

**Private Sector Mechanism Statement
Responsible Agricultural Investment Principles
Observations on Zero Draft**

Mister Chairperson,

On behalf of the private sector mechanism, I wish to thank you for the opportunity to join you today and to underline the importance of creating an **enabling environment** for responsible agricultural investment. Agriculture has too long been under funded. Thus there is need for investment from a broad range of actors – of course including the private sector.

We need these principles to be effective and workable. The goals set out in the paper are laudable, and we wish to thank the Chairperson for her outstanding effort to move us farther ahead since May. We in the private sector believe this draft still has a very long way to go.

There are many actors in agriculture – small, medium, and large. All have a role and are important to global food supply. As ever, we join with others in noting the specific needs of women, particularly women farmers, to be empowered by investment in agriculture. We are pleased to see the references to women in so many places in this document.

While we do have a number of suggested changes in the specifics of the zero draft, on behalf of businesses engaged in furthering agriculture and food production, we would like to express our overarching concerns with the current state of the document.

These principles are full of laudable goals, however, they do not form a coherent set of principles from which an investment could be made. As criteria they are so broad that they would not be useful in deciding whether a company can or cannot be involved, or whether a financial institution should or should not finance it.

Investment decisions are micro-decisions. They are valid at a project level. The principles ask to factor in all consequences at a larger system level, but without common understanding of what that system is, and that the overarching supply chains change all the time, are principally unstable and therefore impossible to factor in.

The principles are so abstract that they will pose high implementation costs and barriers. The goal of this process is not to discourage investment but to help it be more successful in all aspects of sustainable development. Of course, agricultural investment aims to reduce poverty and further food security, but a single investment cannot address the entire question of regional food security, any more than every investment

could possibly be relevant to smallholders. We need investment criteria providing tools, practical guidance and common ground on how investments should occur.

In part, we believe that stems from the fact that the current draft does not draw adequately upon the work that is been done to-date on responsible agricultural investment. This is a moment to build upon what has been done and improve it, as was set out in the original terms of reference.

In this regard, we recommend the following actions:

- A simplification and shortening of the zero draft.
- Move the roles and responsibilities to a single section at the conclusion of the document to avoid duplication and confusion.
- A complete reworking of principle 4 to acknowledge the need for diversity and innovation as well as traditional knowledge.
- A recrafting to make it more clear what criteria an individual project must meet or a reframing to suggest these are the broad principles for states.

We see the many duplications in the document and believe it could benefit from a strong effort to harmonize language with other UN agreements.

Mr. Chairman, we have the utmost confidence that this document can be improved upon and help to deliver the responsible agricultural investment climate we all desire.

Thank you