

# The Practice of Responsible Investment Principles at Larger-Scale Agribusinesses

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# This presentation will cover:

1. High-level summary of findings from recent IAWG field work with investors, governments and communities.
2. Plans for current and future field work and output.

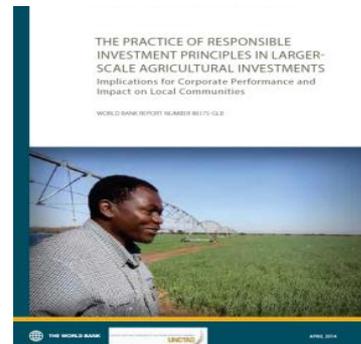
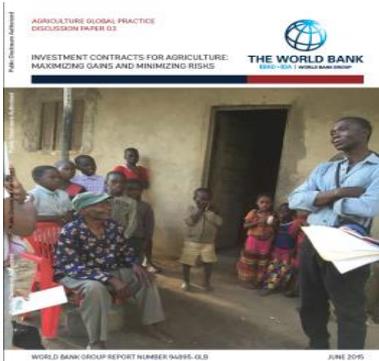
# Phase 1: Field research program, 2012-2015



INVESTMENTS VISITED **39**

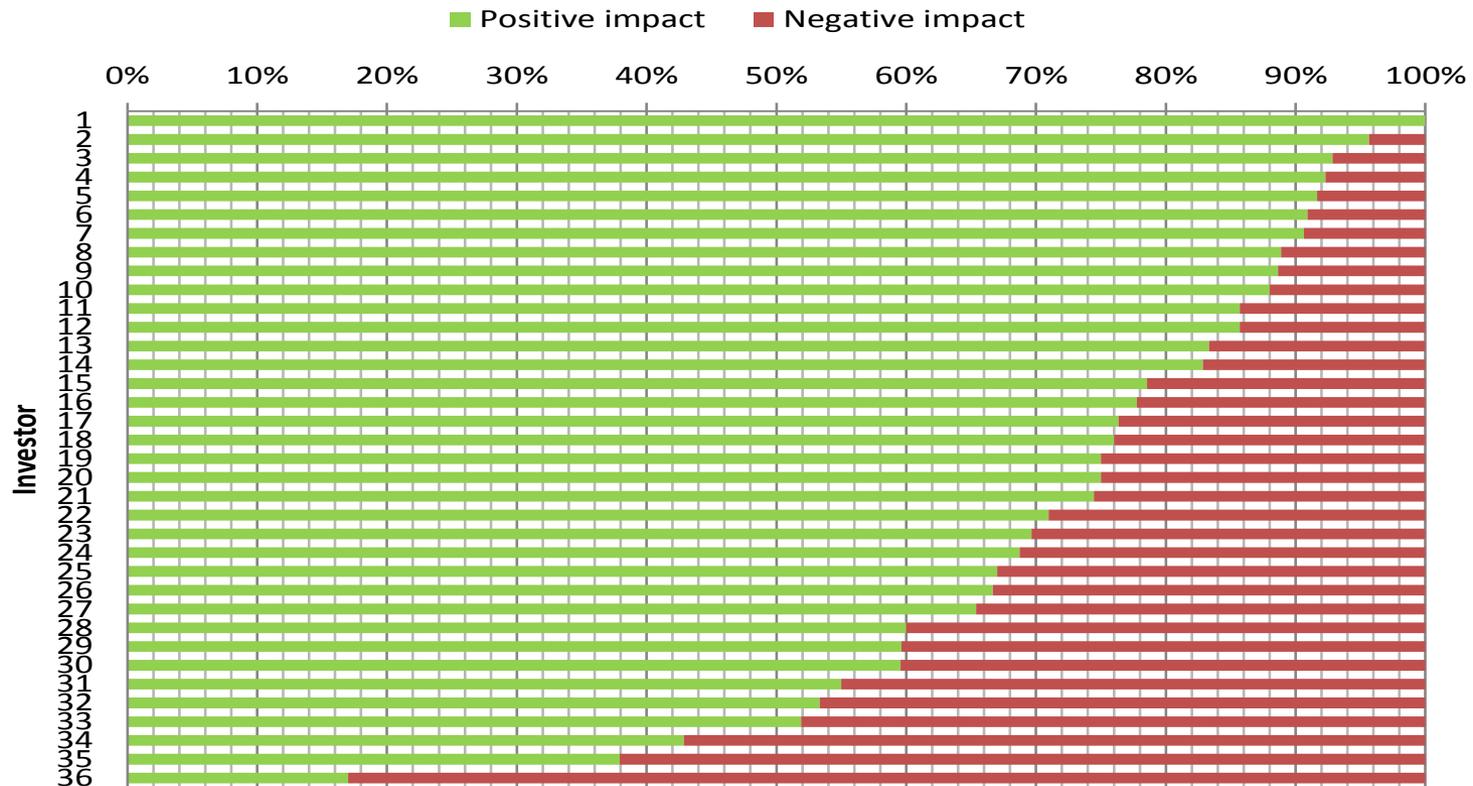
EXTERNAL STAKEHOLDERS INTERVIEWED **899**

