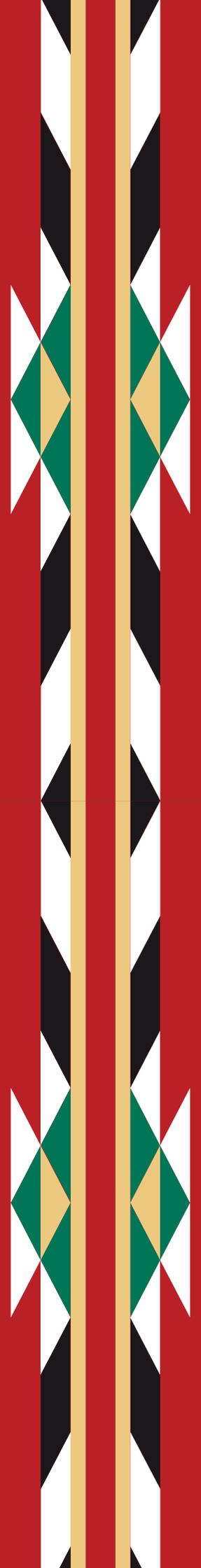




G20

SAUDI ARABIA 2020

G20 Riyadh Statement
to Enhance Implementation
of Responsible Investment in
Agriculture and Food Systems



- 1 1. Increased responsible investment in agriculture and food systems is needed to help ensure food
2 security and nutrition, support much of the 2030 Agenda for Sustainable Development and
3 respond to COVID-19. Building on past G20 consensus, the Saudi G20 Presidency initiated the
4 **G20 Riyadh Statement to Enhance Implementation of Responsible Investment in**
5 **Agriculture and Food Systems (G20 Riyadh RIAFS Statement)** to underscore G20 Members'
6 leadership role in promoting responsible investment to improve the sustainability, inclusiveness
7 and resilience of agriculture and food systems.¹
- 8 2. **The Committee on World Food Security's (CFS) Principles for Responsible Investment in**
9 **Agriculture and Food Systems (CFS-RAI)** are the most comprehensive international guidance
10 for agriculture and food sector investments. Likewise, the CFS's **Voluntary Guidelines on the**
11 **Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National**
12 **Food Security (CFS-VGGTs)** promote secure tenure rights and equitable access to land, fisheries
13 and forests to eradicate hunger and poverty and support sustainable development. Both the
14 CFS-RAI and the CFS-VGGTs have been endorsed by members of CFS, including G20 members.
- 15 3. Following the development of the CFS-RAI, the **OECD-FAO Guidance for Responsible**
16 **Agricultural Supply Chains (OECD-FAO Guidance)** was developed to help enterprises in agri-
17 food value chains to identify, assess, prevent and mitigate the adverse impacts of their investment
18 decisions and business relationships and contribute to sustainable and inclusive development.
19 There are also regional initiatives, such as the ASEAN Guidelines on Promoting Responsible
20 Investment in Food, Agriculture and Forestry and the African Union Guiding Principles on Large-
21 Scale Land Based Investments in Africa, which draw on the CFS-RAI and the CFS-VGGTs.
- 22 4. While CFS-RAI and other guidelines and tools are available, their wide-scale implementation and
23 associated increase in responsible investment have yet to occur.² Voluntary international
24 principles cannot substitute for national laws and regulations or public action, but they can
25 positively influence investment decisions. Substantial increases in responsible investment are
26 needed to foster sustainable food systems and achieve long-term food security and nutrition. For
27 all countries, investments are needed to improve small-scale and family farming, tackle rural
28 poverty, develop infrastructure, generate decent work and job opportunities for the future
29 workforce, promote gender equality and enable women's economic empowerment and protect
30 the environment, biodiversity and natural resources, such as soil, water, and air. Responsible
31 investment can also help protect the environment while simultaneously increasing productivity
32 of agriculture and food systems. Increased responsible investment by a combination of private
33 and public, foreign and domestic sources will be essential, while recognizing that farmers
34 themselves contribute very significantly to investment in agriculture.
- 35 5. Despite this need for enhanced investment, data indicate a decline in the growth rate of
36 aggregate global agricultural investment, and actual declines in foreign direct investment in
37 agriculture and public investment in agriculture for many G20 countries.³ Low- and middle-
38 income countries invest relatively less than high-income G20 countries in agriculture, despite
39 agriculture's greater share in their GDP and employment, and the potential for agricultural
40 growth (noting some positive trends in Africa under the CAADP/AU targets).⁴ There is also scope
41 for realigning part of the support to agriculture with responsible investment principles, including
42 through funding for innovation, research and development, infrastructure, capacity building and
43 enhancing the environmental performance of agriculture and food systems, in line with WTO
44 rules.⁵

