



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

### **Background and rationale**

As the world population grows, particularly in urban areas, and incomes increase, diets and consumption patterns change, and demand for food and non-food agricultural products expand. Agriculture has to face the progressive erosion of the natural resource base it depends on, in addition to the threats that originate from climate change. Thus, increased investments in enhancing the productivity of resources in agriculture and food systems<sup>1</sup> – including livestock, pastoralism, fisheries and forestry – are essential.

Eradicating hunger and malnutrition in a sustainable manner requires substantial increases in the level and the quality of private and public investments in agriculture and food systems. Investing in agriculture and food systems is one of the most effective strategies for reducing poverty, hunger and malnutrition and promoting sustainability.

However, to enhance food security and nutrition, reduce poverty and inequalities, promote sustainable agricultural and food systems development and contribute to the progressive realisation of the right to adequate food in the context of national food security<sup>2</sup>, investments have to be “responsible”.

Investments in agriculture and food systems, including agricultural research, education, infrastructure and other relevant services, is carried out by a multitude of actors, private and public, domestic and foreign at small, medium or large scale. The incentives and capacities to invest of all these actors are significantly affected by the presence of an enabling environment, including a conducive policy framework.

The desired impact on food security and nutrition and sustainable development<sup>3</sup> can only be achieved if the actors involved are accountable for their actions and for the impact they have on the livelihoods of others and on the environment.

### **Objective, nature and scope**

The objective of the principles, as requested by the Committee on World Food Security (CFS), is to promote responsible investments in agriculture and food systems that contribute to food security and nutrition and support the progressive realisation of the right to adequate food in the context of national food security.

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

- Governments at national, sub-national and local level in host States and States of origin of investments;
- Private and public investors: domestic and foreign, such as small, medium and large farmers, food producer organizations, cooperatives, private companies, financial institutions and States;
- Intergovernmental and regional organizations, including multilateral/international and regional financial institutions;
- Civil society organizations;
- Research organizations, universities and extension organizations;

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<sup>1</sup> Food systems encompass the entire range of activities involved in the production, processing, marketing, consumption and disposal of goods that originate from agriculture, forestry or fisheries, including the inputs needed and the outputs generated at each of these steps. Food systems also involve the people and institutions that initiate or inhibit change in the system as well as the socio-political, economic and technological environment in which these activities take place (FAO; SOFA 2013). Throughout the document the term agriculture and food systems includes livestock, pastoralism, fisheries and forestry.

<sup>2</sup> Universal Declaration of Human Rights, Article 25; International Covenant on Economic, Social and Cultural Rights, Article 11.

<sup>3</sup> Throughout this document sustainable development encompasses economic, social, environmental and cultural issues.

- Bilateral donors and foundations;
- Communities, consumers and food insecure people.

The principles recognize:

- the important role of small-scale food producers and processors – women and men - in investing on-farm, as well as their key contribution to food production and processing in most developing countries and take into account that this group is disproportionately represented among the food insecure and poor;
- the important role of all other investors – women and men –, private and public, domestic and foreign at small, medium or large scale in agriculture and food systems.

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

The principles can be used by any stakeholder group. They should encourage and strengthen the capacity of all investors, including women, youth and members of vulnerable groups, at all levels in agriculture and food systems to invest responsibly, and identify key areas where States and other actors should focus their efforts to put in place an enabling environment for responsible investments.

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

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

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

### **Process of developing the rai principles**

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

## **PART I: FOOD SECURITY, NUTRITION AND SUSTAINABLE DEVELOPMENT (ECONOMIC, SOCIAL, ENVIRONMENTAL AND CULTURAL ISSUES)**

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

#### **PRINCIPLE 1**

Responsible investments in agriculture and food systems:

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

#### **RATIONALE**

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

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

#### **OBJECTIVES**

Responsible investments in agriculture and food systems contribute to:

- increased production of sufficient, diverse and nutritionally and culturally adequate food at local and national level;
- improved access to and availability of sufficient, safe and nutritionally adequate food, including the diversity of locally available food, especially for the food insecure in rural and urban areas, small-scale food producers and processors, women and men and the most vulnerable and taking into account local and national consumption habits;
- enhanced stability of food supply, particularly at local level;
- the resilience of agriculture and food systems before, during and after shocks and crises.

