

6. Food and Agriculture: Principles for Investment [20]

Commitment:

“Reflecting the key connection between cross-border investment and development and the fact that official development assistance alone is not sufficient to achieve global food security, we stress the importance of enhancing international investment in developing countries in a responsible and sustainable way. In this context, we support continued efforts to develop principles for investment in the agricultural sector undertaken by the World Bank, regional development banks, FAO, UNCTAD, and IFAD.”

- G8 Muskoka Declaration: Recovery and New Beginnings

Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France		0	
Germany		0	
Italy			+1
Japan		0	
Russia			+1
United Kingdom		0	
United States		0	
European Union		0	
Average Score		+0.22	

Background:

In recent years there has been an international surge in agricultural investment focusing on developing nations. This has largely been the result of a few factors: the 2008 food crisis; attempts by import-dependent countries to amass sufficient food stockpiles; land and commodity cost speculations; efforts to develop alternative energy, and expected price escalations caused by market mechanisms that regulate carbon.⁴¹⁶ While there is evidence that these investments can improve food security and decrease poverty by strengthening food production, significant concerns also exist.⁴¹⁷ For instance, decreased social cohesion, political instability, human rights violations, unsustainable food production practices, and curtailed local access to resources are all possible adverse consequences of substantial increases in agricultural investment.⁴¹⁸

In order to address these concerns, the Government of Japan, World Bank, FAO, IFAD and UNCTAD chaired a roundtable concurrent with the 64th United Nations General Assembly with the purpose of promoting responsible international investment in agriculture.⁴¹⁹ The meeting included representatives from 31 countries and 13 independent organizations who, along with the

⁴¹⁶ Principles for Responsible Agricultural Investment (RAI) that Respects Rights, Livelihoods and Resources, Knowledge Exchange Platform for Responsible Agro-Investment 2010. Date of Access: 20 November 2010. www.responsibleagroinvestment.org/rai/node/256.

⁴¹⁷ RAI Overview, Knowledge Exchange Platform for Responsible Agro-Investment 2010. Date of Access: 21 November 2010. www.responsibleagroinvestment.org/rai/node/232.

⁴¹⁸ RAI Overview, Knowledge Exchange Platform for Responsible Agro-Investment 2010. Date of Access: 21 November 2010. www.responsibleagroinvestment.org/rai/node/232.

⁴¹⁹ Promoting Responsible International Investment in Agriculture (New York) 23 September 2009. Date of Access: 20 November 2010. www.mofa.go.jp/policy/economy/fishery/agriculture/summary0909.pdf.

chairs, drafted the Principles for Responsible Agricultural Investment (RAI).⁴²⁰ The seven principles that were created were intended to improve domestic legislation, private contracts and investment concerning agriculture by providing socially responsible guidelines.⁴²¹

The principles are as follows:

- “(1) Land and Resource Rights: Existing rights to land and natural resources are recognized and respected;
- (2) Food Security: Investments do not jeopardize food security, but rather strengthen it;
- (3) Transparency, Good Governance and Enabling Environment: Processes for accessing land and making associated investments are transparent, monitored, and ensure accountability;
- (4) Consultation and Participation: Those materially affected are consulted and agreements from consultations are recorded and enforced;
- (5) Economic viability and responsible agro-enterprise investing: Projects are viable in every sense, respect the rule of law, reflect industry best practice, and result in durable shared value;
- (6) Social Sustainability: Investments generate desirable social and distributional impacts and do not increase vulnerability;
- (7) Environmental Sustainability: Environmental impacts are quantified and measures taken to encourage sustainable resource use, while minimizing and mitigating them negative impact.”⁴²²

Moreover, the World Bank, FAO, IFAD and UNCTAD agreed to organize a joint effort that would consult the private sector, investing and receiving nations, civil society groups, and additional international organizations in order to solidify the principles.⁴²³

The G8 Leaders Statement on Global Food Security made at the 2008 Hokkaido-Toyako Summit was the first time the leaders addressed international agricultural investment. They acknowledged the necessity to encourage global food production and expand agricultural investment, by altering the trend of shrinking aid and investments in the agricultural sector.⁴²⁴ The following year, at the 2009 L’Aquila Summit, the G8 leaders committed to assist international organizations and other countries in generating principles and best practices concerning global agricultural investments.⁴²⁵ The commitment concerning food and agriculture that they collectively pledged at the 2010 Muskoka Summit reaffirms these efforts to develop principles for investment in the agricultural sector.