¹ G20 Agriculture Ministers have a long history in supporting CFS-RAI, VGGT. Various Ministerial Declarations have included expressions of support to CFS-RAI and VGGT, including those adopted in 2011 and 2014 through 2019. Since 2017, support has been extended to include the OECD-FAO Guidance for Responsible Agricultural Supply Chains.

² The FAO has established an Umbrella Programme support to country level implementation of the CFS-RAI.

³ FAOSTAT: Annual Gross Fixed Capital Formation 1996-2016 / Compound Rates of Growth of Gross Fixed Capital Formation 1995-2016; Foreign Direct Investment to Agriculture, Forestry and Fishing 1995-2017;

⁴ FAOSTAT: Agricultural Investment Orientation Index 2016

⁵ OECD Agriculture Policy Monitoring and Evaluation report 2020

- 45 6. Five areas for action to advance responsible investment in agriculture and food systems are
46 identified by a G20 drafting group and international organizations. These five areas provide an
47 integrated package of measures to scale up application of voluntary responsible investment
48 principles, guidelines and tools in order to facilitate an increase in responsible investment. Within
49 the scope of their national authority, G20 countries can support the implementation of the CFS-
50 RAI and other guidelines and tools.
- 51 7. **(1) Awareness-raising and knowledge sharing** – Raising awareness about responsible
52 investment in agriculture and food systems, the CFS-RAI and other guidelines and tools with
53 governments, the private sector, financial institutions and producers remains critical. This
54 includes promotion and information sharing, development of evidence-based support tools,
55 encouraging multi-stakeholder dialogue and supporting joint implementation actions.
- 56 8. **(2) Improving the enabling environment** – A conducive enabling environment at the national
57 level for in-country responsible investments in agriculture and food systems is shaped by a
58 coherent and appropriate policy, regulatory and legal framework, with transparency,
59 accountability, respect for human rights and well-functioning institutions, which enable markets,
60 family farmers, enterprises and local economies to develop and flourish on a sustainable basis.
61 This should be supported by sound macro-economic, financial and trade policies, including
62 support for responsible investment in agriculture and food systems and improve market
63 performance through rural infrastructure, services and technology, consistent with multilaterally
64 agreed rules.
- 65 9. **(3) Embedding responsible investment principles in business operations and supply chains**
66 – There are significant benefits from enabling businesses, including micro, small and medium-
67 sized enterprises and the large-scale corporate sector, to better align their operations with
68 voluntary responsible investment principles. Businesses can maximize the uptake of responsible
69 investment in agriculture and sustainable supply chain practices and translate due diligence
70 commitments into measurable action. This can be supported through capacity development,
71 sharing of best practices between businesses and other actors, stakeholder engagement and
72 innovative public-private partnerships.
- 73 10. **(4) Embedding responsible investment principles in financial sector operations** – Influencing
74 all actors in all parts of the agricultural investment process, including financial institutions and
75 banks, is critical for expanding access to financial services and promoting responsible investment.
76 Financial institutions are becoming increasingly important as they can support farmers and
77 businesses to shift towards sustainable practices that can also present profitable opportunities
78 and societal benefits. Important aspects include alignment between the policies, strategies and
79 risk-management mechanisms of financial institutions and the voluntary principles and
80 guidelines, increasing flows of financial resources for rural credit, and innovative finance and
81 insurance tools that included blended financing and risk mitigation.
- 82 11. **(5) Capacity development** – Implementing the above areas for action requires enhancing the
83 capacity and skills of institutions and individuals to apply voluntary responsible investment
84 guidelines or principles in the context of existing national policies and priorities, and the rules and
85 laws that govern investment. This requires further development of training materials, enhanced
86 capacity development of national government officials, tools for monitoring, and on-going
87 support to national governments and agri-food sector businesses.