#### **APPLICATION**

Enhancing positive impacts of investments in agriculture and food systems on food security and nutrition require a focus on:

- enhanced productive capacities, especially for small-scale food producers, including women;
- depending on context and in the presence of persistent food insecurity create an enabling environment for increased food production;
- increased value generation at different stages in agriculture and food systems at local and national level to create income opportunities for the food insecure, small-scale food producers and processors, women and men, youth and the most vulnerable;
- improved access to markets, including for the food insecure, small-scale food producers and processors, women and the most vulnerable;
- improved nutrition in terms of quality and quantity;
- utilisation of food through adequate diet and non-food inputs such as clean water, sanitation and health care, education and women's empowerment;
- efficient and well-functioning markets at local, national, regional and global level;
- building resilience of production systems and reducing the impact of market shocks;
- enhancing the interaction between agriculture and social protection mechanisms.

**ECONOMIC AND SOCIAL ISSUES****PRINCIPLE 2**

Responsible investments in agriculture and food systems:

- generate positive socio-economic impacts for all, women and men,
- respect international core labour standards as well as, when applicable, obligations related to standards of the International Labour Organization (ILO), and
- apply, as appropriate, the voluntary guidelines on the responsible governance of tenure of land fisheries and forests in the context of national food security (VGGT).

**RATIONALE**

In many parts of the world agriculture is the mainstay of the livelihoods of rural populations, particularly the poor. Investments in agriculture, food systems and off-farm activities in rural areas that are in the long-term financially and economically viable, create not only benefits for investors, but has potential to contribute to reducing poverty and drive inclusive growth and to expand livelihood and employment opportunities for others, especially for small-scale food producers and processors, agricultural workers and others employed within the food system, including women. Upstream and downstream linkages create opportunities for other investors in the upstream or downstream productive sectors, such as input supply, processing, transport, marketing, and therefore creating multiplier effects on local economies. Labour intensive investments can play a critical role for enhancing food security and nutrition through their impact on livelihoods in areas facing high rates of rural under-employment or unemployment and poverty. Investments in agriculture and food systems should not strive only to increase short and/or long-term tangible financial benefits (in terms of rates of return to invested capital) but also to generate broader social and economic benefits for the project area, be it a local community or the whole country. These benefits should not bypass members of vulnerable groups.

Insecure tenure rights and the risk of losing productive resources make it difficult to predict returns to investment. Secure tenure rights can encourage long term investments by different actors, including small-scale food producers.

**OBJECTIVES**

Responsible investments in agriculture and food systems contribute to:

- decent job creation and equitable generation of local employment;
- strengthening livelihood opportunities for the poor, including women and youth;
- strengthening capabilities and market opportunities of other upstream or downstream investors;
- enhancing local availability of appropriate know-how and technology;
- direct or indirect provision of public goods and services.

**APPLICATION**

When job opportunities are created, male and female workers need to be treated in a fair and non-discriminatory manner and child labour should be avoided. Equal opportunities, living wages and social benefits that ensure a safe and decent standard of living and healthy workplaces need to be provided. The ILO core labour standards act as a point of reference. When investments affect tenure or access to land, water and other natural resources, the VGGT provide relevant guidance. Responsible investments do no harm to legitimate tenure rights and safeguards tenure right holders against being dispossessed of their legitimate tenure rights.

