



APPENDIX D

PROPOSED TERMS OF REFERENCE TO DEVELOP PRINCIPLES FOR RESPONSIBLE AGRICULTURAL INVESTMENT

A. Purpose

1. The expected outcome of the inclusive, consultative process within CFS is a set of principles to promote investments in agriculture that contribute to food security and nutrition and to support the progressive realization of the right to adequate food in the context of national food security.

B. Intended users of the principles

2. The principles are intended for all stakeholders that are involved in, benefit from, or are affected by agricultural investments, including among others:

- a) Governments (national, sub-national, local) in host states and states of origin of investments;
- b) Private and public investors (both domestic and foreign), such as small – medium - large farmers, farmers' organizations, cooperatives, private companies, joint ventures, chambers of commerce, trade unions, state funds, pension funds, financial institutions, commodities traders, partnerships and corporations;
- c) Intergovernmental and regional organizations, including international and regional financial institutions;
- d) Civil society organizations;
- e) Research organizations and universities;
- f) Donors;
- g) Foundations.

C. Type of instrument

3. The principles will be voluntary and non-binding and should be interpreted and applied consistent with existing obligations under national and international law, and with due regard to voluntary commitments under applicable regional and international instruments. These principles should be interpreted and applied in accordance with national legal systems and their institutions. They should be endorsed by CFS.

D. Nature of the principles

4. The principles to be developed by the consultative process will take into account existing guidance frameworks such as the rai principles developed by FAO, IFAD, the United Nations Conference on Trade and Development (UNCTAD), the World Bank and build on the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) and the Voluntary Guidelines on the Progressive Realization of the Right to Adequate Food in the Context of National Food Security.

5. The principles will address all types of investment in agricultural value chains and food systems¹ including by, for and with smallholder producers and including investments in agricultural research, extension and technology transfer. They will include foreign and domestic, public and private small, medium and large scale investments.

6. The principles should take into account the following key considerations:

¹ Including forestry and fisheries.

- a) the broad diversity of agricultural value chains and food systems including smallholder food production, processing and marketing;
 - b) recognition of special interests and needs of smallholder producers with respect to research, development and technology transfer;
 - c) the impact of agricultural investments on environmental, economic, social and cultural aspects, including, but not limited to impacts on:
 - i) food security and nutrition;
 - ii) food producers;
 - iii) the most vulnerable segments of the population;
 - iv) employment creation and labour conditions;
 - v) gender related aspects including particular obstacles faced by women and girls (see VGGT, 5.4);
 - vi) the contribution to the sustainable use of natural resources;
 - vii) improved sustainable agricultural productivity;
 - viii) access to productive agricultural resources;
 - ix) the functioning of markets;
 - x) improved access to markets by smallholder producers and processors.
 - d) the relevant obligations of states, and responsibilities of non-state actors conducive to responsible governance of investment such as existing human rights standards and the progressive realization of the right to adequate food in the context of national food security (based on VGGT sections 3B and 4);
 - e) governance structures and decision making processes to enable and facilitate key elements such as consultation, participation, anti-corruption and conflict resolution;
 - f) coordination, cooperation and partnerships among stakeholders;
 - g) mechanisms to review, investments and to promote accountability of individuals, state and non-state actors for their actions (based on VGGT, sections 3B and 4, and part 7).
7. Furthermore the principles should:
- a) build on the VGGT, particularly regarding section 12 on Investments, without reopening issues agreed to and include explicit references to the VGGT;
 - b) clarify for the purpose of this process, commonly used terms such as responsible investment, private sector, smallholder producers, smallholder sensitive investment, and;
 - c) ensure they do not duplicate existing agreements and ongoing intergovernmental negotiations across the UN and multilateral system.

E. Proposed process and timeframe for the consultations

8. The consultation process to develop the principles should be open and include all stakeholders that are key to ensure ownership and legitimacy. Adequate participation of Civil Society Organizations (CSOs), the private sector (companies and investors of all sizes), of initiatives such as the Comprehensive Africa Agriculture Development (CAADP), UN Global Compact, Organization for Economic Co-operation and Development (OECD), Grow Africa, national investment frameworks, and of research organizations, should be ensured.

9. The process should take into account lessons learnt from other CFS led processes such as the VGGT and the Global Strategic Framework for Food Security and Nutrition (GSF).

10. The consultation and negotiation process should be properly planned, simple and efficient. Regional, national, thematic and/or stakeholder specific, electronic consultations, which enable multi-stakeholder dialogue should be considered. Where possible, appropriate existing forums/meetings should be used, and stakeholders should be periodically informed about the stage of development of the principles.

11. The consultation schedule and relevant documents such as the draft principles should be made available well in advance in all UN official languages in the interests of maximum participation by all stakeholders.

12. The CFS Secretariat will implement the consultation process under the oversight of the Bureau and in close collaboration with the OEWG.

13. Adequate financial and human resources should be secured in advance to enable the consultations.

14. The following tentative schedule is proposed:

Task	Timeframe
OEWG meeting to discuss preliminary work on the Zero Draft and prepare a calendar of consultations	Early November 2012
CFS Secretariat to prepare a Zero Draft of the principles	Nov 2012 - Jan 2013
Zero draft is discussed in OEWG and CFS Bureau	Feb 2013
Regional multi-stakeholder consultations, e-consultation and consultations within existing regional meetings/fora	Feb 2013 - Jan 2014
CFS Secretariat to prepare Draft One	Feb 2014
Draft One is discussed in OEWG and CFS Bureau	March 2014
Global meeting to be held in Rome to negotiate Final Version	June/July 2014
Principles are endorsed at CFS Plenary	October 2014

15. Estimated costs to implement the above would be \$2.000.000 and would cover the costs for human resources, organization of meetings and travel expenses for selected participants.