



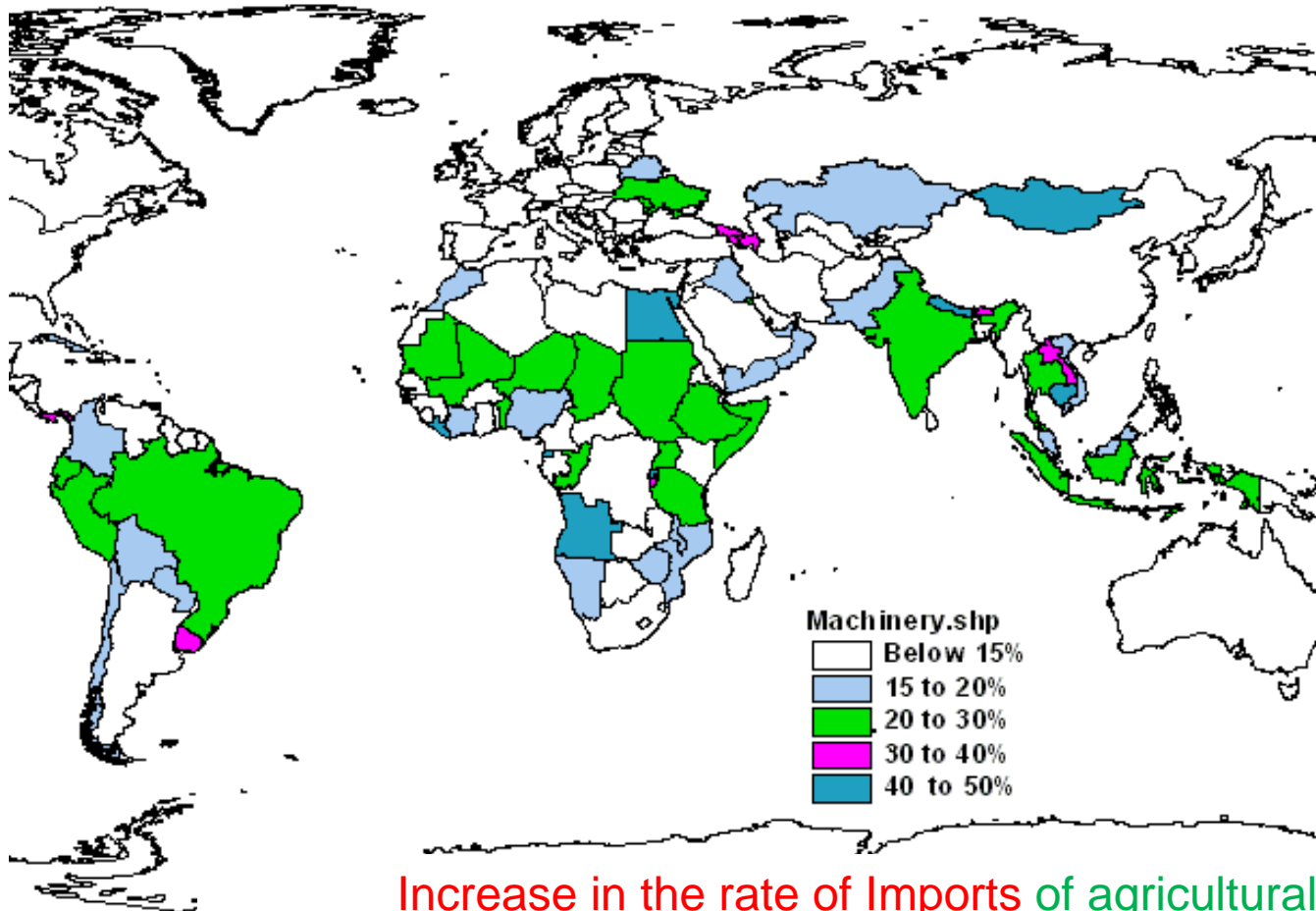
Field Survey of the PRAI with investors and local communities

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Survey of investors in agriculture and impact on local communities

- Research being conducted on 40-50 agricultural investments across Africa and South East Asia.
- Provision of **systematic, normalised, matched** (investors-stakeholders) **and triangulated evidence for decision-making**.
- Assessing:
 - What **investors** are doing to promote economic, social and environmental gains and sustainability (and **consequently** degree of consistency with the PRAI)
 - How **communities** living around the investment perceive and are affected by it
- Key aims:
 - Understand what the **main issues are on the ground**.
 - Test **feasibility of the PRAI** and translate principles into actions for investors, governments, donors and international agencies
 - Explore how differences in size, business model, type of investor, local capacities and circumstances etc. can influence the impacts of an agricultural investment. **Context matters**.

Following the tractor trail...



