

Government of Japan



Promoting Responsible International Investment in Agriculture:

Roundtable organized by the Government of Japan in association with the World Bank, FAO, IFAD and UNCTAD, concurrent with the 64th United Nations General Assembly

23 September 2009, NY

Programme

15h00-15h20 Opening Remarks

Dr Jacques Diouf , Director General of FAO

Dr Kanayo F Nwanze, President of IFAD

Dr Ngozi Okonjo-Iweala, Managing Director of World Bank

Ms Josette Sheeran, Executive Director, WFP

H.E. Kwesi Ahwoi, Minister of Food and Agriculture of Ghana

Alonzo Fulgham, Acting Administrator, USAID

Session 1: A proposed global response to meet the opportunities and risks presented by the growing trend of international agricultural investment (15h20-16h20)

During this session, international organizations will make presentations on their analyses about the impact of major agricultural investment associated with acquisition of rights to land and related resources, and ideas about a coordinated global response to this issue. We will focus on reaching a shared understanding about the situation, the proposed framework, principles and process.

Session 2: International framework, principles and good practices to promote responsible investment in agriculture (16h40-18h00)

During this session, we will discuss the way forward to advance the agenda towards the goal of establishing a legitimate framework and principles by sharing ideas and good practices.

Co-chairs: Kenji Hiramatsu, Deputy Director General for Economic Affairs, MOFA, Japan
and Senior Level Officials from FAO, World Bank, IFAD and UNCTAD

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Background

Increasing investment in agriculture is vital to achieving higher productivity and greater food production, thereby ensuring global food security and poverty reduction. Decades of underinvestment in this sector have meant continuing low productivity and stagnant production in many developing countries, pushing millions of poor rural people deeper into poverty. These circumstances are widely recognized as underlying causes of the recent food crisis, as well as the difficulties that many low income, food import dependent developing countries encountered in dealing with it. It is estimated that additional investments of at least \$30 billion annually are needed in developing country agriculture to meet the MDG goals and indicators. Private investment, both foreign and inward, has a potentially important contribution to make in financing agricultural investments. Many developing countries are receptive in principle, and some are making strenuous efforts to attract more investment in their agriculture sectors, with a view toward improving yields, output, and value added, while benefiting from additional farm and firm income, direct and indirect employment, productive infrastructure, technology transfer, new product development, and better access to attractive markets.

Notwithstanding these potential benefits, the recent surge in interest in large-scale land acquisition by investors - especially foreign - across the developing world has attracted substantial media interest and provoked international concern more generally. The extent, nature and impact of such investments all need further research and analysis, since poorly conceived or executed investment in major agroenterprises that either use or source from large tracts of land in developing countries can have unintended negative impacts in terms of political stability, social cohesion, household food security and environmental protection for the receiving country, especially at the local level.

To adequately addressing the challenges and risks posed, we all need to promote responsible investment in agriculture that will achieve sustainable, inclusive agricultural development in receiving countries while mitigating negative impacts that may accrue therefrom. We envisage the establishment of an international framework designed to provide voice to all stakeholders, then reconcile and support the interests of receiving countries, local communities, and investors. The overriding objective is to create a "win-win-win" situation for the main constituencies, subject to reasonable environmental, social and other safeguards, and sensitive to the special needs of vulnerable populations or landscapes. The desired framework, which will build on and expands existing analysis, recommendations, guidelines and mechanisms, will facilitate compilation and sharing of relevant data and information, lessons learned and good practices, definition of basic and operating principles, creation of analytical and operational tools, and encouragement of partnerships at the subnational, country and perhaps regional level. The success of this framework depends directly on three major concerns: deriving a broad-based agreement that spans all relevant sectors; achieving full transparency and accountability in program and project design and implementation; and ensuring sufficient flexibility to allow for customization at the national, subnational and even community level, as well as experiential learning.

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The Meeting

The roundtable “Promoting Responsible International Investment in Agriculture” should mark the first step in an open and inclusive process of consultation to establish such a framework. In the meeting, World Bank, FAO, IFAD and UNCTAD will make presentations about the situation, a framework for dealing with it, key principles and proposed consultative process. Representative stakeholders from investing and receiving countries, international organizations, private sector and civil society organizations will be invited and present. The intended outcomes of the event include: 1) consensus to tackle the issue in a coordinated manner; 2) shared understanding about the proposed structure of the international framework coupled with high-level expressions of support to the joint efforts by international organizations; 3) movement toward a consensus position on the main issues and principles associated with them; and 4) convergence with respect to the way forward.

The discussion at the roundtable will be followed up by other events such as the World Bank Annual Meeting in early October, European Development Days later in October, the FAO World Summit on Food Security in November, the OECD Global Forum on International Investment in December, and beyond into 2010.