**ENVIRONMENT, NATURAL RESOURCES AND CLIMATE CHANGE****PRINCIPLE 3**

Responsible investments in agriculture and food systems:

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

**RATIONALE**

Agricultural production requires use of natural resources, such as land, water and biodiversity, which are increasingly scarce or becoming degraded. Well-functioning ecosystems are also vital to agricultural production. Investments are needed to enhance ecosystem functioning or prevent their deterioration. The impact of climate change increases the risks for all investors and in particular for

more vulnerable populations. Interventions and investments in agriculture and food systems can contribute to or mitigate and adapt to climate change.

#### **OBJECTIVES**

Responsible investments in agriculture and food systems contribute to:

- the sustainable use, development and regeneration of natural resources, including land, water and biodiversity;
- the promotion of positive environmental benefits and the minimization and/or remedy of negative environmental impacts;
- improving ecosystems and their related services;
- climate change mitigation and adaptation, including the minimization of GHG emissions.

#### **APPLICATION**

Achieving food security with simultaneous environmental benefits through investments in agriculture and food systems requires a focus on:

- sustainable agricultural production and promoting efficiency in the food system including the reduction of post-harvest losses and food waste, such as increasing productivity on resources already in use in a sustainable manner; more sustainable and efficient production, processing, storage and distribution system, including efficient energy use; the provision of desirable ecosystem services and reducing pollution and emissions;
- strengthening the positive impacts and externalities on the environment and natural resources, such as availability and quality of water, land, ecosystems, biodiversity, fisheries and forests, and on climate change;
- increasing resilience of agriculture and food systems and related livelihoods to short and long term effects of climate change through mitigation and adaptation measures;
- the use of traditional and scientific knowledge, expertise and skills and appropriate technologies and practices;
- strengthening capacity building for proper adaptation and uptake of best practices.

#### **CULTURAL ISSUES**

##### **PRINCIPLE 4**

Responsible investments in agriculture and food systems:

- respect cultural heritage and landscapes and traditional knowledge consistent with international agreements and
- are considered legitimate by local and other relevant stakeholders.

#### **RATIONALE**

Agriculture shapes and is shaped by rural lifestyles and landscapes and individual and collective cultural identities. While there has been a global accelerating trend towards urbanization, rural lifestyles and landscapes may continue to play an important role in cultural identities and values. Agricultural investments can change rural lifestyles and landscapes and local systems and practices in ways that are positive or negative depending on the perspectives of different stakeholders.

#### **OBJECTIVES**

Responsible investments in agriculture and food systems:

- promote the safeguarding of cultural heritage and landscapes, including religious sites;
- value and support traditional knowledge and cultural heritage around local food systems;
- acknowledge potential long-term economic, social and environmental benefits of respecting rural lifestyles and landscapes;
- respect, as appropriate, farmer's rights as enshrined in the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

#### **APPLICATION**

The identity shaping dimension of rural lifestyles should be recognised and taken into consideration. Local stakeholders should have a voice with regard to the desirability of changes.

## **ROLES AND RESPONSIBILITIES FOR PART I**

### **STATES:**

States are the main actors called upon to promote an enabling institutional and policy environment for responsible investments in agriculture and food systems in line with principles 1-4 and are the main investors in public goods required for private investments, including research and development, infrastructure, health and education.

In creating such an enabling environment States:

- are obligated to respect, protect and fulfil human rights, including the progressive realisation of the right to food in the context of national food security;
- are encouraged to incorporate internationally recognised human rights obligations and international core labour standards as well as obligations related to standards of the International Labour Organization relevant to investments in agriculture and food systems into their legislation;
- are encouraged to develop and apply tenure-related policies in line with the provisions set out in the VGGT;
- are obligated to comply with binding international agreements that they ratified and which are relevant to responsible investments in agriculture and food systems.