Increase in the rate of Imports of agricultural machinery into developing and transition economies, 2003-2010

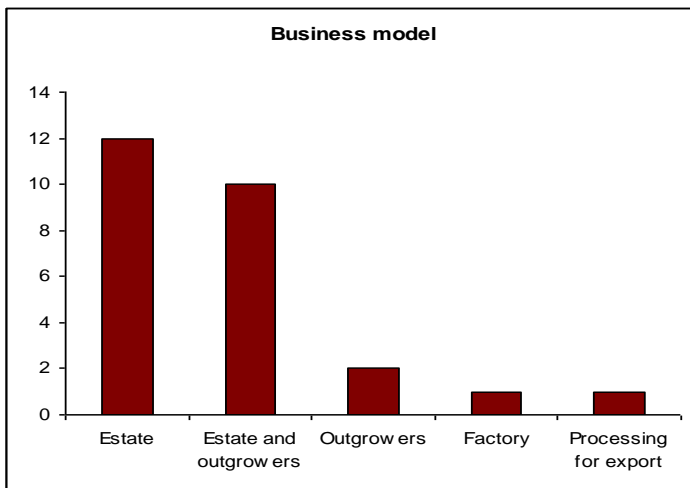
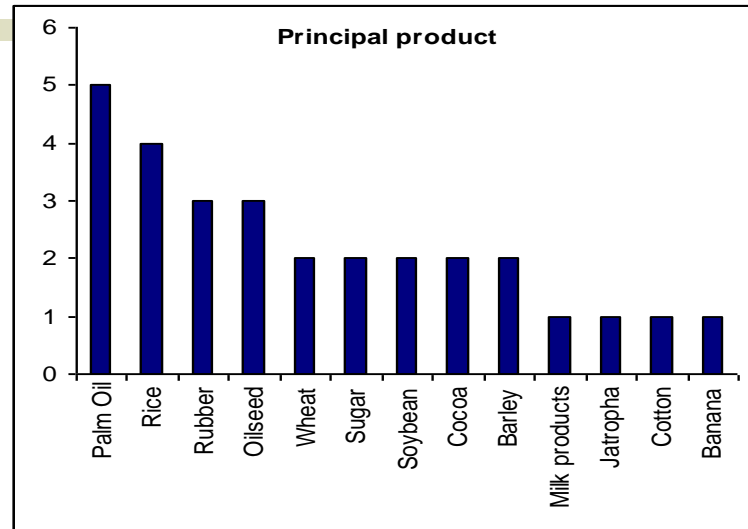
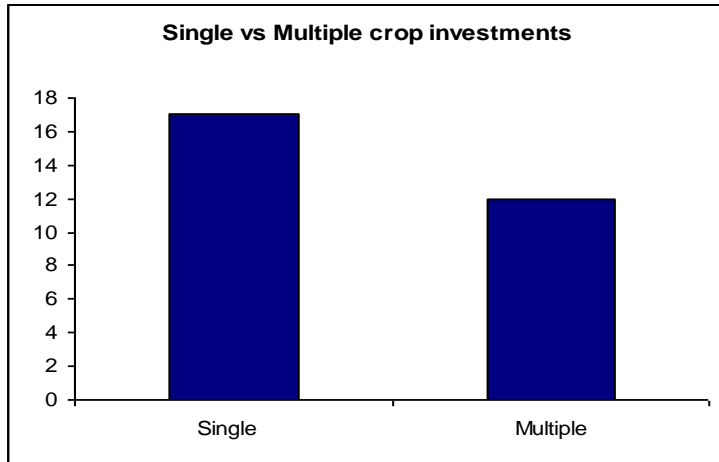
Sample selection

- Structured, **quota-based** sample selection, drawing from a larger population of investors.
- **A balanced mix of investors** based on a number of **salient variables**, including the size of investors, coverage of different **business models** and value chains, inclusion of different **types of companies** and funds, coverage of key home and host countries (including investors from developed and developing economies) etc. (“Control” or explanatory variables.)
- **So far, 25 investments in Africa**, with a further 4 without site visits. Investments located in Cote d’Ivoire, Ethiopia, Ghana, Liberia, Mozambique, South Africa, Tanzania and Zambia.
- Field testing in **South East Asia** to commence in November with focus on Cambodia, Indonesia, Laos, and Vietnam.