**23%**  **64%**   
WOMEN MEN

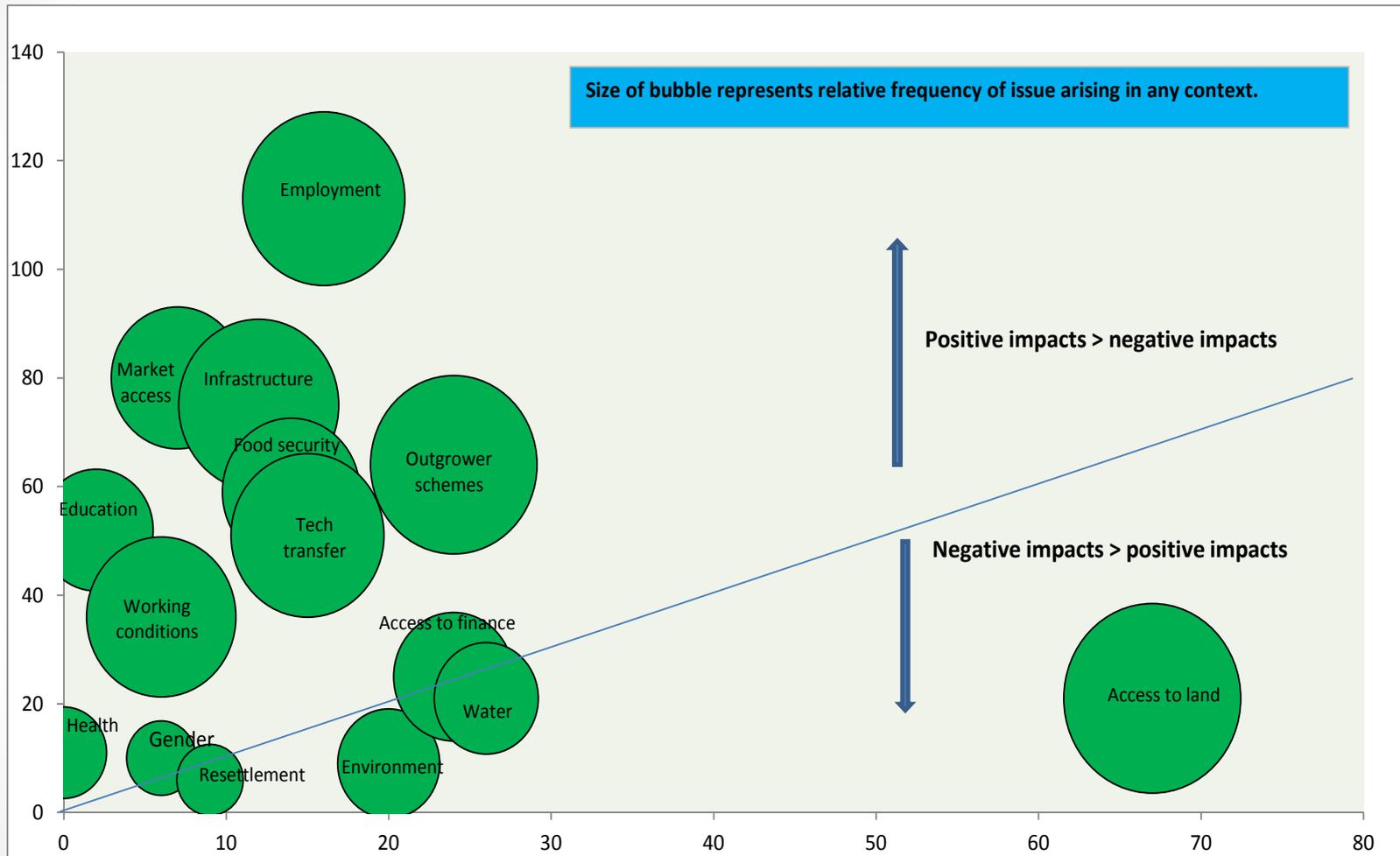


# Summary stakeholder perceptions

On balance, the investments studied have generated positive socio-economic benefits for surrounding communities and host countries. But many negative impacts and room for improvement.



# Stakeholder perceptions, by issue



# Summary findings from UNCTAD/ World Bank field work



## Summary findings



- **Operational and financial success** is a key prerequisite for environmental and socio-economic stability.



- **Employment** is a key benefit; though wages, casualization and lack of local staff can be problematic.



- Reduced **access to land** was a key negative impact. People who have been **resettled** disproportionately bear costs associated with new investments.



- The income from employment or contract farming provides opportunities for **savings and investment** in fixed assets, land improvement and education.



- **Inclusive business models** tended to be best regarded, although were operated with varying degrees of success.

## Summary findings



- **Economic spillovers** to the surrounding economy do occur, but are neither guaranteed nor automatic.



- **Technology transfer** occurs primarily through training. The impact varies substantially from site to site, depending on the business model, crop and other factors.



- Investments can be a catalyst for social transformations, especially of **women's** place in society.



- The **environmental impact** of investments was, in most cases, insufficiently assessed or managed, including impact on **water resources**.



