Pilot Use of Principles Guiding New Investments in Agriculture

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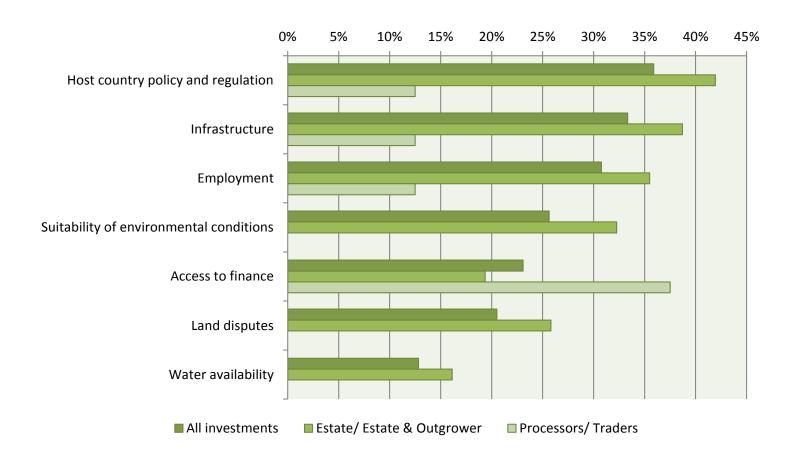




Several key findings from first phase of research provided the motivation for Phase 2...

- 1. Investments in agriculture are highly risky, a significant share fail.
- 2. The early decisions taken, processes and procedures are critical, much of what goes wrong happens at the outset.
- 3. Many of the risks faced and problems encountered could have been anticipated with better pre- or early-stage investment processes, procedures.
- 4. Investors are generally supportive of principle-based initiatives but need more specific guidance on how to implement them.
- 5. Host country governments want more detailed guidance on how to screen investors.
- 6. There is huge scope and demand for learning from the experiences of other countries and investors.

Key factors contributing to financial and operational success of investors



Objectives

- Work with investors, governments, communities and other stakeholders from the outset in order to infuse responsible principles and practices into agribusiness operations and their interaction with local communities, the environment and the economy as a whole.
- Learning from and establishing good practices in implementing responsible business practices in agriculture.
- Demonstration effects on the merits of incorporating responsibility into operations.
- Develop *tested instruments, methods, documents, processes and procedures* which can be used in the early phases of future investments.
- Develop recommendations, cases, examples and best practices which can be drawn upon.
- Inform the work of development agencies, government bodies, investor groups, NGOs and other institutions that promote responsible investment in agriculture.

PRAI 2.0 Methodology/Research Design

Pre-Visit Preparation and Discussions (esp. with investors)

- Investments chosen on a stratified sampling basis (in the G8/NA8 context)
- Background information (on firm, sector, area, communities)
- Questionnaire/ agenda of issues to broach
- Agreement on key foci for pilot use of responsible agriculture principles

Country Workshops

- 1-2 days
- Policymakers
- (Current) Investors
- Civil Society, NGOs
- Business Associations
- Smallholders

Field Visits

- Pilot-use of principles to demonstrate viability of responsible investment
- Establish buy-in from all stakeholders
- Create useable processes, procedures and documents
- Observer-participant approach
- Involve communities and stakeholders, as well as investors
- Continuity of teams with each investment for duration of project

Elements of Responsible Investment, as Agreed and Operationalized