Methodology

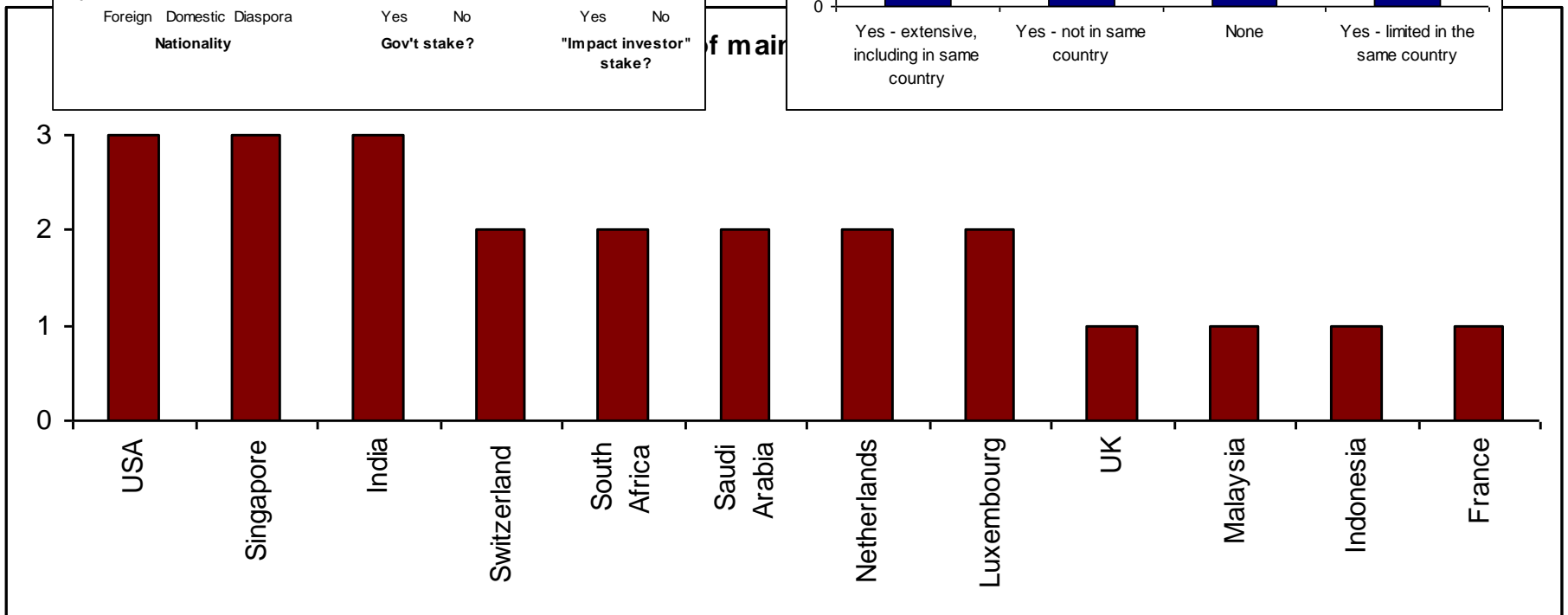
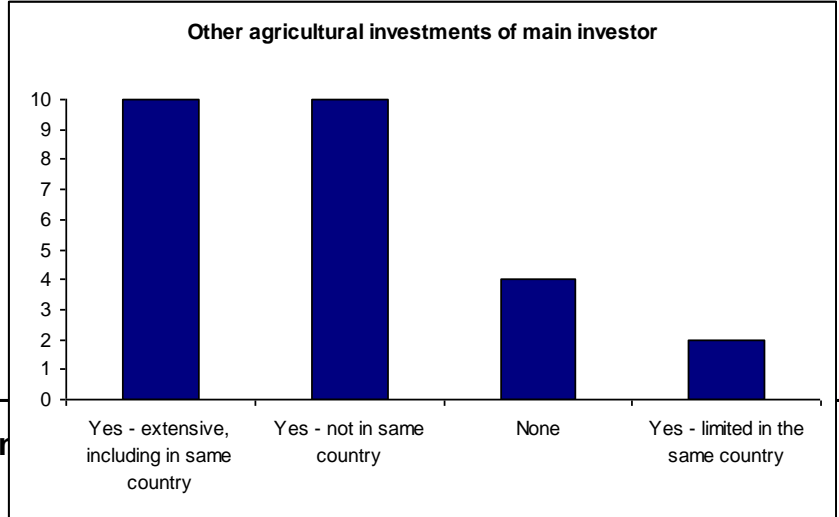
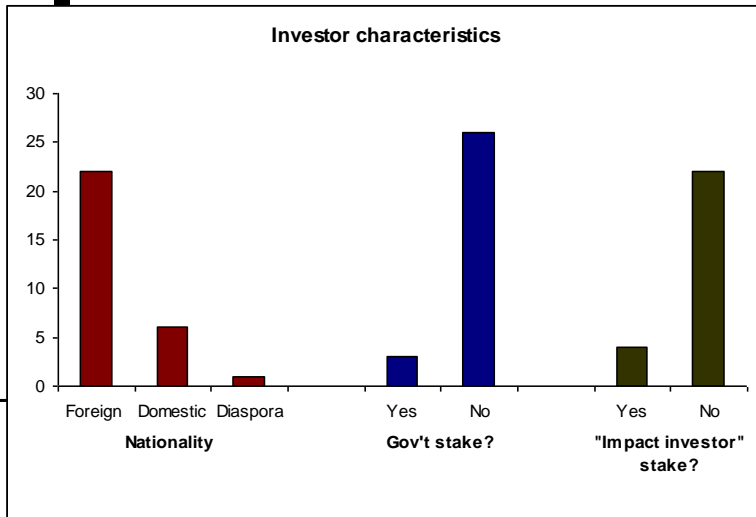
- Each visit to an investment project and communities lasts around 3-4 days, divided roughly 50:50 between the investor and other local stakeholders.
- Detailed, semi-structured questionnaire research instrument for investors. Quantitative data on operations and qualitative information relating to the principles.
- Open-ended, “critical incidents” research instrument for other stakeholders affected by the investment.
- Research instruments were field-tested and subsequently refined.
- Use of advanced statistical and qualitative analysis with software packages.
- Collection and incorporation of a wealth of material provided by investors and others (concession agreements, impact assessments, consultation processes etc.).