States are encouraged to:

- support investments and services for investors, including addressing the needs of small-scale food producers and processors, women and men, such as financial and social services, education, infrastructure and access to markets;
- facilitate the financial and economic viability of investments for all investors through a stable service and incentives system;
- facilitate non-discriminatory access to investment opportunities and productive resources, such as land and water, markets, inputs, capital and services;
- promote a competitive and transparent market environment for investors, while addressing in particular the needs regarding incentives and capacities to invest of small-scale food producers and processors, women and men and the food insecure;
- put in place sustainable, affordable and effective incentive systems, including risk management and mitigation measures;
- support gender and socially inclusive education, including agricultural education and know-how and technology development and transfer;
- respect for rights and entitlements – notably of those members of the most vulnerable groups, on a gender equal basis;
- promote different production and investment models that do not result in the large-scale transfer of tenure rights to large investors from local tenure right holders;
- promote sustainable use and management of natural resources in investments in agriculture and food systems and remove incentives to unsustainable use of resources;
- support the capacity of small-scale food producers, workers, women and men, to have the know-how, skills, services and technology to invest in sustainable and climate adapted agricultural intensification;
- ensure the safeguarding of cultural heritage and landscapes, including religious sites;
- support traditional knowledge and cultural heritage around local food systems.

### **INVESTORS:**

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

Investors are called to:

- respect human rights, international core labour standards, farmer's rights (ITPGR) and the convention on the Elimination of All Forms of Discrimination against Women (CEDAW);
- comply with relevant national policies, laws and regulations;
- act in line with the provisions set out in the VGGT;
- apply international environmental standards.

Investors are encouraged to:

- prioritize positive food security and nutrition impacts in their investment planning;
- generate sustainable livelihood opportunities for other stakeholders relying on the same natural resource base or markets, including the food insecure, small-scale food producers and processors (when these are not themselves the investors), women and men, youth and vulnerable people;
- undertake and promote sustainable practices and use of technology, including by other stakeholders, and with particular attention to promoting sustainable technology uptake among small-scale food producers and processors, women and men, when these are direct stakeholders in investments;
- pay special attention to strengthen positive impacts and externalities on the environment, natural resources and climate change and to seek opportunities to generate value from enhancing sustainability;
- establish a system of environmental management to avoid, minimise and remedy negative environmental impacts, using appropriate practices and technology;
- engage proactively and in a participatory manner with local stakeholders, including traditional or religious institutions, to promote investments that do not impact negatively on cultural heritage, landscapes and lifestyles;
- recognise local traditional knowledge and cultural heritage and to encourage approaches that benefit relevant stakeholders.

Furthermore public investors:

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

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

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

Research and educational institutions are encouraged to:

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

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



## PART II POLICY COHERENCE AND SECTOR DEVELOPMENT

### PRINCIPLE 5

Responsible investments in agriculture and food systems are supported by policies, laws and regulations which:

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

### RATIONALE

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

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

To promote responsible investments in agriculture and food systems, enhance food security and nutrition and contribute to sustainable development all actors involved – including central, regional and local governments, small, medium and large-scale investors in agriculture and food systems, including small-scale food producers and processors, women and men, financial institutions, civil society organisations, multilateral and regional organizations, research, donors and foundations – should harmonize their respective efforts and better integrate their respective activities through coordination, cooperation and partnerships to create positive impacts on food security and nutrition and sustainable development.

### OBJECTIVES

In order to promote policy coherence in promoting responsible investments in agriculture and food systems:

- the different public-sector institutions at national, sub-national and local levels should work together, are informed and act in a compatible manner in order to create synergy and avoid duplication and conflicting measures;
- the objective of enhancing food security and nutrition should be addressed in a consistent manner by policies, laws or regulations and should not be contradicted or undermined by provisions in other policies, laws or regulations;
- policies, laws and regulations should strengthen the positive impacts in all areas highlighted in principles 1-4;
- all relevant services, such as research, education and capacity development, finance, infrastructure, markets, storage facilities and input supply are in place and are accessible for all
- collaboration, coordination and partnerships between all actors involved including governments, companies, food producer organizations, small-scale food producers and processors, women and men should be strengthened.

