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*The RAI Knowledge Platform and Toolkit:  
A Key Step toward Operationalizing  
the Principles for Responsible Agro-investment*



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World Development Report 2008

# Agriculture is fundamental to development

- ✓ **Source of household livelihoods**
- ✓ **Stimulus for rural prosperity**
- ✓ **Provider of environmental services**





World Development Report 2008

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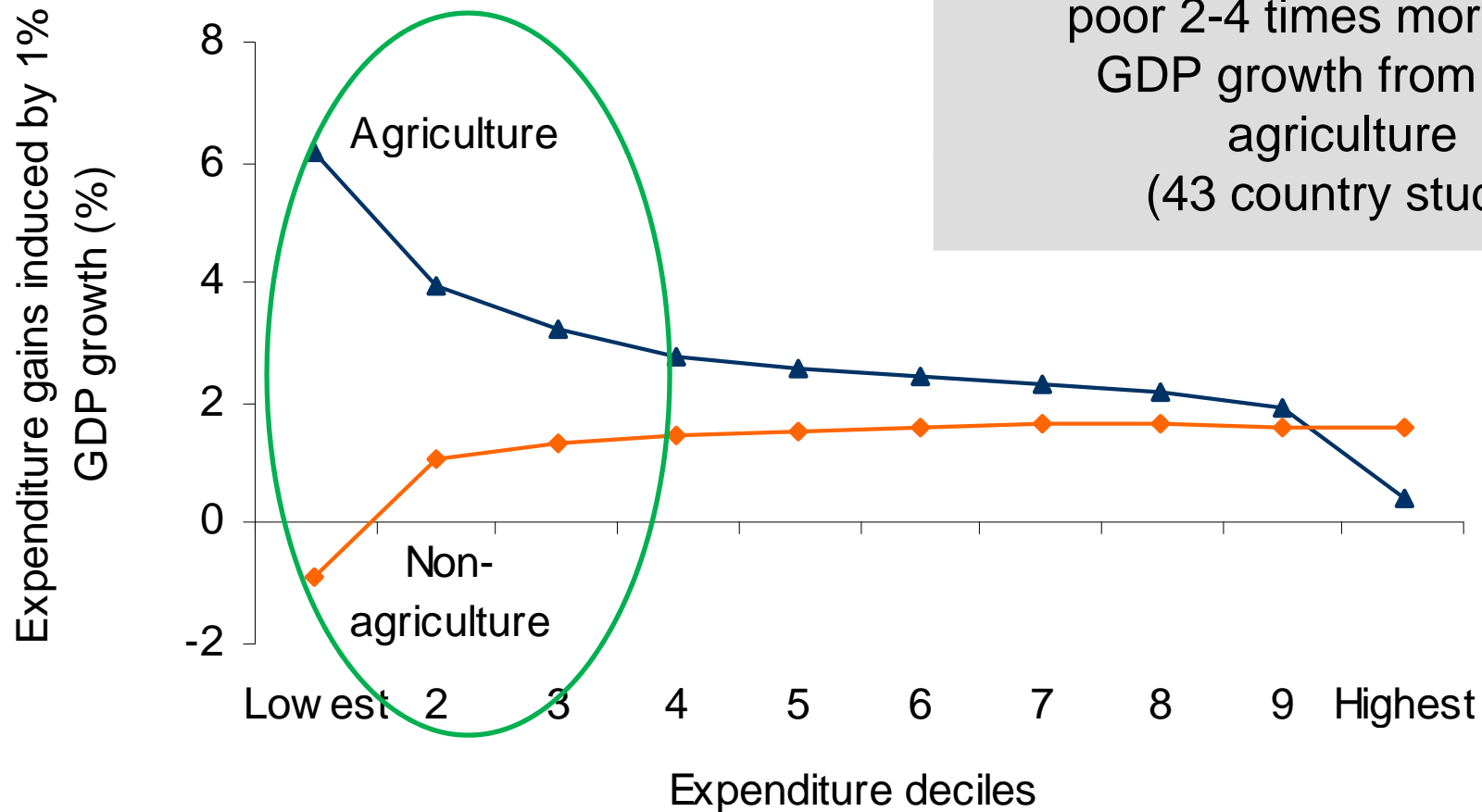
- ✓ **Source of household livelihoods**
- ✓ **Stimulus for rural prosperity**
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- **Means of reducing poverty**
- **Driver of growth**
- **Key determinant of environmental sustainability**