Sample from Africa so far



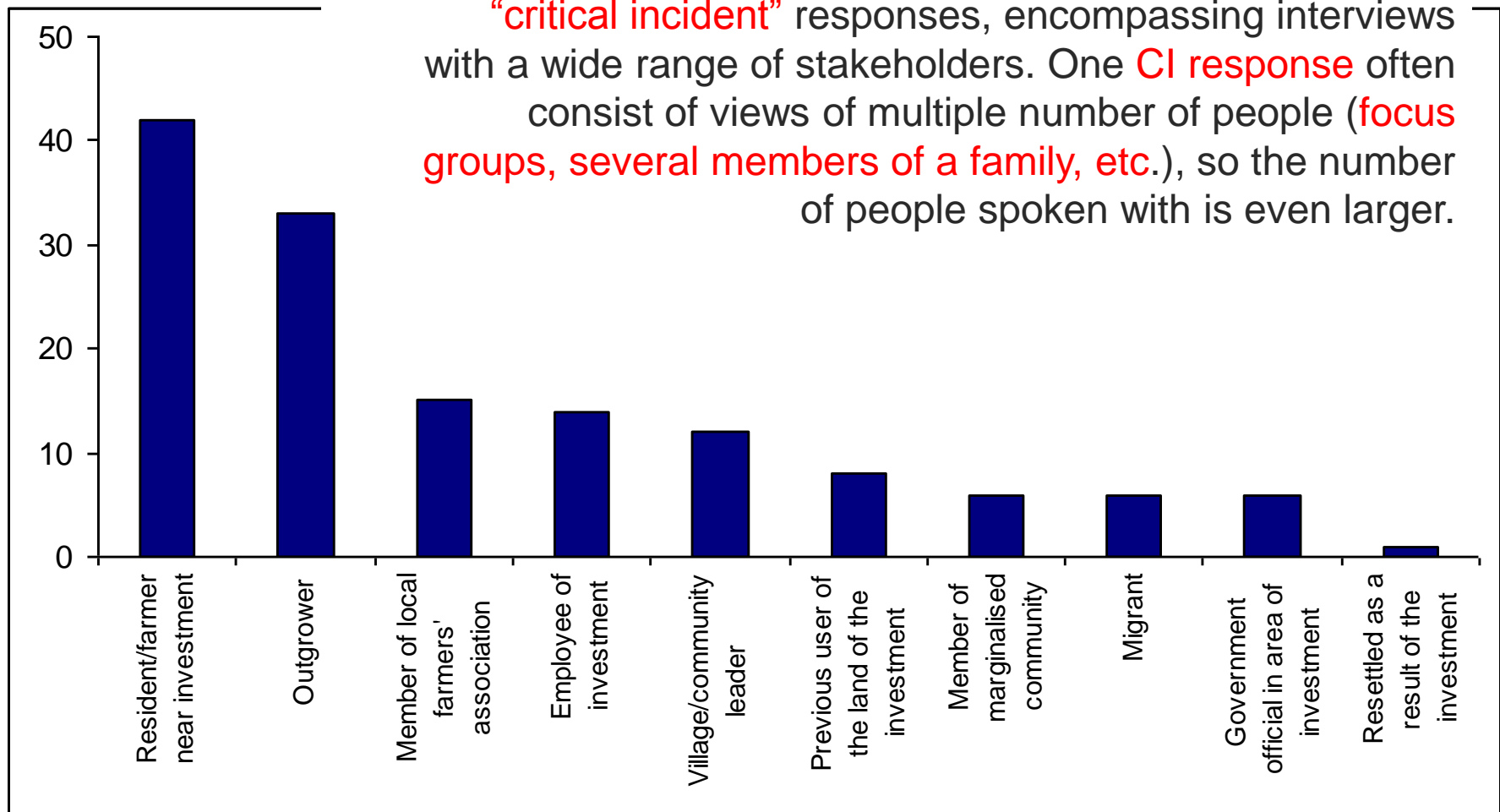
- Average area owned or leased: **30,000 hectares.**, but MEDIAN is only **10,000 hectares** (Range from 1,000ha to 250,000ha)
- Average years in operation: 10. Range from less than 1 to 55 years.
- Roughly 50/50 split of principal market for produce between foreign and domestic customers.

Sample from Africa, so far



Sample from Africa – local stakeholders

- By the end of the Africa field work, there will be over 150 “critical incident” responses, encompassing interviews with a wide range of stakeholders. One CI response often consist of views of multiple number of people (**focus groups, several members of a family, etc.**), so the number of people spoken with is even larger.



