

Opening Remarks by the Deputy Secretary-General of UNCTAD

Impacts of investment and the Principles for Responsible Agricultural Investment (PRAI) on African agriculture

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AS PREPARED FOR DELIVERY

Ladies and Gentlemen,

It is a pleasure to be here today and to address this event the impact of investment and the Principles for responsible Agricultural Investment on African Agriculture.

The considerable challenges facing the global agricultural sector over the next few decades are well-known to all of us. It must feed a projected population of 9 billion people by 2050, some 2.5 billion more than today. Most of this growth in population will occur in countries where hunger and natural resource degradation are already rife.

These challenges are particularly acute in Africa. The majority of the continent's population still depends heavily on land and agriculture for their livelihoods.

Addressing these challenges and increasing productivity of the agricultural sector will require significant investments. According to the World Bank, creating the necessary productive capacity to achieve this will require additional investments of at least \$90 billion annually. And achieving this in a socially and environmentally sustainable manner that preserves natural resources, goes beyond minimal targets, and utilizes

agriculture as an engine for long-term development will require even more funds.

In this context, one sector that deserves greater attention by investors is that of organic agriculture. Expanding Africa's shift towards organic farming will have beneficial effects on the continent's nutritional needs, the environment, farmers' incomes, and employment. But investment will be needed across the board.

UNCTAD and others, including our colleagues at IFAD, FAO and the World Bank, have shown that the bulk of these funds must, of necessity, come from the private sector (including foreign investors). At the same time, there are concerns about the potential impact of such investment on local communities, smallholders, and the environment.

At UNCTAD, we recognize both the need for investment, and the legitimate concerns arising from such investment. We therefore need to find solutions that maximize benefits and that allay concerns about land grabbing, protect smallholders and do not hurt the environment.

That is where the research projects that we are discussing today come into play. We need to distill the lessons from previous and existing investments in agriculture so as to ensure that future decisions -- by governments, investors and local communities -- are based on sound evidence.

For that reason, UNCTAD has worked to develop a set of Principles for Responsible Agricultural Investment (PRAI), in partnership with our colleagues at FAO, IFAD and the World Bank. Together we

have embarked on a research program to learn lessons on the ground, speaking with all stakeholders affected by investment in agriculture. The findings are wide-ranging and have important implications which you will hear more about in the presentations today.

Having developed the Principles, the next step in our work is to operationalise and implement the Principles through close collaboration with Governments, transnational companies and other investors. A number of companies and funds have already expressed an interest in this collaboration; and I urge others to join forces with us.

I am looking forward to a lively and informed discussion. I hope that you will come away with some new insights about which characteristics and actions are likely to maximise the benefits and mitigate the risks of investment in agriculture.

Thank you very much.