# Agriculture remains the best means of impacting rural poverty & hunger



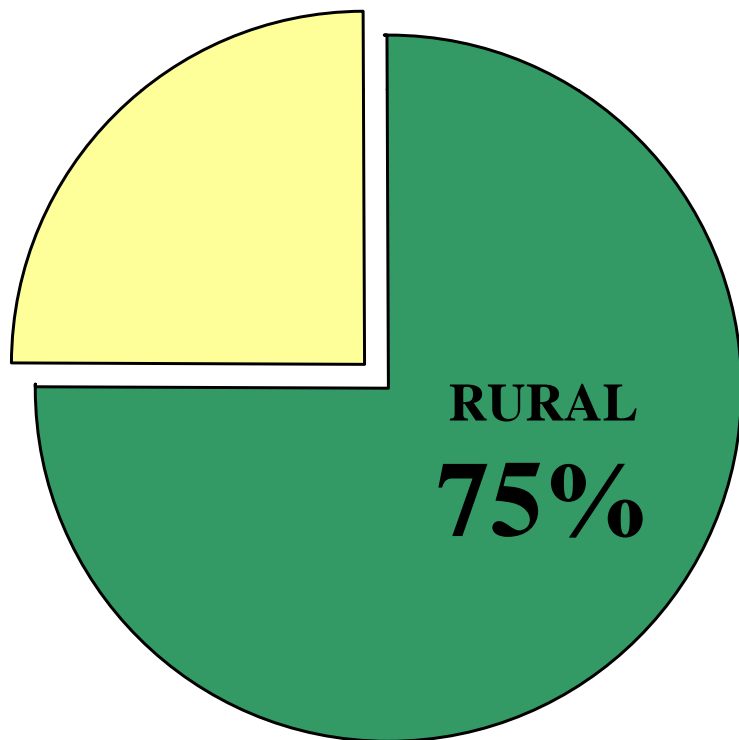
GDP growth from agriculture benefits the income of the poor 2-4 times more than GDP growth from non-agriculture (43 country study)



World Development Report 2008

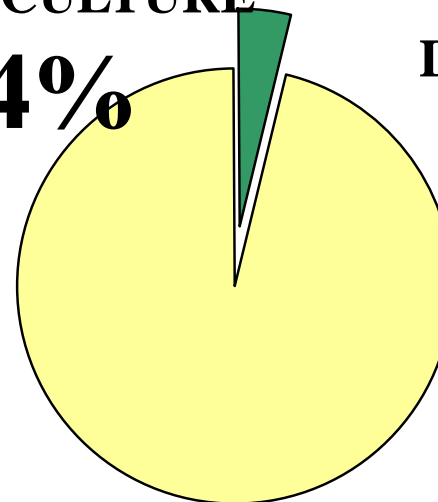
# Yet there has been too little investment

## WORLD POOR



## AGRICULTURE

4%

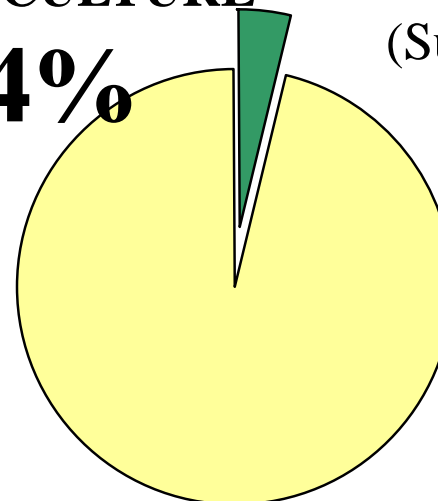


## OFFICIAL DEVELOPMENT ASSISTANCE

(12% in 1990)

## AGRICULTURE

4%



## PUBLIC SPENDING

(Sub-Saharan Africa)

If done right, agro-enterprise investment can enhance **productivity** through...