Analytical Techniques

- **Qualitative analysis:** use of **Nvivo**
 - **Systematic**, sophisticated analysis through aggregation, disaggregation, comparison between investments, comparison between investor comments and critical incidents etc.

- **Quantitative analysis.** Import of data into econometric software in order to analyse key aspects.
 - What determines “success” of investment, in terms of relations with local community, consistency with PRAI principles, control factors and so on.
 - Intention to develop a “scoring system” for adherence to the PRAI, with a view to econometric analysis of relative performance.

Nvivo: Qualitative software

The screenshot displays the NVivo software interface for a project named 'PRAI.nvp'. The top menu bar includes File, Home, Create, External Data, Analyze, Query, Explore, Layout, View, and Chart. The left sidebar shows a tree view of nodes and relationships. The main workspace is divided into two sections: a 'Nodes' table and a 'Matrix coding query - Results Preview' chart.

Nodes Table:

Name	Sources	References	Created On	Created By	Modified On	Modified By
Changing access to land and related im	29	154	7/26/2012 11:39 AM	ZG	8/14/2012 11:42 AM	WS
Cattle and grazing rights	15	32	8/7/2012 12:07 PM	ZG	10/3/2012 11:04 AM	WS
Company land policies	7	18	7/27/2012 12:42 PM	ZG	9/24/2012 5:32 PM	WS
Degree of land utilisation	1	6	9/24/2012 3:23 PM	WS	9/24/2012 4:57 PM	WS
General info on changes in access t	13	44	8/14/2012 11:01 AM	WS	10/4/2012 4:31 PM	WS
Other disputes or complaints about c	25	54	8/14/2012 11:02 AM	WS	10/3/2012 11:08 AM	WS
Education	23	33	8/7/2012 12:01 PM	ZG	10/3/2012 11:11 AM	WS
Electricity	5	5	9/3/2012 12:15 PM	ZG	9/3/2012 3:54 PM	WS
Employment	36	72	8/3/2012 2:19 PM	ZG	10/4/2012 5:09 PM	WS
Environment	21	75	7/26/2012 12:16 PM	ZG	10/8/2012 11:05 AM	WS

Matrix coding query - Results Preview:

This 3D bar chart visualizes the results of a matrix coding query. The vertical axis represents the 'Coding references count' (0 to 50). The horizontal axis represents the 'Row' categories: Food Security (FS), Water, Education, Access to markets, Resettlement, and Environment. The depth axis represents the 'Column' categories, which are various company characteristics such as 'Companies: Type of main investor = Corporate', 'Companies: Business model = Estate and outgrowers', etc. The chart shows that 'Environment' has the highest coding reference count, with several categories exceeding 40 references.

Chart Data (Approximate):

Row	Column	Coding references count
Food Security (FS)	Companies: Type of main investor = Corporate	~10
	Companies: Business model = Estate and outgrowers	~15
	Companies: Business model = Outgrowers	~25
	Companies: Business model = Estate	~10
	Companies: Foreign/domestic main investor = Domestic	~15
	Companies: Foreign/domestic main investor = Foreign	~10
Water	Companies: Type of main investor = Corporate	~10
	Companies: Business model = Estate and outgrowers	~15
	Companies: Business model = Outgrowers	~25
	Companies: Business model = Estate	~10
	Companies: Foreign/domestic main investor = Domestic	~15
	Companies: Foreign/domestic main investor = Foreign	~10
Education	Companies: Type of main investor = Corporate	~10
	Companies: Business model = Estate and outgrowers	~15
	Companies: Business model = Outgrowers	~25
	Companies: Business model = Estate	~10
	Companies: Foreign/domestic main investor = Domestic	~15
	Companies: Foreign/domestic main investor = Foreign	~10
Access to markets	Companies: Type of main investor = Corporate	~10
	Companies: Business model = Estate and outgrowers	~15
	Companies: Business model = Outgrowers	~25
	Companies: Business model = Estate	~10
	Companies: Foreign/domestic main investor = Domestic	~15
	Companies: Foreign/domestic main investor = Foreign	~10
Resettlement	Companies: Type of main investor = Corporate	~10
	Companies: Business model = Estate and outgrowers	~15
	Companies: Business model = Outgrowers	~25
	Companies: Business model = Estate	~10
	Companies: Foreign/domestic main investor = Domestic	~15
	Companies: Foreign/domestic main investor = Foreign	~10
Environment	Companies: Type of main investor = Corporate	~40
	Companies: Business model = Estate and outgrowers	~35
	Companies: Business model = Outgrowers	~45
	Companies: Business model = Estate	~30
	Companies: Foreign/domestic main investor = Domestic	~35
	Companies: Foreign/domestic main investor = Foreign	~25

Emerging themes [preliminary]

- Outcomes vary significantly between, for instance, countries, commodities, investor types and (apparently) even between projects with the same overall features. **Important to pinpoint key factors explaining outcomes.**
- Positive outcomes:
 - Local employment and related entitlements and consequent rising local incomes; a positive impact on local and short-term food security.
 - Access to markets, stability from presence of large buyer, often resulting in higher prices for produce.
 - Investors are increasingly adopting more socially and environmentally responsible ways of operating.
 - Community development programs or benefit sharing arrangements to provide social infrastructure (typically schools, medical clinics, improved access to water) are common.
 - Some technology transfer has occurred but is limited.
 - Support provided to outgrowers, e.g. to meet quality standards

