



EBG: Checklists needed for responsible investment in agri

by Louisa Burwood-Taylor on 14 APRIL 2015 in **Research & Data**

Private capital consultancy firm [EBG Capital](#) has produced a report on responsible investment in agriculture after surveying eight agriculture investment firms operating in emerging markets.

The survey asked the participants to answer a series of questions relating to their approach to agri investment including which overarching responsible investment principles or guidelines they adhere to, what pre-investment due diligence they undertook, their opinion on land governance and their approach to it, what type of consultation they received with local stakeholders, the investment's impact on local communities and post-investment monitoring.

"The issues centre around land issues, how to deal with indigenous people and the formal and informal right to use land," Dr Bernd Schanzenbaecher, chief executive and founder of EBG Capital, told *Agri Investor*.

The eight investors surveyed manage nearly \$2 billion of agricultural assets across Africa, Eastern Europe, parts of Africa, Latin America and Asia. The strategies range from land leasing to land and infrastructure improvement and agribusiness equity investments.

"This report provides a snapshot of what is happening at the moment, but it also highlights what more can be done in my opinion; namely translating the various internationally-agreed principles into more practical guidance for investors," said Schanzenbaecher, who petitions for the introduction of checklists for investors to adhere to.

"There is a lot of confusion about how the existing principles and guidelines apply in practice on the ground, and what the role of the investor can and should be," he told *Agri Investor*. "What is lacking is practical checklists that are easy to implement."

The need for practical checklists comes back to the existence of a wide range of different principles and guidelines for investors to follow, that are confusing, argue several market participants.

EBG's survey revealed that the eight investors surveyed follow several guidelines each including the FAO Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries, and Forests in the Respects Rights, Livelihoods and Resources (PRAI), the CFS Principles for Responsible Agricultural Investments (CFS rai), the IFC Performance Standards on Social and Environmental Sustainability and the private-sector led Principles for Responsible Investment (UNPRI).

EBG published a review of the various initiatives on its website last year.