- ✓ capital deepening and broadening
- ✓ access to modern technology for production, post-harvest, processing, storage, distribution and transport
- ✓ products that are safer, of higher quality, and more tradable
- ✓ modern management know-how

## If done right, agro-investment can also enhance **global competitiveness**

- ✓ introduction of scale and other economies, in the country of interest or outside it
- ✓ fulfillment of WTO SPS commitments
- ✓ compliance with private agri-food standards
- ✓ linkages to larger, more diverse, and more profitable markets
- ✓ value –addition through innovation in products and processes as well as branding

If done right, agro-enterprise investment can also generate **positive externalities**

- ✓ creation or stimulation of a market for locally produced raw materials and for higher paid labor
- ✓ improvements in productive and logistical infrastructure that benefit the area generally
- ✓ investment in other businesses that provide ancillary goods or services
- ✓ stimulation of cluster effects
- ✓ improved social services in rural areas not easily served by government

# The Principles for Responsible Agro-investment help point the way to “doing it right”

1. Land and Resource Rights
2. Food Security
3. Transparency, Good Governance and Enabling Environment
4. Consultation and Participation
5. Economic Viability and Responsible Investor Behavior
6. Social Sustainability
7. Environmental Sustainability

*(See separate handout)*

## Yet large-scale agro-enterprise does present significant risks

- Alienation of pre-existing statutory or customary rights to productive resources
- Disturbance of the social fabric, especially at the local level
- Displacement of persons, including indigenous people
- Disruption or even loss of current livelihoods
- Environmental degradation
- Elite capture of assets and rents

## Yet large-scale agro-enterprise does present significant risks (cont.)

- Diversion of domestic food production
- Reduction in areas devoted to foodcrops
- Corruption and mismanagement
- Misuse of national wealth, whether natural or financial
- Asymmetric information and power
- Infringement of political sovereignty at different levels
- Political and social backlash

These were first suggested in September of 2009 at a side session to the UNGA...

Government of Japan



## **Promoting Responsible International Investment in Agriculture**

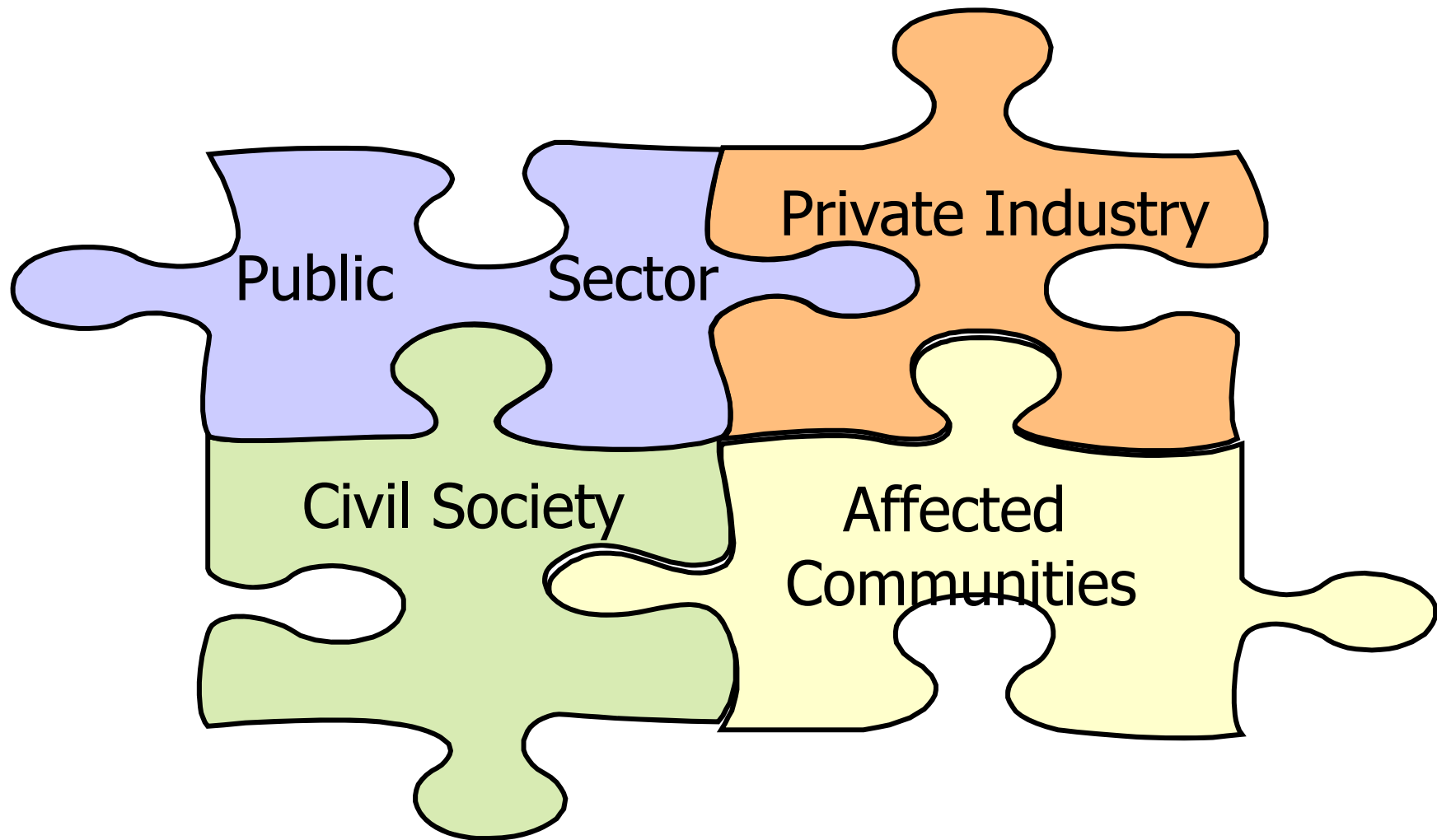
*Roundtable concurrent with the 64<sup>th</sup> United Nations General Assembly*