Emerging themes [preliminary]

- Negative outcomes:
 - Informal land rights violations occur and are a source of tension.
 - Opacity in the land acquisition process and terms, including incentives and concessions provided etc. Limited consideration of impact on long-term food security.
 - Lack of ex ante consultation with communities in particular about land utilization.
 - Limited employment of local community (particular in managerial or skilled positions) in some cases and inadequate training or programs to make local community more employable.
 - Employment can come with poor working conditions. It may be temporary and of low quality.
 - Lack of grievance and redress mechanisms for local communities to raise issues with investment.
 - Limited attention to how women and disadvantaged groups might be particularly affected by the investment.
- The important thing is to identify the factors, causes and contingencies resulting in positive and negative outcomes – **and work to address them.**

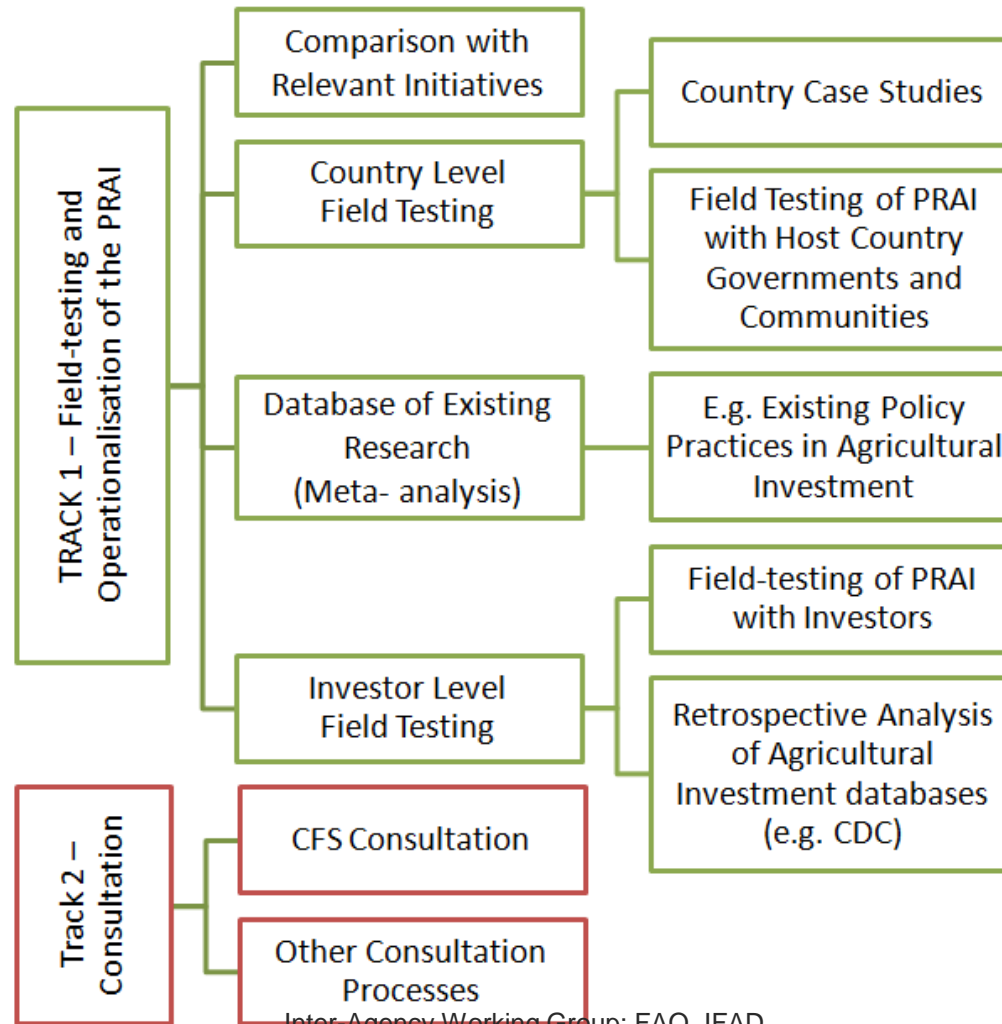


BACKUP SLIDES

Inter-Agency Working Group: FAO, IFAD,
UNCTAD and the World Bank

What are we doing at this time: The PRAI Action Plan

Figure 1. The PRAI Action Plan: Field Testing the Principles and Consultations



Inter-Agency Working Group: FAO, IFAD, UNCTAD and the World Bank

The Principles: What do the PRAI consist of?

1. Land and natural resource rights of existing land users are respected
2. Investments do not jeopardize food security – rather strengthen it
3. Policy framework ensures transparency & accountability
4. Agreements based on extensive consultations with all potentially affected communities
5. Investors respect human rights and other best practices (e.g. regarding working conditions)
6. Investments generate broad social benefits for all surrounding communities
7. Investments are environmentally sustainable

Consultation processes: How have the PRAI been developed?

