



## **Principles for Responsible Investment in Agriculture and Food Systems**

### *Key Messages*

#### *General:*

- The Principles:
  - Apply to all types and size of investments in agriculture and food systems including fisheries, forestry, livestock;
  - Address all stakeholders that are involved in/affected by/benefit from investments in agriculture and food systems;
  - Apply to all stage of the value chain;
  - Are globally applicable;
  - Are an international soft-law instrument;
  - Include actions to address a range of environmental, social, and economic issues; and
  - Provide further guidance on how to apply the Principles given the specific roles and responsibilities of the intended users.
- The Principles represent the first global agreement on what constitutes responsible investment in agriculture and food systems.

#### *By Principle:*

#### **Principle 1: Contribute to Food Security and Nutrition**

- Achieving food security and nutrition requires a holistic systems thinking approach to development where the natural environment, economic growth, and human health are all seen as integral to each other. Therefore, all of the Principles are integral to promoting investment which contributes to food security and nutrition.
- Achieving food and nutrition security touches almost every aspect of our lives and is impacted by decisions and events in almost every sector – from energy, to water, to climate change, to health, infrastructure, technology, transport, etc. . We need to stop approaching food and nutrition security in a silo and fully embrace the inter-linkages in order to facilitate the multi-dimensional actions required.

#### **Principle 2: Contribute to Sustainable and Inclusive Economic Development and the Eradication of Poverty**

- Agriculture remains the best opportunity to improve both access to food and income for the most vulnerable families worldwide, with growth generated by agriculture being up to four times more effective in reducing poverty than growth in other sectors.
- Inclusive economic development requires both public and private investment and requires both functioning markets and social protection for the most vulnerable



- Job creation in itself is not enough, jobs must be decent and provide a living wage in order to effectively contribute to the eradication of poverty

### **Principle 3: Foster gender equality and women's empowerment**

- Despite the fact that women make up 43 percent of the agricultural labour force in developing countries, they also make up a disproportionate portion of the world's poor with estimates as high as 70 percent. This is largely due to the fact that they still do not have equal access to inputs and services such as land, credit, education, training, innovation, and new technologies.
- Women earn only 10 percent of the world's income and own less than 2 percent of land worldwide. When women control additional income, they spend more of it than men do on food, health, clothing, and education for their children.
- If women had access to the same resources as men, they could increase yields on their farms by 20-30 percent.

### **Principle 4: Engage and empower youth**

- Approximately 90 percent of young people live in developing countries where agriculture employs as much as 60 percent of the labour force, particularly in Africa. But the majority of youth do not currently see agriculture as a viable career path given the hard work, big risks and the low productivity and income rates they've seen generations before them face.
- Worldwide, the average age of farmers is around 60 and life expectancies average around 70 years of age. If youth do not replace the aging agricultural producers, food security and nutrition will be seriously compromised in the next 10 – 15 years.
- Transforming agriculture to achieve zero hunger requires harnessing the energy and creative thinking of youth to address challenges in food systems.

### **Principles 5: Respect tenure of land, fisheries, and forests, and access to water**

- Pursuing a human rights-based approach to tenure issues has economic advantages over time by fostering more equitable distribution, management and use of land and other natural resources. Secure tenure can also stimulate greater investment.
- We need to move away from the opinion that 'investment' means buying land or securing natural resource rights, and instead think more broadly about investment in agricultural knowledge and technology which can play a transformational role in reducing poverty throughout food systems. Transforming agriculture and food systems means using less land, and getting better results of the resources and inputs that stakeholders use.
- Small-scale fisheries account for more than 90 percent of the world's capture fishers and fish workers and supply around 50 percent of all global fish catches. However, most small-scale fishers and communities are not on the radar of national, regional, and global decision making. By extending fishers' rights from property rights at sea and land to all realms of life and livelihoods, the issues around sustainability, vulnerability, poverty and equity can finally be addressed.



**Principle 6: Conserve and sustainably manage natural resources, increase resilience, and reduce disaster risks**

- If we are to produce 60% more food by 2050 to feed the expected 9 billion people, it can't be business as usual. We simply don't have the energy or water to sustain such an increase. Instead, we will need to be smarter.
- Food systems contribute 20-30 percent of global annual greenhouse gas emissions. Agriculture is responsible for 75 percent of global deforestation, and agriculture accounts for about 70 percent of all water consumption, and this is estimated to increase to 89% by 2050. Globally soils are being depleted at a 10-40% faster rate than they are being replenished. Urgent changes are needed to reverse these trends, and shift the tide towards agriculture delivering greater positive impacts than negative.
- The Principles mark the first international agreement in which no party objected to explicit language on reducing emissions from agriculture.

**Principle 7: Respect cultural heritage and traditional knowledge, and support diversity and innovation**

- Comprising only four per cent of the world's population, indigenous people utilize 22 per cent of the world's land surface. In doing so, they maintain 80 per cent of the planet's biodiversity in, or adjacent to, 85 percent of the world's protected areas. The role of these 'custodians of the earth' is crucial as we determine how to feed the world with increasingly scarce resources and growing threats of climate change.
- Traditional knowledge and cultural heritage systems have helped many local communities to adapt to social and economic pressures over centuries, as a result of their close connection and understanding of the land and natural resources. As we confront growing challenges of climate change and biodiversity loss, it is important that we both protect and build upon the knowledge and associated practices.
- Combining modern and cutting edge research with local farmers' knowledge and practices to conserve and improve local genetic resources, including seeds, can produce multiple benefits at the local and more global level.

**Principle 8: Promote safe and healthy agriculture and food systems**

- Proactively and preventively addressing health concerns throughout the food system means thinking about health holistically – our physical health is related to the health of the animals and plants that we eat, and the environment in which we work and live.
- Productivity is strongly linked to health – if agricultural labourers' health is compromised by exposure to toxins or unsafe working conditions, productivity drops; if cows and pigs are sick they can not be sold; if plants do not have nourishing soil, the yield will be reduced.....Health and safety can not be afterthoughts but must be seen as integral to achieving zero hunger and ending malnutrition.
- Providing information about the safety and nutritious value of food is of increasing interest to consumers and is increasingly necessary to enter certain markets.



**Principle 9: Incorporate inclusive and transparent governance structures, processes, and grievance mechanisms**

- Ensuring that all stakeholders can meaningfully participate in decision-making processes and that their concerns, priorities, and preferences are accommodated in investment design and approval processes, reduces risks of unrest and conflict. This means that investors have a greater license to operate, which contributes to attracting further investment.
- Those that are hungry and suffering from malnutrition have the biggest right to participate in decision-making about how to address their food security and nutrition, but also depend on the ability to access information regarding investments.
- If we are serious about addressing hunger and malnutrition, then we must also recognize the need to continually improve. One way to facilitate improvement is to establish ways for people engaged in the food system to provide feedback or file complaints, in order to identify the areas where current actions are not enough and to adjust to do better.

**Principle 10: Assess and address impacts and promote accountability**

- Investment decisions should be based on a clear and factual understanding of both the positive and negative impacts that could occur. Cases where we have seen the greatest adverse impacts occur have often been the result of inadequate assessment lack of inclusion of those that would be impacted in the assessment.
- Two key elements of accountability are measurement and transparency. What you don't measure you can't monitor, and similarly without sharing information it is much more difficult to identify what changes or improvements may be necessary in order to reach the goal of zero hunger and malnutrition.