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**Chair's Summary**

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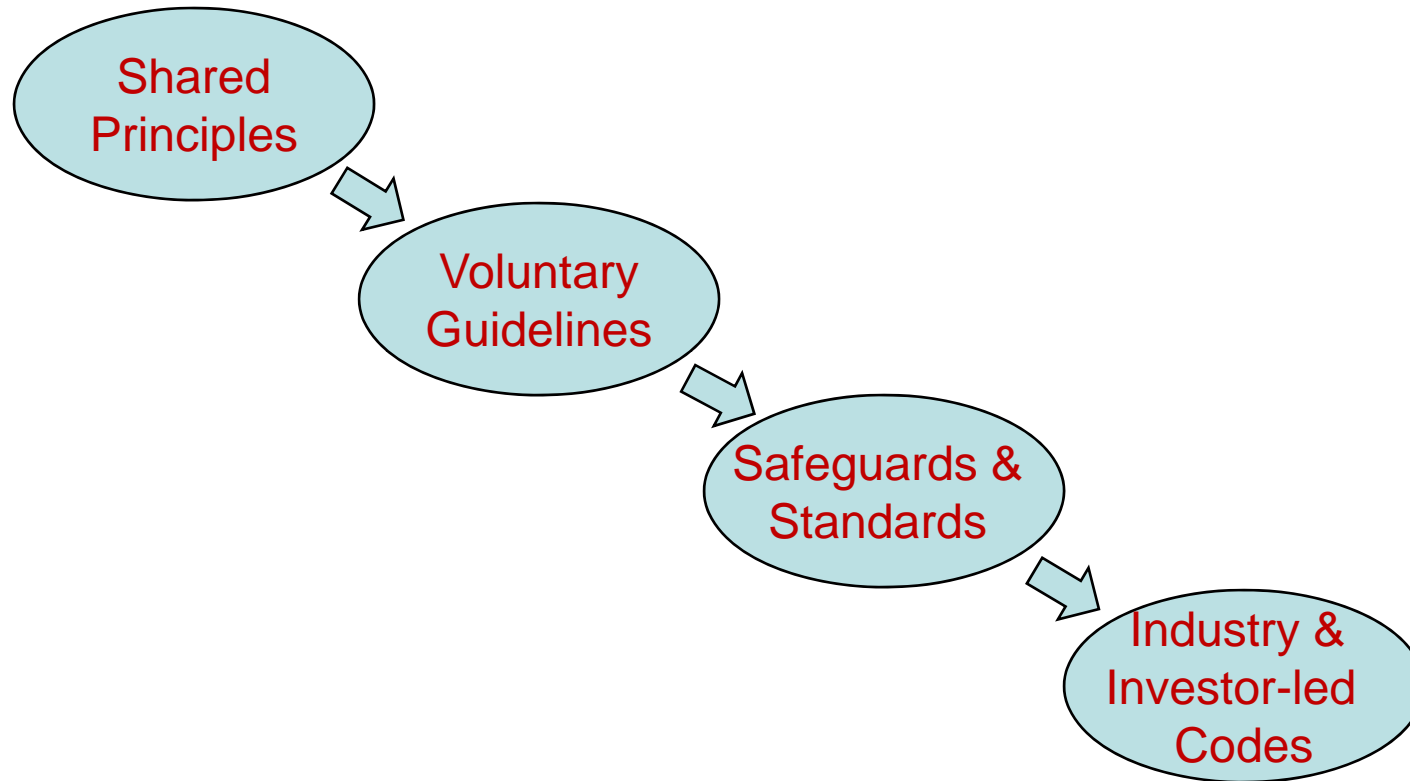
...but a much broader consensus is needed before they can be generally accepted...



