

# Principles for responsible agricultural investment - and the Swedish interest

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11th November 2013

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# October 2012: rai principles - expectations



“The principles are expected to **promote investments in agriculture that contribute to food security and nutrition, and support the progressive realization of the right to adequate food in the context of national food security.**”

# Request – October 2012



- **smallholder agriculture**
- **reducing poverty**
- **decent employment opportunities**
- **environmental sustainability**
- **avoiding negative consequences**
- **endorsement in October 2014**

# Intention and Stakeholders

- **provide practical guidance**
- **governments**
- **private and public investors**
- **intergovernmental and regional organizations,**
- **civil society organizations**
- **research organizations and universities**
- **donors and foundations**
- **consultative process**



# Background - why rai?

## PRAI

- **FAO, IFAD, UNCTAD, WB**

## VGGT

- **CFS**
  - **Members of FAO, IFAD, WFP**
  - **Civil Society**
  - **Private Sector**



# Added value? Ambitious ToR

**What can rai add that existing agreements do not already cover?**

- All-encompassing:
  - Agriculture and food systems  
= agriculture, forestry and fisheries
- Ethical stamp?
- CFS to prove its value?

**Zero Draft - Discussions**

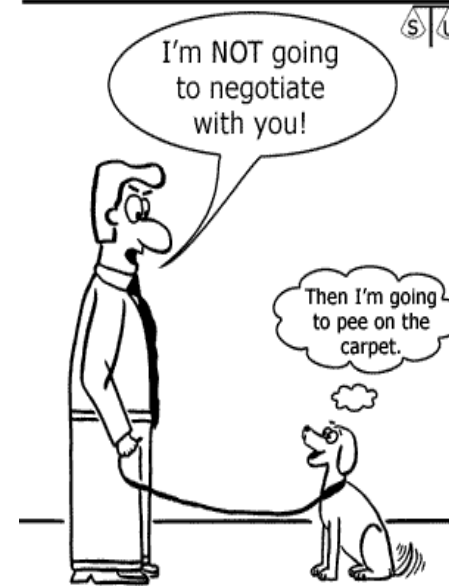
**First Draft - Negotiations**

# What has happened since the ToR?

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- Difficult discussions
- Delays
- No agreement on the Zero Draft



” + ”

- Awareness
  - PSM
  - CSM
  - MS



# The Process in Sweden

- February: position with focus on developing countries and land
- May – July: stakeholder identification
- September: revised position
- > provide practical guidance





# The big picture

## - Swedish investors abroad

- Agriculture – a difficult sector in need of investments
- “Scrutinizing eyes”
- Information not easily found



Source: UNCTAD FDI-TNC-GVC Information System, FDI database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

*The above graph shows FDI outflows in 2012.  
(UNCTAD: Global Investment Report 2013)*

# What is currently being used? i.a.

**AP2: Principles for Responsible Investments in Farmland**

**Swedfund:** “The investments should be economically and socially sustainable ... in accordance with international norms and principles for sustainable business and should not contribute towards tax avoidance, money laundering or terrorism”

**Nordea:** Principles based on finance, social and environmental impacts of an investment with a focus on health and safety.

**BUT:** no agricultural investments anymore

# Addax Bioenergy/Swedfund

## - Sierra Leone, biofuel plantations

They work according to the countries regulatory framework, IFC's Performance Standards on Social and Environmental Sustainability, the African Development Bank's policies and procedures, EU's Renewable Energy Directive, the Better Sugar Cane Initiative and the Roundtable on Sustainable Fuels.

FAO Bioenergy and Food Security refer to Addax when it comes to good practices in modern bioenergy

Develop energy for local consumption, create job opportunities, and develop roads and infrastructure

Signed agreements with individual land owners as well as the local authorities

The low participation and exclusion of women is a real problem in the area, and is a concern of the company

Farmer's Development Programme, developed to increase food security and train farmers in improved agricultural practices in order to increase their productivity.

Part of the process of developing the 2013 Sierra Leone Guidelines for Sustainable Agriculture and Bioenergy Investments

## Falbygdens ost, Lithells, Sibylla

- Finnish Atria

## Frödinge , Kalles kaviar, Felix, Ekströms

- Norwegian Procordia Food

## Wasabröd

- Italian Barilla Group

## Slotts, GB

- British Unilver

## Annas pepparkakor

- Belgian Lotus Bakeries



**Svenska Lantägg** - Danish Hedegaard Foods

**Kronägg** - Danish Danaeg

**Skånemejerier** - French Lactalis

**Nordic Sugar** - German Nordzucker

**OLW** - Norwegian Orkla

**Estrella** - Norwegian Herkules

# Are foreign investments in Sweden and by Swedish investors considered responsible?



# Swedish Position

- Promote investments in agriculture, forestry and fisheries – whole value chain
- Applicable and useful principles for investors that add something new to the table
- Process itself is important
- Open process involving a diverse stakeholder group in Sweden – want to see other countries do the same
- Should help increase agricultural productivity in a sustainable manner with regards to environmental resources, indigenous people and land tenure rights
- Follow-up mechanism

# Particularities and "issues"

- **Higher Education**
- **Waste Management**
- **Food Safety**
- **Emerging issues:**
  - **Principles versus guidelines**
  - **Biofuels**
  - **Indigenous people**
  - **Animal health**

**The Swedish government encourages investments  
– both here in Sweden and abroad. In relation to  
other regions, Africa and Asia have gained most  
attention**

**Key for application of rai principles:  
National food security plans and strategies**



# Food for thought...

- **How do we ensure that our international agreements are applicable and useful?**
- **What trust do we have in the investors/companies' custom-made guidelines?**

**What happens when an investor seemingly works in line with international norms, principles and guidelines, yet fails? Credibility, trust?**

Thank you for your  
attention!

