



**PCFS**  
PEOPLE'S COALITION  
ON FOOD SOVEREIGNTY  
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## **An initial statement on the Zero Draft of the Principles for responsible agricultural Investments (rai) in the context of food security and nutrition | August 2013**

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MERELY FIVE YEARS ago, in 2008, the world's major economic institutions agreed that we were caught in a global financial crisis. By 2010, these same institutions declared that the recession had ended. Yet the continuing systemic crisis remains evident, especially in the food and agricultural sector, where the dismal failure of neoliberal policies caused a global food price crisis that led to massive poverty and food insecurity, leaving a trail of devastating consequences. For instance, sugar-coated policies which promoted and facilitated widespread resource-grabbing plunged millions into poverty, while corporate-driven, chemical-based agriculture laid the foundation for hazardous impacts and unsustainable development.

In the same year, the World Bank (WB) released a report on foreign land acquisitions (FLAs), titled "Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?" It answered criticism raised against "responsible investments" by large corporate entities with promises to ensure "procedural improvements," such as better land governance and private property systems in host countries. Through voluntary guidelines or codes of conduct for investors to follow, FLAs could be optimized so that their benefits are harnessed and their negative effects are avoided or reduced to a minimum, according to the WB.

In 2010, the WB, working with the International Food Policy Research Institute (IFPRI), also released the "Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods, and Resources (RAI)," outlining a supposed solution to the problems with large-scale agricultural investments. Various civil society organizations (CSOs), however, including the People's Coalition on Food Sovereignty (PCFS) and IBON International, were quick to point out the fundamental flaws in the WB initiative, describing it as "a move to try to legitimize what is absolutely unacceptable: the long-term corporate takeover of rural people's farmlands."<sup>1</sup>

By 2012, the UN Committee on World Food Security (CFS) had released the Voluntary Guidelines (VG) on the Responsible Governance of Tenure of Land, Fisheries, and Forests in the Context of National Food Security. Despite the high profile celebration of the finalization of the VG, at present, matters of implementation rest on national governments, and the phenomenon of global land-grabbing remains unabated. The CFS and Food and Agriculture Organization (FAO) of the UN are engaged in an ongoing monitoring process, trying to determine how precisely to ensure proper implementation of the guidelines.

This is the context in which the CFS now comes out with its Zero Draft of Principles for responsible agricultural investments (rai), which contains eight principles. This effort was the result of a refusal by CSOs to recognize the WB RAI principles, and their challenge for the CFS to produce a more adequate instrument, along the lines of "nationally and internationally enforceable laws and public regulations on all investments."<sup>2</sup>

PCFS presents its inputs on the subject, with emphasis on a critique of the draft's neoliberal framework, for its facilitation of the monopoly and control of big corporations and wealthy states over the global food system. PCFS, along with various other CSOs, have also noted that it may be more worthwhile to comment on the annotated CFS draft released in May 2013, which contains 12 principles, and is more encompassing in its presentation of issues.

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<sup>1</sup>"Why We Oppose the Principles for Responsible Agricultural Investment (RAI)." The Global Campaign for Agrarian Reform Land Research Action Network. FIAN International, Focus on the Global South, La Via Campesina, and Social Network for Justice and Human Rights (REDE SOCIAL).

<sup>2</sup>From: [http://www.csm4cfs.org/policy\\_issues-6/agricultural\\_investment-7/](http://www.csm4cfs.org/policy_issues-6/agricultural_investment-7/)

## I. Critique of the CFS principles for rai

### 1. Background and Rationale

- a. ***Flawed rationale for intensification of food production.*** The CFS paper argues that the primary causes of hunger and malnutrition are population growth and the erosion of natural resources. Giant agro-industrial corporations such as Monsanto, Syngenta, and Dupont have used the same premise to justify the intensification of food production through large-scale corporate farming and engineering of genetically modified organisms. The inevitable conclusion of this flawed premise is the idea that hunger eradication hinges upon substantially increasing public and private investments in agriculture; thus, such investments must be duly enabled.

Yet in fact, global food production has outpaced population growth in the last 50 years.<sup>3</sup> The CFS paper fails to account for the disastrous impact of International Monetary Fund (IMF) and World Trade Organization (WTO) impositions — like the WTO Agreement on Agriculture, structural adjustment programs, and other related mechanisms — on the developing countries which have been prey to its policies since the 1980s.

