



EARLY-STAGE SCREENING TOOL FOR RESPONSIBLE AGRIBUSINESS INVESTMENTS

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Background

- FAO, IISD and CCSI decided to develop two tools:
 - Due diligence tool for government institutions to assess alignment of proposed investments in agriculture and food systems with CFS-RAI.
 - Pre-investment due diligence tool for agribusinesses to enable the alignment of **proposed investment projects** with CFS-RAI.
- Currently designed for:
 - Domestic and international companies
 - Greenfield and brownfield scenarios
 - All business sizes, commodities, and value chain segments
 - *May need to differentiate the tool, e.g., by different sizes/types of company*
- Emphasis on “early stage” because:
 - Companies are able to take RAI issues into account as a part of their investment decisions.
 - This information helps prepare their project proposal to IPAs. Potentially it saves them incurring unnecessary costs further down the line.

Structure of the Screening Tool for Agribusiness Investment

Part 1: Information on proposed investment by Agribusiness

- **Agribusiness Information, e.g.**
 - Agribusiness capabilities
 - Experience of similar projects
- **The investment plan, e.g.**
 - 'Normal' project details, such as investment environment analysis, projected revenues and risks, feasibility analysis
 - Explicit info on social, economic and environmental issues, such as land required, relationship with farmers and communities, likely emissions, etc.



Part 2: Identification and implications of relevant CFS-RAI Issues

- **Questions for the agribusiness to consider** in deciding whether a specific element of its proposed project represents a **CFS-RAI risk** (and the degree).
- **Assess risk** in relation to each relevant CFS-RAI issue/principle, denoted as
 - 1.High (red)
 - 2.Medium (yellow)
 - 3.Minimal/none (green)
- Specific actions required (if red or yellow).
- Actions for red flags.
- (See next slide)



Part 3: Considering options and taking action.

- **Supplemental guidance** provided to support agribusiness' decisions for each issue/risk.
- **Dedicated links** to explanatory material and sources for each issue.



CFS-RAI principle	Key questions	Risk, as identified by the investor (indicate red, green or yellow, with short explanation)	Action required (if red or yellow)	Red flags
1. Contribute to food security and nutrition	(a) Could the project cause existing food cropland to be converted to the production of cash crops? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown		(a) Conduct a food security analysis to determine the nature and extent of the potential impact on local food security and nutrition specifically including the potential impact on women. Consider redesigning the project to ensure that lost food crops are replaced.	Do not proceed if the proposed project is likely to have a significant negative impact on local or national food security and nutrition unless transparent, remedial action is taken to avoid this risk.
	(b) Could the project result in the export (either outside of the country or to another region of the producing country) of food that is currently available for local consumption? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown		(b) Include this issue in a food security analysis. If necessary based on the food security assessment (as described above), redesign the project to ensure that lost food crops are replaced.	
	(c) Could the project cause smallholders or others to lose access to land and/or forest resources currently used for local food production? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown		(c) Include this issue in a food security analysis (as described above). Consider whether the project can be modified so that smallholders engaged in local food production do not lose access to their land.	
	(d) Could the project convert pastureland to other uses or otherwise cause pastoralists or other seasonal users of land used for livestock to lose access to that land? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown		(d) Include this issue in a food security analysis (as described above). Consider redesigning the project to allow pastoralists or other seasonal users to maintain access to the land they use.	



Next steps

- Create a user-friendly format of the tool
- Pilot the tool with actual agribusiness investments/project proposals
- Stay tuned!

Thank You!

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