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**"Responding to Global Crises: New Development Paths"**

## **Presentation**

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### **The Way Forward: How to improve foreign investment in agriculture**

Breakout Session - Responsible Investment in Agriculture: Sustainable and People-centered Approaches

Led by 3D -> Trade–Human Rights–Equitable Economy, and the International Institute for Sustainable Development, 11 May 2010

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# **The Way Forward:** **how to improve foreign investment in agriculture**

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# Global Governance of Foreign Investment in Agriculture

- Principles for Responsible Investment in Agriculture (draft) (World Bank, FAO, IFAD and UNCTAD)
- Principles to address the human rights challenge of large-scale land acquisition (Special Rapporteur on the Right to Food)
- Roundtables on Responsible Investment (Japan, U.S., African Union)
- Civil Society dialogue on large-scale land acquisition (ILC, ActionAid, AFA, ROPPA, COPROFAM)



# The Global Principles (draft)

- 1 Existing rights to land and associated natural resources are recognized and respected
- 2 Investments do not jeopardize food security but rather strengthen it
- 3 Transparency, accountability and good governance (including proper business, legal and regulatory environment)
- 4 Consultation and participation of those affected, including records of consultation and enforcement
- 5 Investment projects respect the rule of law, are viable economically and lead to shared benefits
- 6 Desirable social distribution and benefits and do not increase vulnerability
- 7 Environmental sustainability



# Coherent policy and practice?

- **World Bank encouraging the « global land grab »?**  
International Finance Corporation (IFC) and Foreign Investment Advisory Service (FIAS)
  - Promote FDI liberalisation and encourage governments to open their land markets to foreign investors (Oakland Institute)
  - Three products: Land Market for Investment; Access to Land product; and Investing Across Borders
  - IFC helped Tanzania set up a « land bank » where 2.5 million hectares of land was deemed suitable for investment projects
  - IFC finances land leases and advises governments to set up regulatory systems to encourage land leases

# Coherent policy and practice (II)

- **Role of Governments?**
  - OECD countries pushing FDI liberalisation: Switzerland, Japan, etc...
  - U.S. Millenium Challenge Corporation
  - « Key role in commodifying Africa's farmland » (GRAIN)
  - Madagascar, Mali, Mozambique



# Now what?

1. A suitable approach? Voluntary guidelines local community *vs.* hard contractual rights for foreign investor
2. Time-out
3. An action plan



# The action plan

1. Operationalise the principles: toolkits, model contracts, best practices
2. Finance the principles: Global Agriculture and Food Security Program
3. Capacity building: legal and technical assistance
4. Mandatory impact assessments



# Conclusion

- Principles useful in articulating a common vision
- Money pledged from G8, Gates, international agencies, should be used to finance the implementation of the principles
- Time for action to give affected people the legal protection needed to guarantee their rights to land, water, and food