

# Technical workshop on responsible investments in agriculture Malawi, September 2017

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## Role and guidance of international instruments related to responsible investments

1

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## Overview

- What do we mean when we say “responsible”?
- A rump through available instruments
- What should we consider when screening investors and investments?



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# “Responsible” What do we mean?

Good intentions is all that counts (the moral imperative)

Actions is all that counts, not good intentions (deontology)

Are consequences all that matters? (utilitarianism)

Or is it about rights and duties? (law and tradition)



## Role: environmental, social and corporate governance for institutional investors - 2006

- *We will incorporate*
- *will be active*
- *will disclose*
- *will promote*
- *will work together*

*What is it?*

*Actions*

**PRI Guidance for Resp. Invest. in Farmland (2014)**

## Recommendations by the UN Special Rapporteur on the Right to Food ("De Schutter Minimum Principles" of 2009)

Role: human rights, large-scale land acquisitions and leases for host States and investors

1. Transparency in negotiations, participation
2. Free, prior and informed consent of local communities
3. Role of the State in protecting rights of local communities
4. Benefits for local populations
5. Labour intensive, employment creation
6. Respecting the environment
7. Enforceable obligations by investors
8. Destination of produce and technology transfer
9. Impact assessments
10. Indigenous peoples
11. Labour rights

*Actions,  
Consequences,  
Rights and Duties*

## Principles for Responsible Agricultural Investment that respect rights, livelihoods & resources (PRAI) – 2010

Proposed by FAO, IFAD, UNCTAD & World Bank

- Responds to concerns on large-scale land acquisitions vis-à-vis much needed agricultural investment
- To help governments develop laws & negotiate agreements
- To serve as “checklist” when assessing ag-dev projects
- A “living document” to be updated with field-testing
- Endorsed by the G20
- Voluntary

*Rights and duties*

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# PRINCIPLES FOR RESPONSIBLE INVESTMENT IN AGRICULTURE AND FOOD SYSTEMS

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# Principles for responsible investment in agriculture and food systems (CFS-RAI) 2014

Global ownership and legitimacy

Broad scope: “all types of investment in agricultural value chains and food systems “

- “[...] include foreign and domestic, public and private, small, medium and large scale investments.”
- potential users: “all stakeholders that are involved in, benefit from, or are affected by agricultural investments[...].”

Build on existing instruments including VGGT, Voluntary Guidelines on the Right to Food & PRAI



## Principles for responsible investment in agriculture and food systems (2)

- Contributes to food security and nutrition
- Inclusive development and poverty reduction
- Empower Gender
- Empower Youth
- Respect tenure
- Conserve natural resources
- Respect cultural heritage
- Promote healthy food systems
- Governance structures
- Accountability and impacts

## Principles for responsible investment in agriculture and food systems (3)

- **Rights and duties**
- **Actions**
- **Consequences**

Respecting human rights

Duties regarding preservation of the environment

Consequences regarding women empowerment

Action through sharing information, engaging in dialogue

Moral relativism in respecting cultural heritage systems



## OECD-FAO Guidance for responsible agricultural supply chains (2015)

- Emphasizes how investors **work with governments and civil society** to conduct business responsibly
- Builds largely on CFS RAI and can support its adoption by companies



# Are they different? YES

- ▶ They have different “understandings” of what being responsible entails
- ▶ Issues reflect interests of participating constituencies
- ▶ Their boundaries are blurred
- ▶ The scales of operations/investments assumed are different
- ▶ The scopes are different: infrastructure, agriculture, supply chains, food systems

# How do we screen investors and investment proposals?

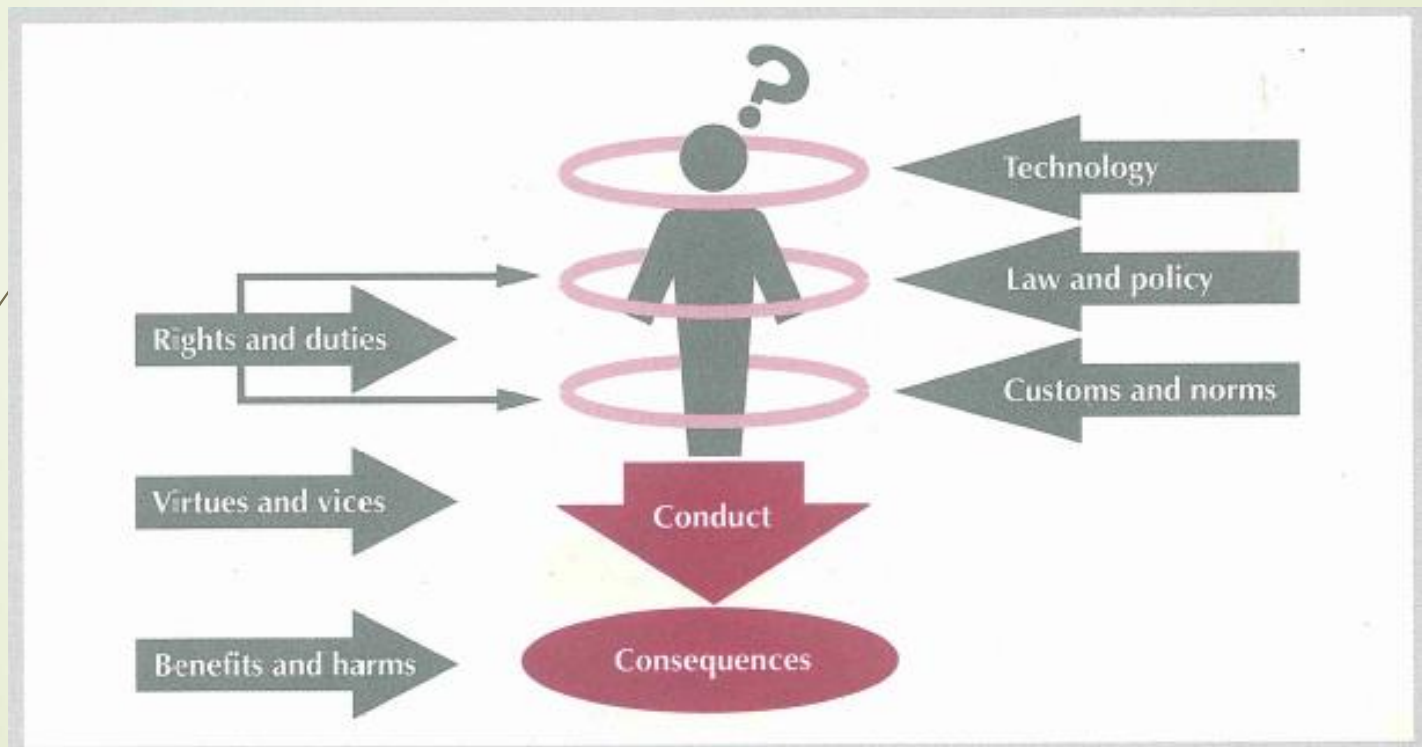
Should we look at their intentions?

Should we look at their actions?

Should we look at the consequences of their actions?

... ignore these and observe rights and duties  
(What guidance do we get from law and tradition?)

# Types of ethical discourse



# Thank you!

[www.fao.org/economic/est/issues/investment](http://www.fao.org/economic/est/issues/investment)



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