A significant drawback of the Zero Draft is its failure to take the 2008 economic and financial crisis into account, along with the excessive and unchecked speculative activity that led to sharp spikes in food prices. This is a crucial point, as the culprits of these crises are the same institutions which pushed for shifts in farmland investments, triggering an ongoing global land-grabbing phenomenon. For instance, global policies on biofuels have had a significant impact on the agriculture sector, as the drive for biofuels served as one of the major causes behind spiking prices during the 2007-2008 food price crisis.<sup>4</sup>

- b. ***Neoliberalism as the culprit.*** In practice, policies which focused on privatization, deregulation, and liberalization have consistently forced developing countries to adopt measures which favour and promote large-scale agribusiness corporations. These measures have only exacerbated hunger, malnutrition, and poverty, and other problems in the agricultural sector, especially those concerning the rights and welfare of smallholders. This failure to honestly and critically examine the context and reasoning behind past irresponsible investments makes it difficult to clarify what could then be viewed as “responsible.”

### 2. Part I: Food Security, Nutrition, and Sustainable Development (Economic, Social, Environmental and Cultural Issues)

- a. ***Absence of any discussion of food sovereignty.*** The concept of food security presented in the CFS draft is top-down, and isolated from its necessary counterpart, food sovereignty, which is defined as “the right of peoples, communities, and countries, to define their own agricultural, labor, fishing, food and land policies which are ecologically, socially, economically and culturally appropriate to their unique circumstances.”<sup>5</sup> There is not a single mention in the CFS rai principles of the right of people to determine their own food production system, along with the right of nations to protect their agricultural produce, indigenous crops, and sustainable system of production. Particular emphasis should be placed on the continued landlessness of tillers, and the need to ensure ownership of land for small-scale food producers, indigenous peoples, women, and other marginalized groups, as a core issue.
- b. ***Promoting the interests of large agri-corporations.*** Under the CFS framework, the goal of rai is to intensify food production through increasing investments. In the present context, that is most favourable to large transnational agri-corporations who have control over much of the global food system. There is little point in mentioning the need to access to markets by small-scale food producers without stressing the problems faced by smallholders as to access/ownership of resources for food production.

<sup>3</sup>“IBON Primer on Food Sovereignty and the Food Crisis” (2012). IBON International.

<sup>4</sup> Retrieved September 2013 from: <http://www.theguardian.com/environment/2008/jul/03/biofuels.renewableenergy>

<sup>5</sup>The Asia Pacific People’s Convention on Food Sovereignty,” revised edition. Asia Pacific Research Network. November 2004.

- c. **Failure to explain root causes.** Employment-generation is listed as one of the objectives of rai, but there is inadequate explanation as to the root causes of high unemployment in rural areas. Overpopulation certainly is a factor in poverty, but the structural causes born of neoliberalism, which sets the stage for policies that allow for displacement, dispossession, and marginalization of people and communities, are absent.

Moreover, large-scale landgrabbing is an alarming trend in many developing countries, leading to poverty and dispossession of small-scale farmers and other marginalized food producers. The practice of landgrabbing has undermined food security for many communities worldwide and led to intensified human rights violations.

Finally, the CFS draft falls short in taking any concrete steps towards sustainable agriculture and climate change mitigation and adaptation. A huge share of greenhouse gas emissions can be traced back to agriculture; indeed, the WB's Climate Smart Agriculture has been criticized for instilling dependency among developing countries. The Zero Draft's silence on this crucial issue is alarming — the corporate agricultural system has not only pushed for unsustainable practices, often causing environmental hazards and poverty as a consequence, it has directly hindered more sustainable alternatives like an agro-ecological smallholder system.

### **3. Part II: Policy Coherence and Sector Development**

- a. **Dilution of the culpability of the private sector.** The practices of private sector players have created an “enabling environment for investment” which distorts the real state of affairs between the investors and the state, along with the victim of their collusion: the people. A pro-people enabling environment should be geared towards capacitating CSOs and the people to assert, exercise, and realize their right to food and to food production.

The section on policy coherence is also conspicuously silent on loan and aid conditionalities on agriculture, which are part and parcel of lopsided trade agreements being imposed upon developing countries by international financial institutions. In the Philippines, for example, the implementation of its General Agreement on Tariffs and Trade-World Trade Organization (GATT-WTO) commitments over the past decade has led to massive land-use conversions in order to produce high-value export crops (HVEC), as well as deregulation of the importation of HVECs, causing poverty and widespread deterioration in the financial stability and food security of small planter-farmers.