Commitment Features:

⁴²⁰ Promoting Responsible International Investment in Agriculture (New York) 23 September 2009. Date of Access: 20 November 2010. www.mofa.go.jp/policy/economy/fishery/agriculture/summary0909.pdf.

⁴²¹ Policy Roundtable Land Tenure and International Investment in Agriculture (Rome) September 2010. Date of Access: 20 November 2010. www.fao.org/fileadmin/templates/cfs/Docs0910/CFS36Docs/CFS36_Session_Presentations/CFS36_Case_Policy_Round_Table_2_Reporting.pdf.

⁴²² RAI Overview, Knowledge Exchange Platform for Responsible Agro-Investment 2010. Date of Access: 21 November 2010. www.responsibleagroinvestment.org/rai/node/232.

⁴²³ RAI Overview, Knowledge Exchange Platform for Responsible Agro-Investment 2010. Date of Access: 21 November 2010. www.responsibleagroinvestment.org/rai/node/232.

⁴²⁴ G8 Leaders Statement on Global Food Security, 8 July 2008. Date of Access: 20 November 2010. <http://www.g8.utoronto.ca/summit/2008hokkaido/2008-food.html>.

⁴²⁵ Responsible Leadership for a Sustainable Future, 8 July 2009. Date of Access: 20 November 2010. www.g8.utoronto.ca/summit/2009laquila/2009-declaration.pdf.

Efforts to create principles for international investment in agriculture are predominantly led by the World Bank/FAO/IFAD/UNCTAD joint effort on RAI. Thus, compliance with this commitment will involve interaction with these organizations. Also, since the initiative is primarily focused on consulting stakeholders at this point, there are two ways that individual G8 members can support these organizations in the development of principles for investment. The first involves attending any of the various meetings, conferences and roundtables held throughout the year by organizations such as the World Bank, IFAD, FAO or UNCTAD meant to provide input into the development of principles concerning agricultural investment and land tenure. The second requires a member to support the principles for investment in the agricultural sector by pursuing further independent actions.

Scoring Guidelines:

-1	Member does not attend a meeting, conference or roundtable hosted by the World Bank, FAO, UNCTAD or IFAD concerning the development of international agricultural investment principles AND does not support any principles for investment in the agricultural sector in any other way.
0	Member attends a meeting, conference or roundtable hosted by the World Bank, FAO, UNCTAD or IFAD concerning the development of international agricultural investment principles OR supports principles for investment in the agricultural sector in another way.
+1	Member attends a meeting, conference or roundtable hosted by the World Bank, FAO, UNCTAD or IFAD concerning the development of international agricultural investment principles AND supports principles for investment in the agricultural sector in any other way.

Lead Analyst: Taryn McKenzie-Mohr

Canada: 0

Canada has partially complied with its commitment to develop principles for international agricultural investment.

On 11-14 and 16 October 2010, Canada participated in the 36th Session of the Committee on World Food Security.⁴²⁶ A key feature of this session was a roundtable concerning land tenure and international investment in agriculture, which was held in order to discuss principles for responsible agricultural investment, as well as other issues concerning international agriculture.⁴²⁷

Aside from participating in this meeting, Canada has not supported the principles for investment in the agriculture sector in any other way.

Thus, Canada has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of principles for international agricultural investment but failing to support the principles further in any other way.

Analyst: Eleanor Berenson

France: 0

⁴²⁶ Thirty-sixth Session, Committee on World Food Security, October 2010, Date of Access: 5 January 2011. http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴²⁷ Policy Roundtable, Land Tenure and International Investment in Agriculture, Food and Agricultural Association of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011. <http://www.fao.org/docrep/meeting/019/k8929e.pdf>.

France has partially complied with its commitment to develop principles for international agricultural investment.

From 11-14 and 16 October, France sent a delegation of 28 representatives to the 36th session of the Committee on World Food Security.⁴²⁸ During this session, a roundtable concerning land tenure and international investment in agriculture was held in order to discuss principles for responsible agricultural investment as well as other issues related to financing the agricultural sector.⁴²⁹

Aside from participating in this meeting, France has not supported the principles for investment in the agriculture sector in any other way.

Thus, France has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of principles for international agricultural investment but failing to support the principles further in any other way.

Analyst: Taryn McKenzie-Mohr

Germany: 0

Germany has partially complied with its commitment to develop principles for international agricultural investment.

