how this process of consideration of the principles should take place and what the end result should be.

### b. Related processes and initiatives

Other processes and initiatives that are equally important to the development of principles for responsible agricultural investment include the following:

In the wake of the G8-summit of L'Aquila in June 2009, the United Nations Special Rapporteur on the Right to Food, Mr. Olivier De Schutter, proposed a set of 10 Minimum Principles and Measures to Address the Human Rights Challenge of Large-Scale Land Acquisitions and Leases. Earlier in 2009 important studies on the issue of trans-national land acquisitions were published by IFPRI and by IIED/FAO/IFAD. According to some of the countries and organizations consulted, the human rights-approach is somewhat lacking in the current version of the RAI Principles.

**Voluntary Guidelines.** Since 2009, a worldwide consultation has been taking place for the development of Voluntary Guidelines on the Responsible Governance of Tenure of Land and Other Natural Resources (VGLT). The 36<sup>th</sup> session of CFS of October 2010 "*encouraged the*

continuation of the inclusive process for the development of the VG, building on existing regional processes with a view to submitting the guidelines for the consideration of the 37<sup>th</sup> session of CFS (October 2011)". At the same time, it "urged governments and other stakeholders involved in the drafting process of both the Voluntary Guidelines and the RAI to ensure consistency and complementarity between the two processes." The VGLT and the foreseen Implementation Guide on Responsible Land Acquisitions and Agricultural Investments as a means of implementation of the VGLT will be the concrete implementation of Principle 1. There may also be overlaps between the VGs and other RAI principles. Once the draft of the VGLT is available, it should be closely examined to see if the VGLT should be referred to in some of the other principles. To ensure the coherence between the two processes, representatives from each kind of stakeholders represented in the OEWG on Voluntary Guidelines should take part in the OEWG on the principles. A 4-day CFS Plenary session for finalizing the negotiations on the VGs was held in July 2011. A further CFS Plenary will be held in October prior to CFS with formal adoption at CFS 37<sup>th</sup>.

**HLPE.** The High Level Panel of Experts on Food Security and Nutrition (HLPE) was mandated by the 36<sup>th</sup> session of CFS as follow: "*The Committee (...) requested the HLPE to undertake studies, to be presented at the 37th Session of the CFS (October 2011), on the following important issues:*

- *the respective roles of large-scale plantations and of small-scale farming, including economic, social, gender and environmental impacts;*
- *review of the existing tools allowing the mapping of available land;*
- *comparative analysis of tools to align large scale investments with country food security strategies." (Par. 26 iv) CFS-Report)*

On the 4<sup>th</sup> of April 2011, the finalized terms of reference and the composition of the Project Team appointed by the HLPE Steering Committee for the study on Land Tenure and International Investments in Agriculture has been circulated. The project team is composed of: Camilla Toulmin (Team Leader, UK), Prem Bindraban (Netherlands), Jun Saturnino Borrás (Philippines) and Esther Mwangi (Kenya). The Steering Committee's oversight on the Project Team is led by Prof. Rudy Rabbinge (Netherlands). The team produced a first version of its report by May 2011 which was submitted for expert input through an electronic consultation. The project team finalized its draft report by early June 2011 and submitted it again for external expert review. The HLPE Steering Committee approved the Final Report in July 2011. The results of this study could have a direct impact on the content of the consultations on the principles for responsible agricultural investment.

**G20.** At the Seoul Summit in November 2010, the G20 said that they "*encourage all countries and companies to uphold the principles of Responsible Agricultural Investment*". They also requested "*UNCTAD, the World Bank, IFAD, FAO and other appropriate international organizations to develop options for promoting responsible investment in agriculture*" (March 2011 for preliminary report; June 2011 for final report). The reports on responsible agricultural investment prepared for the G20 could also feed into the CFS process if the Committee considers it valuable in the pursuit of better coherence at the global level.

