

Response to Global Justice Now's campaign regarding the New Alliance for Food Security and Nutrition.

September 2015

The New Alliance for Food Security and Nutrition is a partnership that brings together the capacities and interests of a diverse range of stakeholders, including African governments and institutions, African farmers, the private sector, civil society, donors, and other development partners. It aims to lift 50million people out of poverty by 2022 through the inclusive growth of the agricultural sector.

The Global Justice Now campaign focuses specifically on the Oakland Institute report on Kilombero plantations in Tanzania. DFID takes any allegation of mistreatment seriously and where there is firm evidence of abuse we will take action. Assessing the environmental, social and governance (ESG) safeguard standards is critical for investments in private entities. In response to the Oakland Institute report, we reviewed the systems that our intermediary, AgDevCo, put in place to assess the standards and practices of the companies they invest in. Our initial findings are that AgDevCo applied their safeguard standards (which are closely aligned with by the International Finance Corporation (IFC) and found that Agrica Limited had complied with them. IFC ESG standards¹ have specific objectives on land acquisitions, involuntary resettlement, and indigenous people. They reflect best practice for private sector land investments, which not only strengthen transparency and accountability, but also enable all people who will, or might be, affected to engage in the process quickly and receive fair compensation if required.

It is important that you are aware of the positive impacts that this investment has had in the areas of job creation, increases in productivity and incomes and the associated development benefits which the Oakland report did not mention. Given that the aforementioned due diligence process undertaken by AgDevCo and the detailed response provided by Agrica Ltd, which can be found online at www.oaklandinstitute.org/sites/oaklandinstitute.org/files/Agrica%27s_Response_to_Oakland_Institute_Greenpeace_Africa-May-29-2015.pdf, the Department's initial findings are that the processes undertaken have met internationally recognised standards.

With regard to the May 2015 ICAI report, the New Alliance for Food Security and Nutrition does not itself provide any financial support to businesses. It works at a higher level, engaging the public sector and governments through commitments to improve the business environment, as well as private actors to make responsible investment commitments. Progress on this can be seen on the New Alliance website at www.new-alliance.org.

¹http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes

Finally, at the most recent Leadership Council meeting of the New Alliance they recognised a new Framework for Investors which will be a tool for implementing the Voluntary Guidelines for Responsible Governance of Land, Fisheries and Forests. It was developed by the African Union, international donors and the Food and Agriculture Organisation of the United Nations and The New Alliance Council have agreed to pilot it across a range of companies and then assess its effect after a year. DFID will follow this process closely. I hope this is reassuring.

We believe that investment in agriculture is essential to reducing poverty and ensuring that all people have access to good and affordable food. We will continue to provide significant public investment in agriculture to support smallholder farmers to link into markets and benefit from sustainable incomes, better capacity to adapt and respond to climate change, shocks and crisis. That will require responsible investment by African and global agribusinesses and I believe initiatives such as the New Alliance can make an important contribution to this.

GRANT SHAPPS