From 11-14 and 16 October, Germany sent a large delegation to Rome for the 36th session of the Committee on World Food Security, which was hosted by the UN's Food and Agriculture Association (FAO).⁴³⁰ A roundtable concerning land tenure and international investment in agriculture was held during the session in order to examine principles for responsible agricultural investment as well as other issues related to the agricultural sector.⁴³¹

Aside from participating in this meeting, Germany has not supported the principles for investment in the agriculture sector in any other way.

Thus, Germany has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of international agricultural investment principles but failing to support the principles further in any other way.

Analyst: Samir Siddiqui

Italy: +1

Italy has fully complied with its commitment to support continued efforts to develop principles for investment in the agricultural sector.

⁴²⁸ Thirty-sixth Session of the Committee on World Food Security, Food and Agricultural Organization of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011.
http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴²⁹ Policy Roundtable, Land Tenure and International Investment in Agriculture, Food and Agricultural Association of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011.
<http://www.fao.org/docrep/meeting/019/k8929e.pdf>.

⁴³⁰ Thirty-sixth Session of the Committee on World Food Security, Food and Agricultural Organization of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 1 January 2011.
http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴³¹ Policy Roundtable, Land Tenure and International Investment in Agriculture, Food and Agricultural Association of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011.
<http://www.fao.org/docrep/meeting/019/k8929e.pdf>.

From 11 to 14 and 16 October 2010 the Minister for Agriculture, Food and Forestry, Mr. Giancarlo Galan, attended the 36th Session of the Committee on World Food Security in Rome. The high-level meeting raised many issues related to food security, including land tenure and international investment in agriculture. Furthermore, the session initiated a process of deliberation concerning the Principles for Responsible Agricultural Investments.⁴³²

On 4- 5 November 2010 the government of Italy hosted “The Territorial Approach in Agricultural and Rural Policies,” an international conference aimed to provide an opportunity for dialogue and exchange. In attendance included representatives of the European Commission, FAO, IFAD, OECD, UNDP and UNESCO participated.⁴³³ The conference aimed to enhance greater collaboration on issues of rural and agricultural development among international organizations and governments⁴³⁴

Thus, Italy has been awarded a score of +1 for attending an intergovernmental meeting, concerning the development of principles of international agricultural investment and supporting the principles further in any other way.

Analyst: Nadia Bucciarelli

Japan: 0

Japan has partially complied with its commitment to support continued efforts to develop principles for investment in the agricultural sector.

On 11-14 and 16 of October Japan attended the 36th Committee on World Food Security,⁴³⁵ which “is the United Nations’ forum for reviewing and following up on policies concerning world food security. It also examines issues which affect the world food situation.”⁴³⁶ During the 36th session, a roundtable concerning land tenure and international investment in agriculture was held in order to review principles for responsible agricultural investment as well as other matters related to the agricultural sector.⁴³⁷

Aside from participating in this meeting, Japan has not supported the principles for investment in the agriculture sector in any other way.

Therefore, Japan has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of principles for international agricultural investment but failing to support the principles further in any other way.

Analyst: Jessie Date-Ampofo

⁴³² CFS Calls for Action against Food Price Volatility and Hunger, FAO. 19 October 2010. Date of Access: 7 December 2010. <http://www.fao.org/news/story/en/item/46665/icode/>.

⁴³³ The territorial approach in agricultural and rural policies., Ministry of Agriculture. 26 October 2010. Date of Access 7 December 2010.

<http://www.aiol.it/en/contenuti/agricoltura/organizzazioni/iniziativa/territorial-approach-agricultural-and-rural-policies>.

⁴³⁴ http://www.ccri.ac.uk/News/Inea_Rimisp_Conference_Official_Programme.pdf.

⁴³⁵ Committee on World Food Security (Rome) 11-14, 16 October. Date of Access: 3 January 2011. http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴³⁶ FAO: CFS Home. Date of Access: 3 January 2011. <http://www.fao.org/cfs/en/>.

⁴³⁷ Policy Roundtable, Land Tenure and International Investment in Agriculture, Food and Agricultural Association of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011. <http://www.fao.org/docrep/meeting/019/k8929e.pdf>.

Russia: +1

Russia has fully complied with its commitment to develop principles for international agricultural investment.