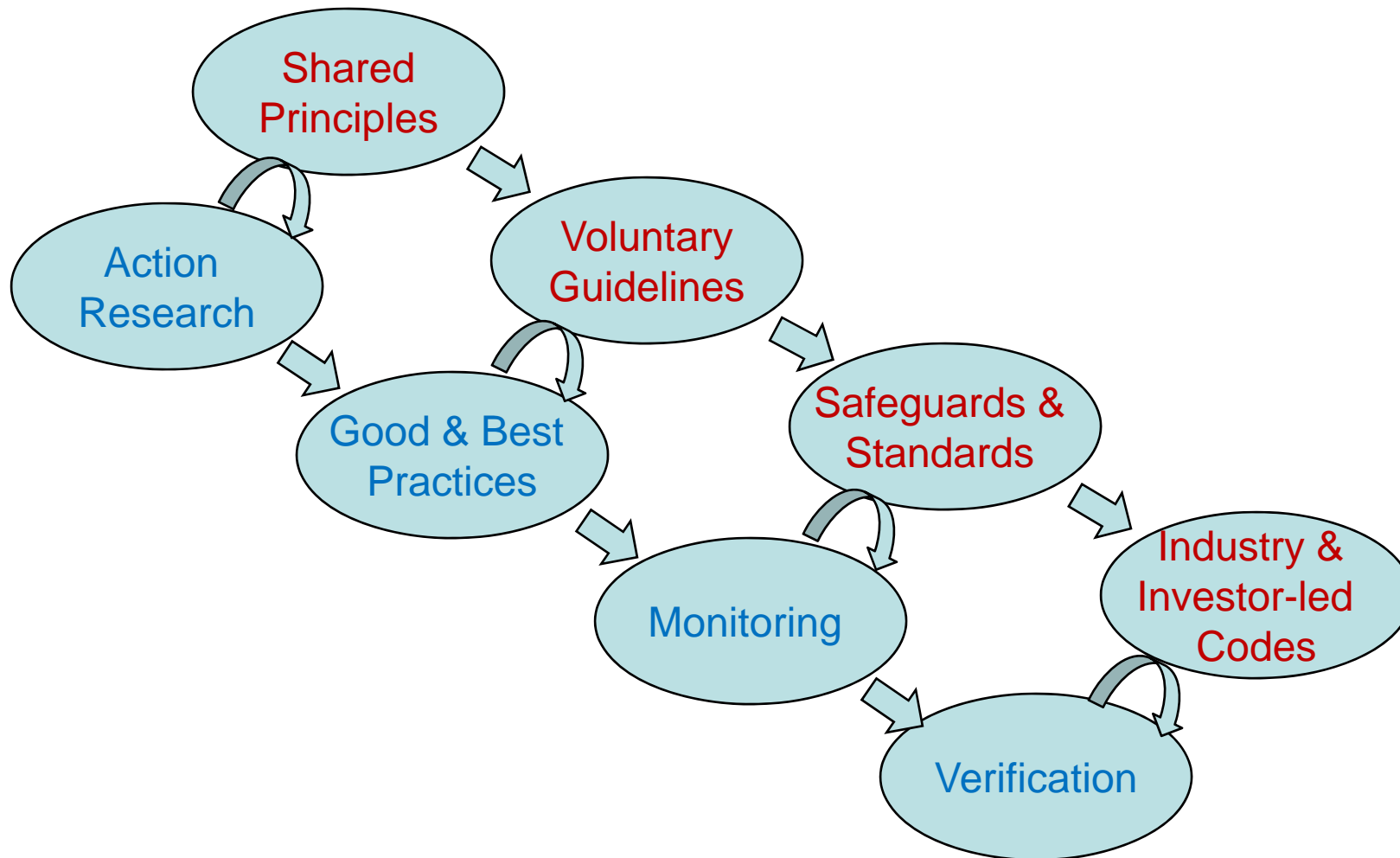
## And building such a consensus depends on satisfying certain enabling conditions