- b. **Minimizing of the role and potential of CSOs.** CSOs are independent development actors in their own right. They are the interlocutor of people's issues and concerns and should not be automatically lumped together with the rest of the private sector. CSOs, grassroots groups, and social movements, through collective action, resist corporations and other forces which destroy people's food production systems and consign them to a life of hunger and deprivation. Sector development must ensure empowerment of small-scale producers against irresponsible agricultural investments.
- c. **Need for adjusting the framework of policy coherence.** The CFS framework emphasizes the central role of national governments in the implementation of its principles. The problem is that these principles only entrench neoliberalism in national policies. The emphasis of laws, policies, and regulations on food and agriculture should not be on expecting and demanding food security from governments and corporations, but towards creating an enabling environment for the people to determine their own food systems from their own actions and initiatives.

### **4. Part III: Governance, Grievance Mechanisms and Accountability**

- a. **No social justice.** For victims of land and other resource grabs facilitated through so-called “responsible” agricultural investments, the CFS zero draft, bereft of provisions on empowerment, provides few options. What mechanism can the rai guideline provide to hold corporations such as Monsanto accountable, considering that the CFS guidelines on Land Tenure are voluntary and non-binding? In the same vein, how can governments which support these policies be made accountable to the people?

Further, this section has not provided principles on capacity-building for the people as a way to raise their awareness on how to defend their rights against aggressive and irresponsible investments, or to exercise their right in seeking justice against investors who have damaged their livelihood. The ongoing consultations on rai must be used to raise the level of awareness of those hardest hit by neoliberal policies and contribute to their advocacies for food sovereignty and its key component, genuine agrarian reform.

## 5. Other comments

- a. **Challenge faced by CFS and FAO.** Discussions among CSOs have led to a general consensus that the initiatives of the CFS and FAO regarding agricultural investments and land tenure are smokescreens for further degradation of the right to food. It has been opined that "the VGTT and rai are complimentary and are framed to safeguard the interests of the corporate sector [rather] than the marginalized producers."<sup>6</sup> This is a challenge to both institutions to take a more definitive stance, and move decisively to ensure that the policies they support do not facilitate the plunder of resources of smallholders and developing nations.
- b. **Need for case studies.** Like the WB's set of principles, the CFS Zero Draft turns a blind eye to investments which can be blamed for the incessant hunger and poverty experienced by over a billion people in the world, at present. As noted during recent CSM-CFS consultations<sup>7</sup>, it would have been simple to initiate a grassroots process by which the CFS could collate country case studies of agricultural investments and its impact on communities. As it is, there is no way to define "responsible investment" without citing and condemning irresponsible ones. Without a study of the way in which the enabling of agricultural investments has been practiced, it is difficult to define the basic tenets needed to govern such investments and protect marginalized sectors in the future.

## II. Overall analysis

In the final analysis, there are two main problems with the CFS rai principles. The first is the neoliberal framework of the draft, which fails to take into account the troubles already caused by allowing large corporate entities free rein over the global food system; the second is the absence of any recognition of food sovereignty as the ultimate goal. In this light, it's remarkably unchanged from the original WB principles.

The primary difference between the two sets of principles is not one of content, but of form. The goals laid out in some WB RAI (PRAI) principles have been "strengthened" only marginally in the CFS Zero Draft, while others have been even further diluted. Thus, while the CFS document wields language more adroitly, using terms and concepts embraced by CSOs, the fundamental thrusts — and, of course, flaws — of the initial WB principles remain.

Thus, the CFS Zero Draft must be viewed as a decoy, aimed at legitimizing the WB's RAI agenda and sanctioning land and resource grabbing. Giving premium to intensified food production to justify an enabling environment for corporate investment irresponsibly distorts the root causes of hunger and poverty and the necessary primacy of protecting the people's right to food through empowerment of small-scale producers and other marginalized people.