- 2008-2010 – Growing international concern as pace of deals accelerates and data documenting the detrimental effects of many investments accumulates
- FAO, IFAD, WB, UNCTAD each receive a mandate to work on ensuring that investment in agriculture promotes broad benefits for surrounding communities and is environmentally sustainable. E.g. UN General Assembly asks UNCTAD and other UN agencies to focus their efforts in this area
- Given need for urgent action, decision taken to coordinate efforts and form IAWG, members of which draft and agree to the current (provisional, i.e. “living document”) version of PRAI
- Continuing consultations and operationalisation of PRAI through piloting and field-testing

Scope: What do the PRAI seek to address?

- Large-scale agricultural investments
- PRAI go beyond other initiatives/reports which focus on investments involving only land transfers
- Large-scale agricultural investments may not involve a transfer of land e.g. contract farming operations

Survey of investors in agriculture and impact on local communities

- Qualitative analysis techniques:

- Research instruments imported into Nvivo: a sophisticated software package to facilitate qualitative research.

- Through use of Nvivo, the data analysis processes involves formalized steps of (1) organising, (2) coding (data reduction), (3) searching, and (4) modelling and interpretation.

- Allows for systematic analysis through aggregation, disaggregation, comparison between investments, comparison between investor comments and critical incidents and so on.

Nvivo: Qualitative Software

Inter-Agency Working Group: FAO, IFAD, UNCTAD and the World Bank

Name	Sources	References	Created O	Created B	Modified	Modified By
Analysis	0	0	8/7/2012	ZG	10/8/2012	WS
Thematic Issues	0	0	7/26/2011	ZG	8/31/2012	WS
Working and living conditions of employees	0	0	7/26/2011	ZG	8/7/2012 2:	ZG
Outgrowers	0	0	7/26/2011	ZG	8/7/2012 6:	ZG
Changing access to land and related impacts	29	154	7/26/2011	ZG	8/14/2012	WS
Smallholder agriculture	0	0	7/26/2011	ZG	8/14/2012	WS
Electricity	5	5	8/7/2012	ZG	9/3/2012 3:	WS
Revenue sharing arrangements	5	11	8/7/2012	ZG	9/3/2012 4:	WS
Human rights	4	4	7/27/2011	ZG	9/19/2012	WS
Road infrastructure	11	12	8/7/2012	ZG	9/24/2012	WS
Migrants	1	1	9/24/2011	WS	9/24/2012	WS
Incentives provided to investors	5	8	9/18/2011	WS	9/24/2012	WS
Taxes	7	17	7/26/2011	ZG	9/24/2012	WS
Provision of rural or farming infrastructure	6	11	9/12/2011	WS	9/24/2012	WS
Social or community tensions	3	8	9/24/2011	WS	9/24/2012	WS
Food Security (FS)	28	82	7/27/2011	ZG	9/28/2012	WS
Water	20	57	7/27/2011	ZG	9/28/2012	WS
Regulation of water use	1	5	9/10/2011	WS	9/10/2012	WS
Water conservation	2	3	9/10/2011	WS	9/18/2012	WS
Water contamination	8	13	8/13/2011	WS	9/24/2012	WS
Improving local water access	10	19	9/10/2011	WS	10/3/2012	WS
Water supply and availability issues	9	10	8/14/2011	WS	10/4/2012	WS
Irrigation schemes	6	7	9/10/2011	WS	10/4/2012	WS
Other	12	17	8/14/2011	WS	10/3/2012	WS
Medical care for villagers and health issues	14	18	8/7/2012	ZG	10/3/2012	WS
Education	23	33	8/7/2012	ZG	10/3/2012	WS
Access to markets	21	31	8/7/2012	ZG	10/3/2012	WS
Access to finance	12	18	8/16/2011	WS	10/3/2012	WS
Technology transfer	14	27	9/12/2011	WS	10/4/2012	WS
General relations with local community	19	29	8/7/2012	ZG	10/4/2012	WS
Marginalized communities	13	33	7/27/2011	ZG	10/4/2012	WS
Resettlement	10	30	7/26/2011	ZG	10/4/2012	WS
Employment	36	72	8/3/2012	ZG	10/4/2012	WS
General relations with government	1	2	10/4/2011	WS	10/4/2012	WS
Gender issues	13	27	7/26/2011	ZG	10/4/2012	WS
Benefit sharing arrangements	15	19	8/7/2012	ZG	10/8/2012	WS
Environment	21	75	7/26/2011	ZG	10/8/2012	WS
Accountability and due process	0	0	8/7/2012	ZG	8/31/2012	WS

Nvivo: Qualitative software

The screenshot displays the NVivo software interface for a project named 'PRAI.nvp'. The main window shows a list of nodes with columns for Name, Sources, References, Created On, Created By, Modified On, and Modified By. A matrix coding query is also visible, showing results for various categories across different sources.