**The Partnership to expand Dialogue on Large Scale Acquisitions and their alternatives.** In April 2010, the International Land Coalition (ILC) formed a partnership with regional farmers' organizations (ROPPA, AFA, COPROFAM) and NGOs (Action Aid and Oxfam) to begin dialogue on large-scale land acquisitions and their alternatives. It was launched in April 2010 as a direct response to the lack of coordinated consultation and open dialogue involving those most affected on how to respond adequately to increased land-related investments. More concretely, this Dialogue Partnership is seeking to better understand the impacts as perceived by local land users of land-related investments, and how this can define a response that better takes into account the perspectives of all stakeholders. Several regional civil society consultations and meetings have been held in 2010 and are planned for 2011 and 2012. These consultations are:

- National consultations in up to four countries in Asia led by AFA, and a possible Regional Asian meeting

- National consultations in two countries per region in Central, West, Southern and Eastern Africa led by regional farmer organizations
- Pan-African Conference on Women's Land Rights and Large Scale Land Acquisitions in late May/early June 2011 by Action Aid and Oxfam held in Nairobi, Kenya, 30<sup>th</sup> May – 2<sup>nd</sup> June 2011.
- Africa-wide consultative meeting in early 2012.

ILC is also completing a global study on commercial pressures on land (see also the portal [www.commercialpressuresonland.org](http://www.commercialpressuresonland.org)) and is, together with Oxfam, CIRAD and CDE at University of Bern, engaged in a monitoring project of large-scale land acquisitions over the past 18 months. The data will be published in September. The results of these consultations, reports and monitoring should feed into the CFS consultation process.

There also are a number of potentially relevant initiatives regarding private sector agricultural investment. These include:

- The International Finance Corporation's (IFC) performance standards (currently being revised in order to strengthen them further)
- The related Equator Principles for banks
- The Ruggie process on business and human rights
- Certain multi-stakeholder initiatives, such as the Roundtable on Sustainable Palm Oil.

Likewise, relevant regional initiatives exist such as the **African Union land policy guidelines** which ensure strong engagement in the process by groups of countries that are particularly affected.

The **African farmers networks** are in the process of developing their own proposals on agricultural investment that supports sustainable smallholder family farming. They held a workshop in Yaoundé on 4-5 May 2011 which covered the following four points:

- Investment needs of family farms
- The evolution of investment strategies and the degree to which they target these needs
- Farmer organization participation in the formulation and implementation of investment programmes
- An action plan in follow-up to the workshop.

At the **World Social Forum** in Dakar in February 2011, civil society organizations and social movements adopted the "Dakar Appeal Against Land Grab" which was based on several conferences and foras on large-scale land investments. This Appeal calls on CFS to reject the Principles for Responsible Agricultural Investment (RAI) which are considered by the WSF to be illegitimate and inadequate to address the phenomenon of land grabbing. Linked to this is the call for a moratorium on large-scale land acquisitions.

The **Land Deal Politics Initiative (LDPI)**, is a network of academics generating solid evidence through detailed, field-based research on the political economy, political ecology and political sociology of land deals, centred on food, bio-fuels, minerals and conservation. LDPI's first insights were presented at the International Conference on Land Grabbing held in the beginning of April at Sussex University. The outputs of the conference are available at: [www.future-agricultures.org/land-grab.html](http://www.future-agricultures.org/land-grab.html). LDPI plans a follow-up conference at Cornell in Autumn 2012, focused on key gaps and new themes and alternatives to "land grabbing".

The **IPC's Working Groups on Land and Investment** facilitated a policy seminar on land and agricultural investment in the meeting of the Coordination Committee of the Civil Society Mechanism (CSM) held in Cordoba, Spain on May 30<sup>th</sup> – June 2<sup>nd</sup> 2011. The main goal of this policy seminar was to identify key issues from the perspective of peasants, indigenous people, nomadic pastoralists and fisher folks to develop proposals on agricultural investment. Other events will follow but have not been scheduled yet.

The **Land Governance Assessment Framework** seeks to construct data sets to monitor land tenure indicators over time and conduct assessments of land governance. This quantitative

approach will be complemented by qualitative assessments. IFPRI is coordinating the initiative but is working with country coordinators to conduct specific research and engage with governments.

Coherence should also be ensured with the FAO Guidelines on the Implementation of the Right to Food and the Final Declaration of the International Conference on Agrarian Reform and Rural Development, as well as with the principles worked out by the Special Rapporteur on the Right to Adequate Food.

