



## **Ministers' Communiqué**

### **Responsible investment in the food and agriculture sectors – Key factor for food security and rural development**

Global Forum for Food and Agriculture – Berlin, January 19<sup>th</sup> 2013

Ministers assembled at the 5<sup>th</sup> Berlin Agriculture Ministers' Summit,

#### **Challenges**

1. Recognizing that sustainable agriculture plays a crucial role in feeding a growing global population and is inextricably linked to the fight against hunger, malnutrition and poverty, especially in developing countries, and stressing that investment in sustainable agriculture and rural development is essential to support the progressive realization of the right to adequate food;
2. Taking into account the need to meet the food demand of 9 billion people in 2050, emphasizing that agricultural production needs to be substantially increased with average annual net investment in agriculture in developing countries of at least USD 83 billion according to FAO estimates;
3. Recalling the commitments made by the international community in different fora - such as the World Summit on Food Security in 2009 - to achieve global food security and to meet the targets of Millennium Development Goal 1;
4. Recognizing the commitments made by many developing countries, especially in Africa, to raise the share of expenditures for the agricultural sector in their national budgets and the progress achieved so far. Acknowledging the progress of African countries in implementing the Comprehensive Africa Agriculture Development Programme;
5. Reaffirming that global warming and desertification as well as urbanization of agricultural land negatively affect production of basic food staples, especially in developing countries;

6. Stressing the need to develop adequate strategies to mitigate and cope with cases of food crisis, in particular with regard to their impact on the most vulnerable population groups;
7. Recognizing the particular specificities of small economies and remote island states that have little or no economies of scale, are remote from main market centers, vulnerable and at the forefront of climate change effects;
8. Taking into account that growing non-food use of crops can, under certain conditions, affect food security;
9. Noting the impact of excessive price volatility on farms and that the effects of volatility might hamper sustainable investment.

## **Ways forward**

10. In order to augment agricultural production and income, stress the need to increase responsible private and public investment in, inter alia:
  - sustainable agriculture, including its intensification,
  - rural development, land and water management, and rural infrastructure,
  - agricultural value chains and urban-rural linkages,
  - adequate transport and storage capacities, effective bio-security, veterinary and phytosanitary controls in line with SPS Rules as well as appropriate related technologies particularly to reduce post-harvest losses and waste of food,
  - human resources development, research, innovation and technology generation by public universities and research institutions, including know-how transfer between countries,
  - effective and operational services for the agricultural sector, such as veterinary, best quality seed breeding for particular regions, conservation of genetic resources and crop diversity, other related services such as information, abattoir, packaging, market access and deliveries,
  - extension services for technology transfer to promote best practices in farm management, including for adaptation to climate change and its mitigation,

and, where appropriate, promote the development of adequate market-based financial instruments tailor-made for agricultural development including appropriate risk management;

11. Taking into account that food security and rural development are matters of social and political stability, conflict resolution and national security, reaffirm the sovereignty and responsibility of states to adopt forward-looking policies that lead to sustained, inclusive and equitable economic growth and sustainable development, especially for agriculture; and to develop strategies to cope with food crisis;
12. To increase and more effectively allocate responsible investment, contribute to national, regional and international investment policies, which promote agricultural development, reduce poverty and put in the center the positive role and legitimate interests of young and smallholder farmers, women in agriculture, as well as indigenous and local communities in developing countries;
13. Further recognize the importance of an enabling environment to increase and sustain responsible private investment in the agricultural sector - based on a legal framework safeguarding the rights and interests of states and their people, in particular of the rural communities and rural people including their tenure rights - taking into account the necessity to:
  - identify and respect the legitimate interests of investors and ensure legal rights,
  - enhance transparency and reduce - where appropriate - legal, regulatory, administrative or informational constraints that may hamper sustainable development,
  - promote transparent and well-functioning markets and support regional and international efforts in this regard,
  - facilitate consultations between investors, states, farmers' organizations, other stakeholders, and international organizations to enhance economic linkages,
  - integrate local, national, regional and global food markets,
  - improve responsible governance of tenure of land, fisheries and forests,
  - expand sustainable investment under public-private partnership (PPPs).

Also recognize the catalytic role of investment in public goods that can create appropriate conditions for farmers and other investors, and

take note that the OECD Policy Framework for Investment in Agriculture (PFIA) may back host countries' efforts aimed at improving the framework conditions for agricultural investment;

14. Considering the central role of farmers as investors in the agricultural sector, commit to strengthen the skills and abilities of smallholder farmers in particular, to facilitate their access to capital and financial services, to promote technology transfer for them, to provide information services, to promote equitable access to natural resources and to support farmers in organizing themselves to create efficiencies and gains in productivity;

15. Call for investors to, inter alia:

- give priority to business models which include farmers, particularly smallholder farmers, in value chains,
- pursue fair and genuine economic activity through transparent markets,
- respect legitimate tenure rights for both women and men and all applicable laws,
- act with due diligence to avoid infringing on human rights and provide remedy,
- comply with corporate social responsibility requirements,
- take into account national sovereignty over natural resources, as well as environmental sustainability and the well-being of local communities and
- promote transparency and accountability in investments related to transactions in tenure rights over land and natural resources;

16. Acknowledging that large-scale investments offer opportunities, but could also pose particular risks, call for specific safeguards and for these investments to be structurally sound, socially beneficial and environmentally sustainable, and facilitate consultations between investors and stakeholders;

17. Call on the parties to confirm their intention to implement the “Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security” in accordance with national

priorities and call on business enterprises to comply with them domestically and abroad;

18. Call on all parties to support the further elaboration of the FAO "International Guidelines for Securing Small-Scale Fisheries";
19. Call on all parties to further develop overall guidance for responsible investment by committing themselves to actively support the ongoing inclusive consultation process within the Committee of World Food Security to develop principles for responsible agricultural investment that will have a high degree of legitimacy and expedite the progressive realization of the right to adequate food.