

# **Impacts of investment on African agriculture and the Principles for Responsible Agricultural Investment (PRAI):**

**evidence from field research, implications for policy and next steps.**

A side Event to the  
5th Tokyo International Conference on African Development (TICAD V)  
2 June 2013, from 15:00 to 16:30  
Room A of the Annex Hall, Pacifico Yokohama, Yokohama, Japan



by the Inter-Agency Working Group (IAWG)



## **Objectives**

- To present empirical evidence from several streams of ongoing field testing and research on responsible agricultural investment in Africa
- To discuss the implications for policy formulation and possible recommendations for foreign and domestic investors, African governments, donors and international agencies.
- To provide inputs into the consultations to develop principles for responsible agriculture investment that enhance food security and nutrition (rai) led by the Committee on World Food Security (CFS)

## **Background**

In Africa, significant increases in agricultural investments are needed to combat poverty and realize food security and nutrition goals. Farmers are by far the largest investors in Africa's agriculture and must be central to agricultural investment strategies. As businesses, African smallholder farmers need a conducive environment so that they can invest to develop their enterprise. Agricultural investments can generate a wide range of developmental benefits such as higher productivity, increased food availability, employment creation, poverty reduction, technology transfer and access to capital and markets. However, these benefits cannot be expected to arise automatically and some forms of large-scale investment may carry risks for host countries. Although there has been much debate about the potential benefits and risks, there is no systematic evidence on the actual impacts on the host country and local community.

In order to acquire an in-depth understanding of potential benefits, risks, constraints and costs, FAO, IFAD, UNCTAD and the World Bank have carried out field testing and research on trends, determinants and impacts of foreign and domestic investments in agriculture. This has been initiated under the Action Plan developed by the IAWG in response to the 'twin track' approach of supporting both the field-testing of the *Principles for Responsible Agricultural Investment* (PRAI) and the overall consultation processes. This could thus provide inputs to the broad consultation process at CFS. The field testing and research will contribute to the identification of good practices and investment policies that are conducive to sustainable agricultural development and support investment by African smallholders in their businesses.

## **Agenda**

**Opening Remarks by Dr. Jose Graziano da Silva, Director-General of FAO, Dr. Kanayo F. Nwanze, President of IFAD and Dr. Petko Draganov Deputy Secretary-General of UNCTAD**

**How agricultural investment can support African smallholders: experiences from Uganda**

*Ms Connie Magomu Masaba, Project Coordinator, Vegetable Oil Development Project (VODP), Uganda.*

**Field testing of the PRAI in selected African countries with communities and companies**

*Mr. Hafiz Mirza, Chief, Investment Issues Research, UNCTAD*

**Trends and impacts of FDI in African agriculture and alternative business models**

*Mr. Pascal Liu, International Investment Team Leader, FAO*

**A historical review of 179 agribusiness investments in developing countries**

*Mr. Grahame Dixie, Agribusiness Unit Team Leader, World Bank*

**Open discussion session: the Way Forward**

*Chaired by Mr. Brian Baldwin, Senior Operations Management Adviser, IFAD*

**Closing comments**

*Dr. Toshiko Abe, Parliamentary Vice Minister for Foreign Affairs, Japan*