COMMISSION ON INVESTMENT, ENTERPRISE AND DEVELOPMENT

High-level session

Item 5: Investment in the agricultural sector with a view to building productive capacities

"Principles for responsible agricultural investment"

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Land and Resource Rights

Principle 1

Existing rights to land and associated natural resources are recognized and respected

- Proper identification of holders' rights
- Legal recognition, demarcation and registration/recording of rights
- Negotiations with land holders/users based on informed and free choice (including identifying the types of rights to be transferred and the modalities for doing so)
- Fair and prompt payment for all acquired rights
- Independent avenues for revolving disputes and grievances

Principle 2

Investments do not jeopardize food security, but rather strengthen it

- Assure continuing access to food
- Consider impacts on national food security in design and approval of investments
- Adopt strategies to prevent food shortages/reduce risks
- Expand opportunities for outgrower involvement and off-farm employment

Transparency, Good Governance and Good Enabling Environment

Principle 3

Processes relating to investment in agriculture are transparent, monitored, and ensure accountability by all stakeholders, within a proper business, legal and regulatory environment

- All relevant information is publicly available
  - such as land potential and availability, core aspects of prospective investments, and resource flows or tax revenues
- Ensure institutions have capacity to operate efficiently and transparently, practice good governance and are audited
- Independent system to monitor progress to be in place.

Principle 4

All those materially affected are consulted, and agreements from consultations are recorded and enforced

- Effective consultative processes require:
  - Procedural clarity: e.g. who represents stakeholders, quorum for attendance etc.
  - Documentation of agreements reached and signed-off by all parties
  - Specification of methods for enforcement (and sanctions) for non-compliance

Principle 5

Investors ensure that projects respect the rule of law, reflect industry best practice, are viable economically, and result in durable shared value

- Compliance with relevant laws and international treaties is expected
- Adherence to global best practices
- Investors should strive to generate significant and tangible benefits for the project area, affected communities and the haste country (not only shareholder value)
- At the same time, governments must also assess economic viability of proposed projects in a cost-effective way and integrate major projects into broader development strategies

Social Sustainability

Principle 6

Investments generate desirable social and distributional impacts and do not increase vulnerability

- Governments and investors should:
  - Identify social issues and risks at the outset – and prepare strategies to mitigate these, while increasing social benefits
  - Consider the interests of vulnerable groups and women
  - Include the provision of local public goods in project design

Environmental Sustainability

Principle 7

Environmental impacts of a project are quantified and measures are taken to encourage sustainable resource use, while minimizing the risk/magnitude of negative impacts

- Conduct of independent environmental impact prior to approval of projects
- Promote the reclaiming of resources or increasing productivity of those already in use
- Ensure that good relevant practices in agriculture, processing and manufacture are followed
- Encourage beneficial ecosystem services
- Address negative impacts via environment management plans