- An inclusive and transparent process
- Commitment by leaders of all major stakeholder institutions and groups
- Sustained empirical research that is action-oriented
- Competent analysis and formulation
- Political, social, and cultural sensitivity
- Appropriate levels and types of resources

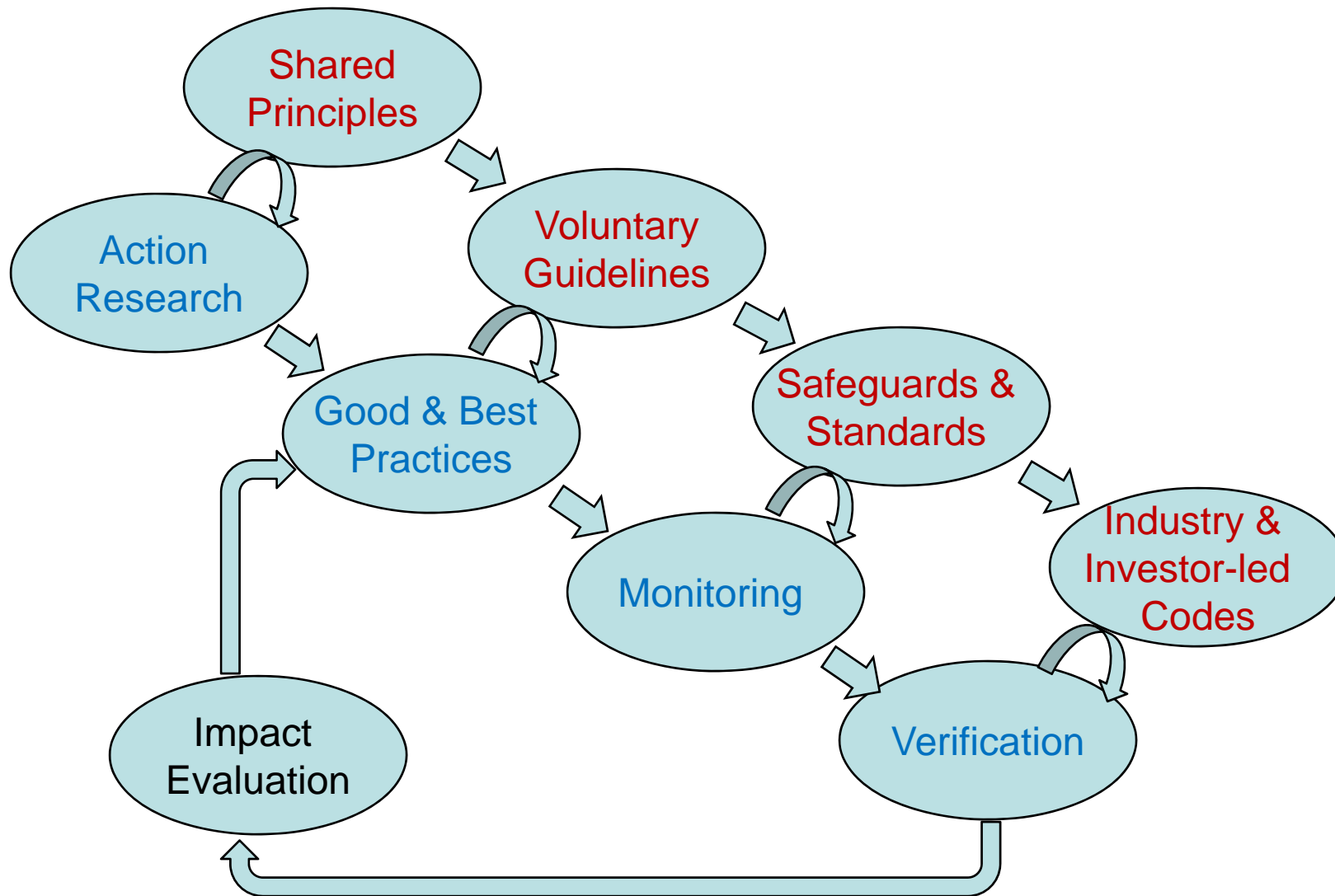
# Operationalizing the principles will require more specific guidance of various forms