There is a need to identify and condemn the neoliberal policies which camouflage and legitimize the drivers of resource grabbing. The glaring omission of such content in the Zero Draft calls in to question the whole

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<sup>6</sup>Declaration of South Asia Regional Consultation on the Civil Society Mechanism, Negombo, Sri Lanka. August 23-25, 2013

<sup>7</sup>CSM-CFS SEA consultation on Development of Principles for Agricultural Investment, VG on Land and other Priority Issues of CFS. May 23-25, 2013, Cemara Hotel, Jakarta, Indonesia

process of how the CFS principles were drafted. The same neoliberalism which paved the way for irresponsible investments that keep the agricultural economies of developing countries in constant crisis undercuts this latest move to come up with justifying international guidelines on “responsible” agricultural investment.

Alternatives to the current order must be recognized in order to come up with a genuine, legitimate set of principles on responsible agricultural investment, towards the goal of food security and nutrition for all. The goal of redistributive justice and reduction of economic inequalities requires — not only laws and policies which ensure the control of smallholders and marginalized sectors over land, fisheries, and other resources, as well as financial protection and subsidies for small farming communities — but also an end to instruments like the CFS Zero Draft which promote “responsible” resource-grabbing by governments and corporations.<sup>8</sup>

### 1. *Comparative analysis*

WB/IFPRI RAI (PRAI)	CFS rai	PCFS commentary
PRINCIPLE 1: Existing rights to land and associated natural resources are recognized and respected.	PRINCIPLE 4. Responsible investments in agriculture and food systems: <ul style="list-style-type: none"> <li>• respect cultural heritage and landscapes and traditional knowledge consistent with international agreements and</li> <li>• are considered legitimate by local and other relevant stakeholders.</li> </ul>	These two principles purport to enshrine respect for rights to land and other natural resources. However, the CFS draft expands the terminology to emphasize culture, tradition, and relevant stakeholders.
PRINCIPLE 2: Investments do not jeopardize food security but rather strengthen it.	PRINCIPLE 1. Responsible investments in agriculture and food systems: <ul style="list-style-type: none"> <li>• enhance people’s food security and nutrition, and</li> <li>• contribute to the progressive realization of the right to adequate food in the context of national food security.</li> </ul>	The CFS has broadened the WB’s terse nod to food security into a more expansive note on national food security.
PRINCIPLE 3: Processes relating to investment in agriculture are transparent, monitored, and ensure accountability by all stakeholders, within a proper business, legal, and regulatory environment.	PRINCIPLE 7. Responsible investments in agriculture and food systems are strengthened by: <ul style="list-style-type: none"> <li>• non-discriminatory access to justice grievance mechanisms, and</li> <li>• fair, effective and timely mediation, administrative or judicial remedies.</li> </ul> <p>----</p> PRINCIPLE 8. Responsible investments in agriculture and food systems are based on independent, transparent and participatory assessment of their potential impacts on food security and nutrition, societies, economies, tenure rights, environments and culture before, during and after each investment, with mechanisms for regular review. All actors involved in investments in agriculture and food systems are accountable for their decisions, actions and the impacts thereof.	In response to one of the main criticisms against the WB PRAI, the principle dealing with a policy framework that ensures transparency and accountability has been further developed. The CFS draft draws the link between such mechanisms and its impact on food security, the socioeconomic system, and the environment.
PRINCIPLE 4: All those materially affected are consulted, and agreements from consultations are recorded and enforced.	PRINCIPLE 6. Responsible investments in agriculture and food systems are: <ul style="list-style-type: none"> <li>• supported by good governance, and</li> <li>• implemented with meaningful consultation and participation of affected communities and free, prior and informed consent of indigenous peoples.</li> </ul>	The need for consultation is present in both documents, although the CFS specifies the need for government support and the free, informed consent of the stakeholders.
PRINCIPLE 5: Investors ensure that projects	PRINCIPLE 5. Responsible investments in agriculture and food systems are supported by policies, laws	In essence, these principles underscore a primary duty of

<sup>8</sup>“Bangkok Civil Society Declaration: From Inclusive to Just Development.” August 2013.