### APPLICATION

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

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

Governments of countries that invest, promote investments abroad or are home base of private transnational investors should ensure investor conduct is consistent with the protection of human rights and legitimate land tenure rights in line with the provisions set out in the VGGT, promote food security and nutrition and sustainable development and their own development policies and



commitments. Voluntary initiatives of the private sector in developing such standards are important and should be recognized and built upon.

## **ROLES AND RESPONSIBILITIES FOR PART II**

States are encouraged to:

- promote coherence and consistency of policies, laws and regulations shaping and affecting investments in agriculture and food systems;
- promote coordination for investments in agriculture and food systems within the different branches of the government at all levels, national, sub-national and local;
- develop, establish and implement transparent and predictable policies, laws and regulations to promote investments in agriculture and food systems, with a view to enhance food security and nutrition and to contribute to sustainable development and that all investors in agriculture and the food system – especially domestic small and medium investors, including small-scale food producers and processors, women and men, in particular – have the capacity and the needed institutional, policy and service support;
- ensure appropriate support to national and sub-national departments and agencies so as to enable them to act in a manner compatible with government's policies, laws and regulations;
- make publically available or otherwise provide clear and consistent information about national priorities, policies, laws and regulations so as to create a predictable policy environment;
- create an enabling environment that promotes inclusive and efficient organizations, such as food producer organizations and cooperatives and that strengthens their negotiation power;
- promote and facilitate coordination, cooperation and partnerships among stakeholders.

States of origin of transnational investors are encouraged to:

- promote national and regional international investments policies, laws and treaties to support foreign investments in agriculture and food systems that are consistent with their own policies, laws and international human rights obligations as well as commitments to food security and nutrition and sustainable development;
- ensure that companies investing overseas are not involved in abuse of human rights and legitimate tenure rights, respect international core labour standards and operate according to the highest environmental management standards;
- request companies investing overseas to provide transparent and meaningful information on their activities and ensure that standards and safeguards are implemented to protect local communities and livelihoods and the environment.

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

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

Multilateral international and regional organizations, including international and regional financial institutions, donors and foundations involved directly or in a supportive role in investments in agriculture and food systems are called to adjust or to conform their respective policies and programmes to the principles proposed in this document.

## **PART III GOVERNANCE, GRIEVANCE MECHANISMS AND ACCOUNTABILITY**

### **GOVERNANCE AND DECISION MAKING PROCESSES**

#### **PRINCIPLE 6**

Responsible investments in agriculture and food systems are:

- supported by good governance, and
- implemented with meaningful consultation and participation of affected communities and free, prior and informed consent of indigenous peoples.

#### **RATIONALE**

Good governance is a prerequisite to enable responsible investment in agriculture and food systems for all investors, as it reduces risk and transaction costs and provides the necessary framework for the needed public goods and services. Policy-making, investment planning and implementation through processes, aiming to ensure that legitimate rights and interests, including those of the most vulnerable stakeholders, women and men, are properly represented and influence decision-making and negotiation processes can contribute to enhance food security and nutrition and sustainable development. Participatory policy- and decision-making based on meaningful consultations and ensuring active, free, effective, meaningful and informed participation of those who are primarily affected are prerequisite to enable responsible agricultural investments.

#### **OBJECTIVES**

To develop, promote and encourage an enabling governance environment for responsible investments in agriculture and food systems. Key elements are: the rule and application of law; respect for human rights; equity and justice; transparency and disclosure of information; consultation, participation and inclusive decision-making, representing the interests of legitimate constituencies; efficiency and effectiveness; review and accountability; gender equality and anti-corruption.

#### **APPLICATION**

The application of good governance and meaningful consultation and participation requires a focus on:

- promotion of good governance;
- transparent application of law by all parties;
- effective and meaningful consultation, participation and negotiation in policy- and decision-making, based on transparency and disclosure of information, with legitimate constituencies – including small-scale food producers and processors, women and men and vulnerable groups - through their chosen representatives;
- effective and meaningful consultation with indigenous peoples, through their own representative institutions in order to obtain their free, prior and informed consent;
- avoid, sanction and remedy corruption practices in investments through respecting United Nations Convention against Corruption (UNCAC), at all levels and in all settings.

