

**Workshop on the role of the FAO and Private Sector to  
translate the Principles for Responsible Agriculture  
Investment in Agriculture and Food Systems (CFS-RAI) into  
action**

**Rome, May 9, 2016  
Iraq Room**

**International Agri-Food Network-Private Sector Mechanism  
(IAFN/PSM) Statement**

Thank you Chair,

Agricultural investment is the engine that unlocks poverty reduction, increases food production, and improves nutritional outcomes.

Today, I speak on behalf of the Private Sector Mechanism of CFS, in which I am active as a representative of Mars, Incorporated. I bring to you the personal greetings of the chairperson, Jaine Chisholm Caunt who cannot be here today. She knows first-hand that from smallholders to the largest businesses, the future of growing agriculture systems to increase food production 60% by 2050 depends upon investments in the resources to drive this achievement.

As PSM, we strongly support the Principles for Responsible Agriculture Investments, as well as the Voluntary Guidelines on the

Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. We appreciate the opportunity to share a private sector perspective.

From the beginning of the CFS process, the PSM has understood the importance of having globally agreed principles on Responsible Agricultural Investment. We were active in the negotiations and continue to conduct a communications programme to increase awareness of the RAI – including through the PSM monthly communications and presentations at agriculture investing conferences. Already we have reached thousands of businesses as we recognize we are but a small portion of the total range of investors. However, to further our awareness building we need to do much more. Doing more will require increased active engagement and collaboration of FAO, CFS, and member states.

The private sector is the biggest engine of poverty reduction and economic growth in the developing world. On average, business provides 60% of GDP, 80% of capital flows and 90% of jobs in developing countries. It is the major source of the US\$1 trillion a year needed to finance development. As we operationalize the principles, we should emphasize their role as a means to enhance and attract investment, both foreign and domestic.

Of course it is well known that private sector firms of all sizes are already engaged in responsible corporate practices related to agricultural investments and the guidelines offer a helpful framework for their work. For instance, some of the world's largest agribusiness companies have made commitments to the VGGT so are working to improve land and forest tenure governance. They include Cargill, Illovo Sugar, Nestlé, PepsiCo, The Coca-Cola Company, Unilever, and Stora Enso.

The VGGT are several years older than RAI and are therefore are more advanced in their uptake. However we believe many companies are applying the RAI Principles in their daily work - reviewing and implementing the principles in the context of existing reporting mechanisms and relevant laws. Some of the members who have joined us today can add to the discussion of practical challenges and benefits.

On the ground, one challenge we face is to have all stakeholders working together collaboratively.

We need greater clarity on the roles for business, NGOs, and governments. The principles provide guidance but are not easily reduced-to-practice. For instance, investors need governments to provide infrastructure to make investments possible. A single investment can be part of the solution, but it cannot provide all the

electrification, roads, and schools in an area. This will require a variety of activities, parallel investments, and partnerships inspired by the RAI Principles. Together, we can foster investments that address several of the 17 Sustainable Development Goals (SDGs).

We need pragmatic, respectful, honest and transparent space to responsibly discuss the issues. FAO has the opportunity to create such an environment; however, it will require engagement and experience with the realities of investing and the on the ground challenges and barriers to such.

Part of that is acknowledging that profit are essential to grow and sustain business of every size and type. Every farmer-small or large-needs a profit to send their kids to school; every business needs a profit to maintain and employ more people; and every government needs those profits to be a source of tax revenue and prosperity to support the growth and development of local and national economies.

To help leverage the potential of those investments, governments must prioritize creating stable, predictable and transparent regulatory frameworks and legal systems to attract sustainable capital to agriculture. Ultimately, fair, transparent rules benefit everyone.

There is a need for clear national guidelines on agricultural investment and land tenure, recognizing the needs of agriculture in and the vital role of farmers.

It is also essential that there be effective national and local administration without corruption; dispute resolution mechanisms; and equal access to resources for women. These are prerequisites to successfully producing adequate amounts of safe, affordable and nutritious food the world needs...today, tomorrow and for the future.

This will not be achieved without inclusive involvement of the private sector. And at the same time the private sector recognizes that it cannot do it alone. Working together to foster agricultural investment in a responsible way, all of us will collectively achieve the outcomes envisioned by every country for all its people. Thank you and let us pledge to seek ways to make sure that no one is left behind.

Thank you.