



## Conclusions of the Congress Responsible Agricultural Investments for the Benefit of All on 28.04.2016, Grangeneuve (Switzerland)

### Event:

- Co-organized by the Food and Agriculture Organization of the United Nations (FAO), the Federal Office for Agriculture (FOAG), and the State of Fribourg
- Gathered more than 130 persons from the sectors involved (finance, commodity trading, food industry, academy, agriculture, civil society, diplomacy and governments).
- Keynote speech by **Paul Bulcke**, CEO Nestlé:
  - Aging rural population is a concern: investment in the agro-food sector enhances job perspectives in rural areas and makes the sector more attractive to youth.
  - Strong collaboration among the many different actors involved in this effort is critical – partnerships must be developed.
  - Governments play a central role in creating and maintaining the policy frameworks and enabling environment necessary for investment.
  - Responsible investment requires a long-term perspective and patient capital. For this, businesses need stability that can only be ensured by governments.

### Panel discussion:

**Andreas Schriber**, CEO Biovision, pointed out that ecosystem services were not included in market prices yet, and that as a consequence the price of agricultural products at the end of the food chain was not reflective of the true cost. He asked governments to improve transparency along the value chain in order to force companies to change irresponsible behavior and give them further incentives to apply the Principles on Responsible Agricultural Investment in Agriculture and Food System (CFS-RAI Principles).

**Gaëlle Bonnieux**, Head of Agricultural Financing at ResponsAbility, underlined the difficulties linked to the assessment of sustainability along the value chain, which represents a critical challenge for the review and follow up mechanisms of such principles.

**Fritz Glauser**, Board Member World Farmers Organization, stressed the necessity to involve farmers in the process. He pointed out the advantages that would follow greater inclusion of farmers, in particular for an enhanced dissemination and practical use of CFS-RAI Principles.

**Amira Gornass**, Chair of the Committee on World Food Security, emphasized the need to focus on small farmers and improve their access to land, technology, markets, credits and information through improved investment. She also mentioned the need to increase the awareness of CFS-RAI Principles, tailoring the message to the specific audiences.

**Ramon M. Esteve**, ECOM Agroindustrial Corp Ltd., underscored the advantage for commodity traders to have the practical tools and the right incentives to implement new guidelines. As an example he described the World Bank preferential loans for companies complying with set rules.

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### Interactive workshops:

Designed to enable participants of the Congress to expand on the inputs of the morning program and express their opinions on the following four aspects of Responsible Investments in agro food systems:

#### 1. Why? - The reasons to implement CFS-RAI Principles

One of the major positive impacts of the implementation of CFS-RAI Principles is that it allows the many actors along the value chain to connect around a set of common principles and shared responsibilities. What distinguishes CFS-RAI Principles from other principles or guidelines is the legitimacy that comes from the process in which they were negotiated – a multi-stakeholder negotiation that created a greater sense of ownership and commitment. In return, these actors now share the responsibility to fulfil their commitment and effectively apply the Principles.

Participants further noted that CFS-RAI Principles:

- enhance the sustainability and resilience of every actor
- bring reputational benefits for companies
- deflect criticism addressed to some sectors and therefore reduce legislative and political risks

#### 2. Who? - The actors to mobilize and their role in the implementation of the CFS-RAI Principles

Participants acknowledged the importance to involve every actor that can play a role in the field of responsible investments in agriculture and food systems. As owners of the CFS-RAI principles, these actors should start using them effectively in order to build trust and transparency throughout the food chain. Participants agreed that this is a long term process that can only be developed step by step, supported by effective communication and capacity development. Practical examples of successful implementation of CFS-RAI principles along the food chain should be leveraged in the communication strategy.

More specifically, participants acknowledged:

- the role of the governments to set up the framework according to the national contexts
- the need to strengthen the collaboration and participation of the private sector, in particular through existing multi-stakeholders platforms
- the importance of integrating consumers in the process, for example by further enhancing sustainability labels
- the criticality of an increased awareness of CFS-RAI Principles by farmers, especially smallholders
- that smallholders are the major investors in agriculture (through their own capital and labor) as well as recipients of agricultural investment made by governments, Official Development Aid or private sector

Inside companies, top level managers have the most important role, as they have to integrate CFS-RAI principles in the company's strategy and help to foster their general implementation. Other management positions inside the company, such as buyers, corporate social responsibility team or compliance team should then enforce the established action plan.

#### 3. What? - The challenges and success factors for an effective implementation of CFS-RAI Principles

One of the barriers to successfully implement CFS-RAI Principles is that the level to which these principles should be implemented is still rather unclear. For some participants these CFS-RAI principles are rather tailored for big companies and large investors than for SMEs<sup>1</sup>.

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<sup>1</sup> SMEs : Small and medium-sized enterprises

Further, the lack of a common language between different actors impedes the successful implementation of the CFS-RAI Principles. The timeframe to effectively activate CFS-RAI Principles constitutes another source of uncertainty as well as the absence of “SMART” mechanisms to monitor the application of CFS-RAI Principles.

To overcome these barriers, participants expressed the need:

- for practical and tailored instructions and guidance as part of a larger capacity development plan to support the application of CFS-RAI
- to link CFS-RAI Principles with other mechanisms, in particular because CFS-RAI Principles do not have enforcement mechanisms
- to keep the different players mobilized, for example through regular information on new developments related to CFS-RAI Principles

Success factors mentioned by participants:

- good knowledge of the various types and levels of investment at regional level
- access of actors to information and technology
- provision of information and tools – such as methodologies and matrix for the practical implementation of CFS-RAI Principles - tailored to the needs of specific groups and countries
- establishment of positive case-studies to convince new actors to support the implementation of CFS-RAI guidelines
- identification of CFS-RAI Principles champions and leverage of key players

#### 4. How? - How to best implement the CFS-RAI Principles?

- Map CFS-RAI Principles with others similar existing processes and guidelines to increase effectiveness and coherence at global level
- Expand outreach of CFS-RAI Principles to key influencers
- Support further engagement by active players: take stock of existing multi-stakeholder initiatives to further strengthen and disseminate awareness on CFS-RAI Principles.
- Design simple self-check tools and checklists to make CFS-RAI Principles compliance actionable for farmers and different business sectors.

#### Final comments

To truly improve investments into agriculture and the food chain, it is critical to increase trust and transparency along the value chain. The development of control mechanisms and long term partnerships is key to hold every relevant actor accountable and generate a sense of shared ownership. Consumers should play a bigger role, as in the end, they are the one purchasing most final products. In this respect, creating the right incentives to invest and buy responsibly is crucial.

The implementation of CFS-RAI Principles can be challenging due to the numerous stakeholders involved and the absence of enforcement mechanisms. Therefore, the development of guidelines and self-check tools adapted to different sectors represent a promising solution to enhance the understanding and application of these Principles among the different sectors.

Significant efforts are now needed in advocacy (awareness raising, identifying key players and national champions) and strengthening the capacity of the various stakeholders involved in applying the CFS-RAI, as it is now time to translate these principles into action in order to reach food security for 9 billion people by 2050.