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## ANNEX 2 PARTICIPATION, FORMAT AND CONTENT

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This Annex contains further details on participation in the proposed consultation on principles for responsible investment in agriculture, its format and content.

### **a. Participation**

There is a general consensus that there has not yet been enough dialogue on the RAI Principles and on principles for responsible agricultural investment in general. A consultation with broad and deep participation is needed within the context of the CFS and at global, regional and national levels in order to build trust, legitimacy and ownership. This process should be as inclusive as possible to ensure that all relevant stakeholders be adequately represented such as:

- Governments of countries receiving investments - in particular countries most affected by large-scale land investments - and investing countries
- International organizations including the four original organisations – FAO, IFAD, UNCTAD and the World Bank – and others including the High Level Task Force on Food Security and Nutrition (HLTF) and the Special Rapporteur on the Right to Food
- Civil society through the Civil Society Mechanism (CSM) as the recognized mechanism for facilitating the participation of NGOs and CSOs in all CFS processes. This includes ensuring enough funding for conducting an autonomous process of elaboration of NGO/CSO inputs into the consultation. Platforms such as the ‘Partnership Dialogue on Large Scale Land Acquisitions and their Alternatives’ should also be involved
- Private sector including companies working in agricultural production and investment funds. Innovative ways should be explored to ensure that all relevant players within the private sector are fully and actively involved in the consultation process.

### **b. Format**

The consultation process for the principles on responsible agricultural investment can mirror the one which was carried out for the VGLT (which had 15 regional & thematic consultations in 16 months).

Electronic consultations and plenary type negotiation meetings around key issues on which consensus needs to be reached should be held. An electronic working space should be set up on the CFS website where electronic consultations such as questionnaires and exchanges of information could take place and links to the existing website [www.responsibleagroinvestment.org](http://www.responsibleagroinvestment.org) could be found.

Plenary meetings for all relevant stakeholders could take place in Rome and it could also be included in regional consultation where opportunities exist to couple with existing events and initiatives.

### **c. Content**

Whilst large-scale acquisitions might be the main theme, the discussion should be put in the broader context of what kind of agricultural investment is most appropriate to ensure food security and nutrition. Alternatives to large-scale investment should also be looked at in the context of the consultation. Depending on the specific objectives pursued such as food security and nutrition, energy security, climate mitigation, there exists a range of investment models which

might not require land acquisitions but require instead working together with local producers on their own land. Moreover, the consultation should not be limited to discuss international private investment only, but also public investment and investments by farmers themselves.

It is important to clearly identify themes and ideas which have been overlooked in the current sets of principles and that still need addressing. These include conflict resolution, alternatives to large scale farming for sustainable food and agricultural production, the grounding of the principles in the obligations of states under international human rights law, the inclusion of Free, Prior and Informed Consent, transparency and monitoring.

The consultation should also include:

- The content of the principles elaborated by the four organizations taking into account principles set out by other stakeholders such as the principles elaborated by Special Rapporteur on the Right to Food
- The identification of the ‘stakeholders’ (the people the principles for responsible agricultural investment are aimed at)
- The question whether these principles should be endorsed, approved or supported in any other way by the plenary of the CFS and/or other governing bodies

And in a Step 2

- The implementation of the principles (promotion, communication, technical assistance, legal status, practical guides, capacity building, ‘labeling’, etc.)
- The consideration of strong and specific incentives to support the implementation
- The identification of pilot countries where feasibility and the impact of implementation can be ‘tested’
- The establishment of a method of follow-up, monitoring and an accountability mechanism to ensure implementation
- The establishment of a method of further reviewing the principles after evaluating their efficiency.

There will be a possibility to amend, refine and/or complement the RAI Principles elaborated by FAO, IFAD, UNCTAD and the World Bank where necessary and on the basis of what is practical. Whatever amendment is proposed has to be the result of the above mentioned consultation process in close cooperation with the four organizations who are the original drafters as well as with the drafters of other principles. The four organizations have confirmed that they are fully supportive of the CFS consultation process.

The principles are and remain voluntary by nature and cannot as such be made enforceable. However, incentives should be sought for the governments and private companies involved to take the principles into account when making their decisions and implementing them.