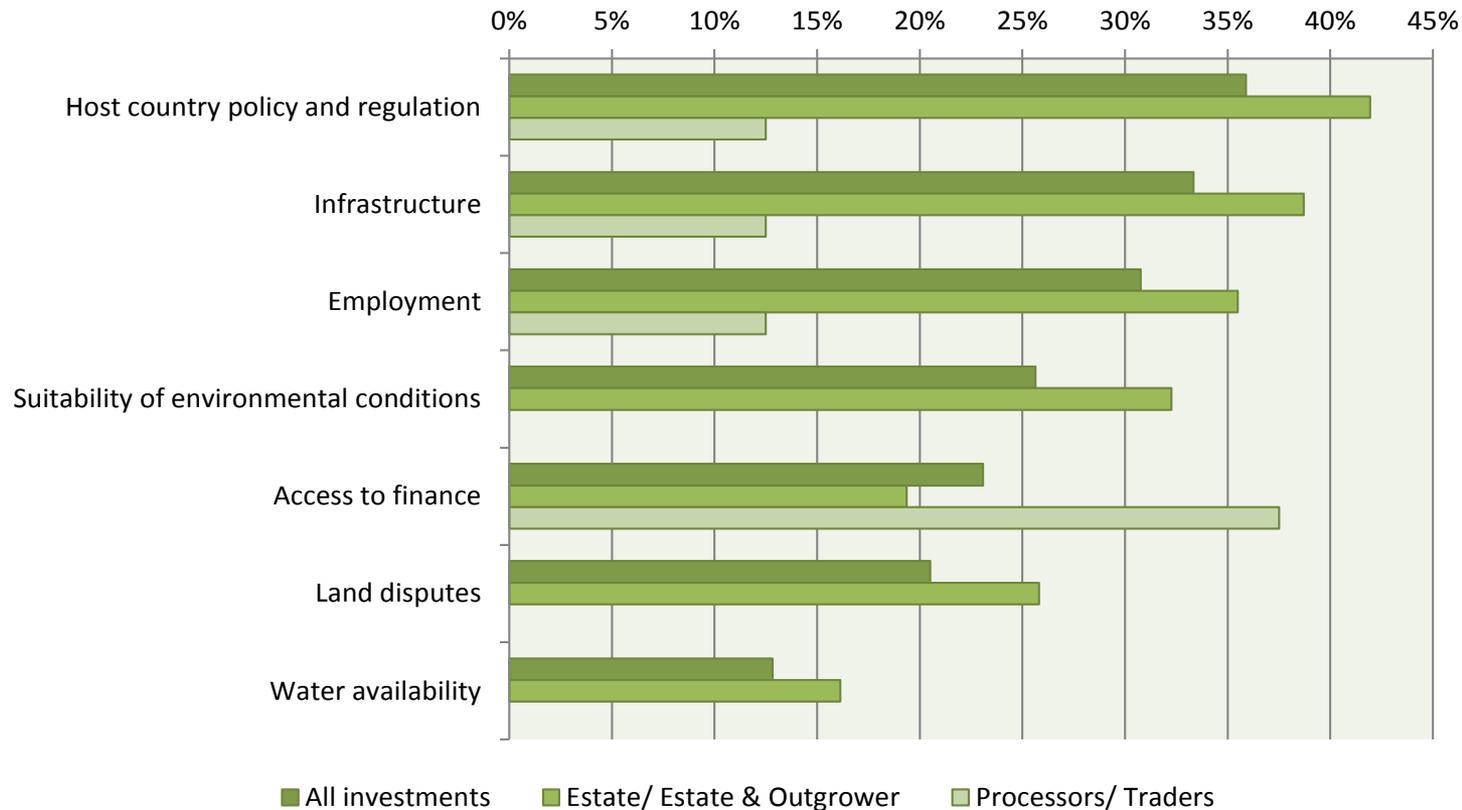
- **Communication and transparency** were critical success factors cross all aspects of the operation.

# Motivation for Phase 2 of field work

First phase yielded several important observations which inspired the second stage of field work...

- Many investors are struggling, financially and/or operationally...
- ...often for reasons that could have been foreseen by better planning, screening and investor selection.
- Most “mistakes” are made in the very early stages of investments, and are hard to subsequently rectify.
- Investors, governments and communities want more detailed practical guidance on the how to implement principles of responsible agricultural investment.

# Financial and operational success of investors



Once again, most issues could be identified through proper pre-investment due diligence and pre-screening.

# Pilot Use of Principles Guiding New Investments in Agriculture

- Field work at 12-16 early stage agricultural investors, so far in Ghana, **Malawi**, Mozambique, Senegal, Tanzania and Uganda.
- Objectives:
  - to infuse responsible investment principles into operations *from the outset*.
  - Learn, establish and disseminate good practices
  - inform the work of development agencies, government bodies, investor groups, NGOs that promote responsible investment in agriculture.
- Initial output:
  - Series of Knowledge Notes providing detailed practical guidance on particular issues
    - e.g. Developing inclusive business model, Screening potential investors, Women's Empowerment etc



# Thank you!



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