### **GRIEVANCE MECHANISMS**

#### **PRINCIPLE 7**

Responsible investments in agriculture and food systems are strengthened by:

- non-discriminatory access to justice grievance mechanisms, and
- fair, effective and timely mediation, administrative or judicial remedies.

#### **RATIONALE**

The availability of independent and accountable conflict resolution and grievance mechanisms is a prerequisite to enable responsible investments in agriculture and food systems and ensure the equal application of the law.

#### **OBJECTIVE**

To promote independent and accountable conflict resolution and grievance mechanisms, fair, effective and timely mediation, administrative or judicial remedies and the equal application of the law.

#### **APPLICATION**

All individuals or groups potentially affected by investments in agriculture and food systems should have equal access to justice grievance mechanisms. They should be available, accessible and affordable.

#### **REVIEW MECHANISMS AND ACCOUNTABILITY**

##### **PRINCIPLE 8**

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

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

#### **RATIONALE**

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

The actors involved in applying the outlined principles, existing laws and international norms affecting investments in agriculture and food systems and having impact on food security and nutrition as well as on livelihoods and the environment, are to be held accountable for their actions.

#### **OBJECTIVES**

To promote responsible investments in agriculture and food systems the development and/or implementation of rules, mechanisms, procedures and methodologies should:

- ensure prior, independent, transparent and participatory impact assessments and review mechanisms for investments in agriculture and food systems, including the review of investment-related governance instruments and policies, laws and regulations related to agriculture and food systems;
- provide for remedial actions or remedial changes if negative impacts or shortcomings are identified;
- ensure accountability of decisions and actions.

#### **APPLICATION**

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

Stakeholders affected by investments as well as investors must be able to hold decision makers to account. Accurate and transparent information must be made available about investments in agriculture and food systems and policies, laws and regulations that influence them. Therefore transparency is a key precondition for accountability of investments in agriculture and food systems.

### **ROLES AND RESPONSIBILITIES FOR PART III**

States play a key role as providers and regulators of governance structures and processes, including decision making processes, grievance procedures, review mechanisms and accountability for investments in agriculture and food systems.

States are encouraged to:

- identify areas and take action where governance reforms are needed to promote responsible investments in line with the principles;
- further develop, promote or implement an enabling governance environment for responsible investments in agriculture and food systems;
- promote the meaningful participation of representatives of all stakeholders involved in or affected by investments in agriculture and food systems in policy-making;
- promote the establishment and respect of procedural requirements for consultation, participation and negotiation in decision-making on investment planning and implementation, based on transparency and disclosure of meaningful information;
- establish, as appropriate, impartial and competent judicial and administrative bodies and mechanisms for timely, fair, effective, accessible and affordable resolution of disputes related to investments in agriculture and food systems;
- provide guidance and oversight on non-judicial mechanisms;
- provide effective remedies as needed and promote the appropriate enforcement of these remedies;
- ensure equal and non-discriminatory access to relevant bodies and mechanisms for all affected individuals and groups;
- establish and implement rules and procedures for assessments and reviews of impacts of investments in agriculture and food systems and policies, laws and regulations; and accountability mechanisms that will enable them to undertake improvements or remedial actions or changes.

Investors are encouraged to:

- contribute to and promote good governance and transparency in their own activities and interaction with public officials and other relevant stakeholders;
- hold themselves to high standards in terms of accountability and undertake due diligence to the best of their ability;
- cooperate in non-judicial mediation mechanisms to provide remedy;
- set up operational-level grievance mechanisms that are timely, fair, transparent, legitimate, effective, accessible, affordable and accountable while ensuring that operational-level grievance mechanisms are not a substitute for, or act as an impediment to, legal alternatives;
- follow the rules and procedures for assessments and reviews of impacts of investments in agriculture and food systems and to make the necessary adjustments.

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

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

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