Name	Sources	References	Created On	Created By	Modified On	Modified By
Environment	21	75	7/26/2012 12:16 PM	ZG	10/8/2012 11:05 AM	WS
Food Security (FS)	28	82	7/27/2012 3:18 PM	ZG	9/28/2012 10:36 AM	WS
Access to land impact on FS	10	15	8/14/2012 12:10 PM	WS	9/24/2012 5:37 PM	WS
Ancillary FS benefits for the local co	17	26	8/14/2012 12:18 PM	WS	9/25/2012 11:14 AM	WS
Empowerment of local FS	11	15	8/14/2012 11:13 PM	WS	10/3/2012 11:21 AM	WS
Environmental damage impact on F	1	1	8/14/2012 1:50 PM	WS	8/14/2012 4:08 PM	WS
FS benefits for staff of investments	2	4	8/14/2012 1:33 PM	WS	8/14/2012 3:01 PM	WS
Impact of external food production o	19	75	8/14/2012 1:32 PM	WS	9/25/2012 11:14 AM	WS
Techniques to improve yields and he	5	6	8/14/2012 1:34 PM	WS	9/3/2012 12:14 PM	WS
Gender issues	13	27	7/26/2012 5:33 PM	ZG	10/4/2012 5:22 PM	WS
General relations with government	1	2	10/4/2012 5:06 PM	WS	10/4/2012 5:15 PM	WS
General relations with local community	19	29	8/7/2012 12:05 PM	ZG	10/4/2012 4:34 PM	WS
Human rights	4	4	7/27/2012 12:37 PM	ZG	9/19/2012 4:46 PM	WS
Incentives provided to investors	5	8	9/18/2012 5:35 PM	WS	9/24/2012 6:04 PM	WS
Marginalized communities	13	33	7/27/2012 5:16 PM	ZG	10/4/2012 4:34 PM	WS
Medical care for villagers and health issu	14	18	8/7/2012 12:34 PM	ZG	10/3/2012 11:11 AM	WS
Migrants	1	1	9/24/2012 5:28 PM	WS	9/24/2012 5:29 PM	WS
Other	12	17	8/14/2012 2:17 PM	WS	10/3/2012 10:58 AM	WS
Outgrowers	0	0	7/26/2012 5:33 PM	ZG	8/7/2012 6:04 PM	ZG
Basic details	9	18	7/27/2012 5:31 PM	ZG	10/4/2012 4:35 PM	WS
Contracts and prices paid	14	33	7/27/2012 2:42 PM	ZG	10/3/2012 11:33 AM	WS
Health and safety	2	2	7/27/2012 2:42 PM	ZG	8/31/2012 4:09 PM	WS
Income	6	7	9/10/2012 6:16 PM	WS	10/4/2012 5:11 PM	WS
Medical services	1	1	9/21/2012 3:09 PM	WS	9/21/2012 3:10 PM	WS

	A : Food Security ...	B : Water	C : Education	D : Access to markets	E : Resettlement	F : Environment	G : Impact ass...
1 : Companies:Type of main investor = PEF/VC	19	8	5	0	12	19	3
2 : Companies:Type of main investor = Corporate	27	27	9	9	17	33	10
3 : Companies:Type of main investor = Individuals	24	21	10	5	9	23	18
4 : Companies:Government ownership stake = No	39	33	17	12	25	49	22
5 : Companies:Government ownership stake = Yes	12	10	3	0	0	12	7
6 : Companies:Foreign/domestic main investor = Foreign	39	40	18	5	20	52	25
7 : Companies:Foreign/domestic main investor = Domestic	16	3	0	9	9	9	3
8 : Companies:Business model = Estate	36	26	11	9	22	38	21
9 : Companies:Business model = Outgrowers	12	9	6	5	3	16	3
10 : Companies:Business model = Estate and outgrowers	5	5	0	0	5	11	7
11 : Companies:Business model = Processing for export	0	0	0	0	0	7	0

Inter-Agency Working Group: FAO, IFAD, UNCTAD and the World Bank

Overview of existing initiatives that can inform discussions on rai principles

1. What different *types* of initiative exist?
 - ❖ Guidelines, principles, certification schemes, indicators
 - ❖ These different types can be used together to good effect
2. *Who* is the target *audience/participants*?
 - ❖ Companies, governments, civil society
3. *What kinds of monitoring and compliance mechanisms* exist?
 - ❖ How can we ensure that rai/PRAI has teeth?
 - ❖ Self-reporting, external assessment, certification schemes, human rights mechanisms
4. How *effectively* do existing initiatives influence corporate and government behaviour?
 - ❖ OECD Watch, Eye on EITI

Overview of existing initiatives that can inform discussions on rai principles

What resources exist that may be able to provide advice for regulating corporate/gov't behaviour for specific issues?

- E.g. the Extractive Industries Transparency Initiative (EITI) provides useful guidance on promoting transparency
- E.g. Fairtrade provides extensive advice for promoting decent working conditions and benefit sharing arrangements that support local communities