On 11-14 and 16 October 2010, Russia participated in the 36th Session of the Committee on World Food Security.⁴³⁸ This session discussed issues related to food security and initiated a process of deliberation concerning the Principles for Responsible Agricultural Investments.⁴³⁹

On 8 December 2010, the Russian Government decided to allocate RUB177.1 million (about US\$5.9 million) to the Moscow State University for the creation of an institute for issues of food security and sustainable agriculture. The institute aims to produce recommendations on enhancing the effectiveness of the agricultural sector and usage of natural resources.⁴⁴⁰

Thus, Russia has been awarded a score of +1 for attending an intergovernmental meeting hosted by the FAO and supporting the development of principles for agricultural investment in other ways.

Analyst: Vitaly Nagornov

United Kingdom: 0

The United Kingdom has partially complied with its commitment to develop principles for international agricultural investment.

From 11-14 and 16 October, the UK sent several delegates to Rome for the 36th Session of the Committee on World Food Security.⁴⁴¹ A roundtable concerning land tenure and international investment in agriculture was held during this session in order to analyze principles for responsible agricultural investment as well as other issues related to the agricultural sector.⁴⁴²

Aside from participating in this meeting, the UK has not supported the principles for investment in the agriculture sector in any other way.

Thus, the UK has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of international agricultural investment principles but failing to support the principles further in any other way.

Analyst: Samir Siddiqui

United States: 0

The United States has partially complied with its commitment to develop principles for international agricultural investment.

⁴³⁸ Thirty-sixth Session, Committee on World Food Security, October 2010, Date of Access: 5 January 2011. http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴³⁹ CFS Calls for Action against Food Price Volatility and Hunger, FAO, 19 October 2010. Date of Access: 7 December 2010. <http://www.fao.org/news/story/en/item/46665/icode/>.

⁴⁴⁰ Executive Order No. 2226, Government of Russia (Moscow) 8 December 2010. Date of Access: 10 January 2010. <http://government.ru/gov/results/13560/>.

⁴⁴¹ Thirty-sixth Session of the Committee on World Food Security, Food and Agricultural Organization of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 1 January 2011. http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴⁴² Policy Roundtable, Land Tenure and International Investment in Agriculture, Food and Agricultural Association of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011. <http://www.fao.org/docrep/meeting/019/k8929e.pdf>.

On 11-14 and 16 of October the United States attended the Committee on World Food Security (CFS).⁴⁴³ The CFS is “the United Nations’ forum for reviewing and following up on policies concerning world food security.”⁴⁴⁴ During this session, a roundtable concerning land tenure and international investment in agriculture was held in order to discuss principles for responsible agricultural investment as well as other issues related to the agricultural sector.⁴⁴⁵

Aside from participating in this meeting, the United States has not supported the principles for investment in the agriculture sector in any other way.

The United States has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of principles for international agricultural investment but failing to support the principles further in any other way.

Analyst: Jessie Date-Ampofo

European Union: 0

The European Union has partially complied with its commitment to support continued efforts to develop principles for investment in the agricultural sector.

From 11 to 14 and 16 October 2010, a delegation from the European Union attended the 36th Session of the Committee on World Food Security in Rome.⁴⁴⁶ The high-level meeting raised many issues related to food security, including land tenure and international investment in agriculture. Furthermore, the Session initiated a process of deliberation of the Principles for Responsible Agricultural Investments.⁴⁴⁷

Aside from participating in this meeting, the EU has not supported the principles for investment in the agriculture sector in any other way.

Thus, the European Union has been awarded a score of 0 for attending an intergovernmental meeting, concerning the development of principles for international agricultural investment but failing to support the principles further in any other way.

Analyst: Nadia Bucciarelli

⁴⁴³ Committee on World Food Security (Rome) 11-14, 16 October. Date of Access: 3 January 2011. http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴⁴⁴ FAO: CFS Home. Date of Access: 3 January 2011. <http://www.fao.org/cfs/en/>

⁴⁴⁵ Policy Roundtable, Land Tenure and International Investment in Agriculture, Food and Agricultural Association of the United Nations (Rome), 11-14 and 16 October 2010. Date of Access: 5 January 2011. <http://www.fao.org/docrep/meeting/019/k8929e.pdf>.

⁴⁴⁶ Committee on World Food Security (Rome) 11-14, 16 October. Date of Access: 7 December 2010. http://www.fao.org/docrep/meeting/019/2010_Inf_4.pdf.

⁴⁴⁷ CFS Calls for Action against Food Price Volatility and Hunger, FAO. 19 October 2010. Date of Access: 7 December 2010. <http://www.fao.org/news/story/en/item/46665/icode/>.