respect the rule of law, reflect industry best practice, are viable economically, and result in durable shared value.	and regulations which: <ul style="list-style-type: none"> <li>• are consistent with each other, and</li> <li>• address all aspects of responsible investments as described in this document.</li> </ul>	investors: to respect the laws of the host country. The CFS draft actually waters down the WB version, removing the “durable shared value” clause which had, at least in theory, seemed to guarantee benefits for the host country.
PRINCIPLE 6: Investments generate desirable social and distributional impacts and do not increase vulnerability.	PRINCIPLE 2. Responsible investments in agriculture and food systems: <ul style="list-style-type: none"> <li>• generate positive socio-economic impacts for all, women and men,</li> <li>• respect international core labour standards as well as, when applicable, obligations related to standards of the International Labour Organization (ILO), and</li> <li>• apply, as appropriate, the voluntary guidelines on the responsible governance of tenure of land fisheries and forests in the context of national food security (VGGT).</li> </ul>	Basically, both the WB and CFS draft assert the vital function of responsible agricultural investments as a means of generating positive social impacts. The CFS simply expounds on the subject, placing this particular principle within the context of other international standards and documents.
PRINCIPLE 7: Environmental impacts of a project are quantified and measures taken to encourage sustainable resource use, while minimizing the risk/magnitude of negative impacts and mitigating them.	PRINCIPLE 3. Responsible investments in agriculture and food systems: <ul style="list-style-type: none"> <li>• use, develop and regenerate natural resources sustainably, and</li> <li>• contribute to climate change mitigation and adaptation.</li> </ul>	These principles both purport to ensure environmental sustainability, although the CFS version takes note of climate change as the primary challenge which must be addressed.

## ***2. Alternative recommendations, from PCFS (August 2013)***

The PCFS, a coalition of peasant organizations, NGOs, and other social movements — from workers, the urban poor, indigenous peoples, women, and the youth, among others — presents the [People’s Convention on Food Sovereignty](#), which pinpoints neoliberal policies causing the inequitable distribution of food and resources as the root cause of poverty and hunger. The Convention recognizes that food security alone is insufficient to resolve the global food crisis, and food sovereignty is the necessary framework for building a sustainable and equitable food production system.

These alternative recommendations are founded upon the key principles of the PCFS network, which aims primarily to empower grassroots groups of small-food producers, instead of protecting the dominance of large transnational corporations and wealthy countries over the global food system.

### **People’s food sovereignty should be the framework for national and international investment policy**

1. Development cooperation and aid should promote equitable and mutually beneficial exchange of food and agriculture technologies and resources among communities, peoples and nations, and promote food sovereignty in all countries. It should not promote corporate interests in trade, corporate control of natural resources, and technologies that are destructive to health and environment.
2. Promote fair trade that enhances people’s food sovereignty and strengthens community self-sufficiency, control and trade. Trading systems must be reformed according to the principles and promotion of fair trade.
3. WTO should be taken out of agriculture and eventually dismantled and replaced with a multilateral

trading system premised on fair trade and upholding people's food sovereignty.

4. National and international trade policy and mechanisms should ensure that supply management in food and agricultural products promote people's food sovereignty and do away with international cartels and TNCs that manipulate international prices of produce and food items.
5. IMF, WB and other international financial institutions must stop the system of structural adjustment conditionalities including PRSPs that promote neoliberal reforms benefiting foreign monopoly corporations and enforce fiscal measures premised on the dismantling of public subsidies and mechanisms to promote the people's food sovereignty.
6. International and national research centers must be refocused towards the promotion of the people's food sovereignty. Governance mechanisms should be instituted on a global scale in order to ensure that technology development, including those under TNC R & D and TNC-funded university research institutes, promote pro-people, environmentally friendly technologies.
7. The use of food as an instrument of domination of countries and communities and as an instrument of war, such as the embargo imposed by the US on Cuba and the role of food aid in the invasion and occupation of Iraq, should be denounced and stopped.

**[People's Coalition on Food Sovereignty](http://www.foodsov.org)**

**[www.foodsov.org](http://www.foodsov.org)**

**[secretariat@foodsov.org](mailto:secretariat@foodsov.org)**

**AFRICA**

**Ground Floor of Flat Number 1, Rose Avenue Court, Dennis Pritt Road Nairobi, Kenya.**

**Telephone Number: +254 (0)20-522-7692 Mobile: +254 (0)70-623-2589**

**ASIA**

**Add: 3/F IBON Center, 114 Timog Avenue, Quezon City 1103, Philippines**

**Tel: +632 9277060 to 62 local 206**

**Fax: +632 9276981**

**Latin America**

**COALICIÓN DE LOS PUEBLOS POR LA SOBERANÍA ALIMENTARIA - PCFS**

**Teléfonos: +591 754 30300**

**+591 686 23003**

**+591 242 20512**

**+591 464 43376**

**Dirección: Calle Crespo # 2532 (Zona Sopocachi)**

**La Paz - Bolivia**