...and that guidance should reflect on-going research and analysis...



# ...as well as objective assessment of outcomes and impact



## An RAI Knowledge Platform can support this process in various ways

- ❑ Catalyzing and supporting the emergence of a new community of practice centered on responsible agro-investment and land-extensive agro-enterprise
- ❑ Improving the transparency, quality, currency of information on all relevant topics
- ❑ Making decision-support tools widely available
- ❑ Contributing to a global consensus on the way forward and best practices

## Specific functions envisioned for the RAI Knowledge Platform

- ❑ Serve as a **joint repository** and **one-stop shop** for relevant data, research, analytical work, guidance, and tools to save people time while linking them to the world's best thinking
- ❑ Provide a **forum** for exchanging views on hot topics, lessons learned, and best practices
- ❑ Facilitate **social networking** that will help coalesce a new community of practice
- ❑ Provide a **conduit** for e-learning
- ❑ Serve as a **gateway** to other on-line resources

# Target audiences/users for the RAI Knowledge Platform

## ❑ Public Sector

Officials in relevant ministries and agencies in host country  
Officials in relevant ministries and agencies in source country  
Officials in multilateral and bilateral donor agencies

## ❑ Private Sector

Executives, managers, analysts in investing companies  
Staff of contractors

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## ❑ Civil Society

Executives, program managers, analysts in NGOs  
Leaders of affected communities

## ❑ Academia

Researchers and teachers interested in the topic

## ❑ Communications Media

# Design criteria for the Knowledge Platform

1. Useful to all sets of actors in terms of accessibility, content, and functionality
2. Relevant to both programs and projects
3. Covers full cycle, from concept to impact
4. Comprehensive in scope
5. Living document
6. Open architecture

(continues)

## Design criteria (continued)

7. Not “owned” or branded
8. Appropriately resourced
9. Objective (i.e. non-ideological)
10. Subject to reasonable quality checks
11. Well-managed
12. Sustainable over time

So we offer to the development community this first-stage knowledge and learning site

HOME ABOUT LOGIN SITE MAP INDEX FAQ CONTACT

# Knowledge Exchange Platform for Responsible Agro-Investment (RAI)


One stop information shop for policy-makers, practitioners and stakeholders

SEARCH

About RAI | Regions | Countries | Commodities | Centers of Excellence | International Institutions

**Browse By Type**

- Stakeholder
  - Interest Groups
  - Investors
  - Communities
- Source
  - Government
  - Host Government
- Guidance
  - Principles
  - Guidelines
  - Codes
  - Standards



## Principle 5: Investors ensure that projects respect the rule of law, reflect industry best practice, are viable economically, and result in durable shared value.

All investors (whether private or government-linked) should:

- (i) Comply with laws, international treaties, best practices
- (ii) Adhere to global best practices
- (iii) Aim to increase shareholder value & benefit host area

[Read More >>](#) 6 of 8

**INSIDE RAI**

UPDATES

**RESOURCES**

Quick Start Guides

**USEFUL LINKS**

- Civil Society
- Partnerships