

RESPONSIBLE AGRICULTURAL INVESTMENT
SYNTHESIS REPORT

The Responsible Agricultural Investment Tool for Agribusiness and Case Studies

Summary of work and
synthesis of results





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Appui au développement autonome (ADA) is involved in inclusive finance in Africa, Latin America and Asia and focuses on three main topics: youth entrepreneurship, agricultural and forestry value chains and access to basic services. These activities address three transversal themes: climate change, gender and the use of digital technologies. ADA is the coordinator of the Smallholder Safety Net Upscaling Programme (SSNUP), a 10-year programme which aims to strengthen the safety nets of 10 million smallholder households through technical assistance and investment in agricultural value chains, resulting in an improved well-being of 50 million low-income people. Funded by the Swiss Agency for Development and Cooperation, the Liechtenstein Development Service (LED) and the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs, SSNUP works as a facility to co-finance the technical assistance projects of impact investors active in the field. ADA ensures the coordination as well as the knowledge management component of the whole programme.

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The Responsible Agricultural Investment Tool for Agribusiness and Case Studies: Summary of work and synthesis of results

November 2024

Written by Hafiz Mirza

Cover: LIMBUA



Table of Contents

1.0 Introduction and Backdrop	1
2.0 The Responsible Agricultural Investment Tool for Agribusiness	4
2.1 Pilot Testing of the RAI Tool and Research on the Case Studies	6
3.0 Comparative Assessment of the SSNUP Case Studies	9
3.1 Introduction and Case Study Company Profile	9
3.2 Challenges Faced by Agribusinesses and Implications for RAI Compliance.....	10
3.3 Types of Recommendations Proposed for Case Study Companies.....	30
4.0 Conclusions and Further Developments	32
4.1 The RAI Tool for Agribusiness: The perspective of AVCAs	32
4.2 The Case Studies: Major factors influencing RAI compliance	34
4.3 Support Investors and Technical Assistance Firms Can Provide to AVCAs.....	36
Appendix A. Overall Structure of the RAI Tool Business Practices Section.....	38
Appendix B. Broad Correspondence Between RAI Tool Dimensions and CFS-RAI Principles ...	39
Appendix C. Examples of the “RAI Dashboard” and “Dimension Scores” Sheets of a Completed RAI Tool Spreadsheet	42
Appendix D. Structure of Information Brief Provided to Case Study Companies.....	44
Appendix E. Use of Ordinal Scores in the Published Versions of the Case Studies.....	45



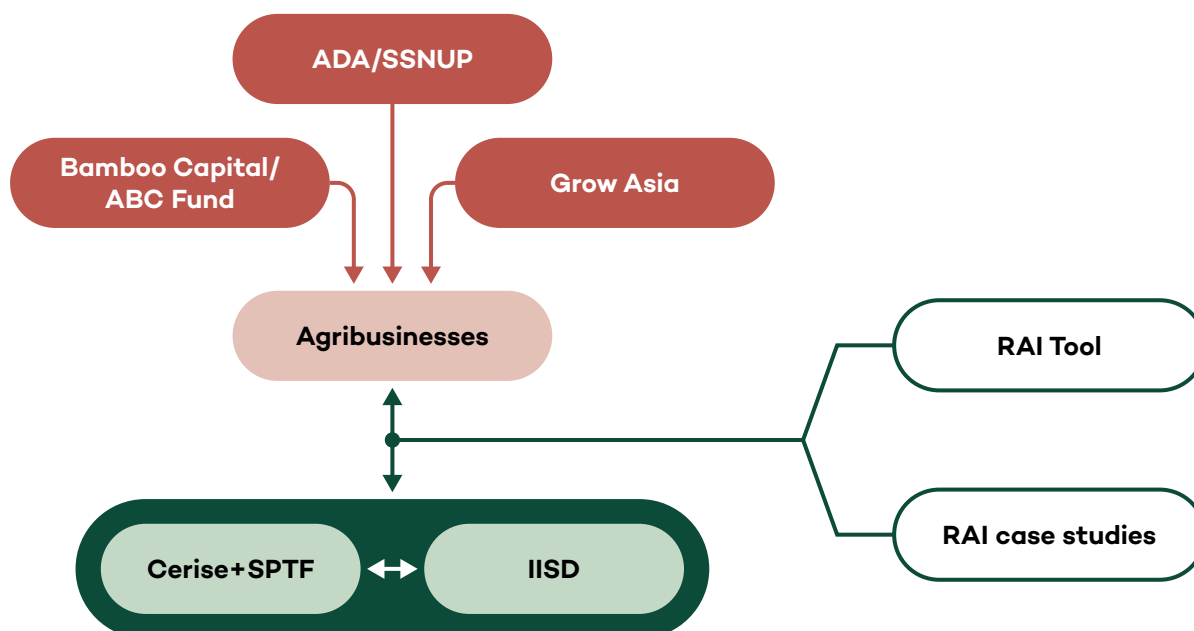
1.0 Introduction and Backdrop

This report aims to summarise work undertaken by a strategic collaboration between Appui au développement autonome (ADA), the International Institute for Sustainable Development (IISD), CERISE+SPTF, Bamboo Capital, and Grow Asia, with the objective of improving the private sector’s compliance with responsible investment (specifically in food and agricultural systems). This work consisted of two interrelated projects (Figure 1):

- generating detailed, context-specific evidence on good business practices for responsible agricultural investment (RAI)¹ and business conduct supporting farmers, rural communities, local businesses, and other stakeholders—specifically, a set of [case studies on agribusinesses’ compliance with Responsible Agricultural Investment \(RAI\) principles](#) (“the Case Studies”)
- developing effective tools to enable agribusinesses to evaluate their current alignment with RAI principles and take appropriate action to improve their compliance—specifically a [Responsible Agricultural Investment Tool for Agribusiness](#) (“the RAI Tool for Agribusiness” or “RAI Tool”) and related documents.

The work described in this report primarily took place from 2022 to 2024 and required an innovative research framework. The above-mentioned organisations, as well as many supporting partners, discussed, devised, and bought into the approach adopted for the work during a series of meetings in 2021.

Figure 1. Partnerships in developing the RAI Tool and producing the RAI case studies



Source: Author.

¹ “Agricultural investment” in this report should be read as shorthand including investment in other parts of the food and agriculture value chain, such as processing and trading.



The research framework devised to conduct the above work took advantage of two parallel and related objectives:

- a Smallholder Safety Net Up-Scaling Programme (SSNUP) objective to produce a series of case studies providing evidence on agricultural value chain actors' (AVCA's) performance and compliance with responsible investment principles (Box 1); and
- a desire by several partners to develop a tool to assess whether an agribusiness's management of its operations, practices, and procedures is in line with internationally recognised best practices of responsible business conduct.

Box 1. SSNUP and the case studies

SSNUP includes nine impact investors as of September 2024: AgDevCo, Alterfin, Bamboo, Grameen Crédit Agricole Foundation, Incofin, Oikocredit, ReponsAbility, SIDI, and Symbiotics. The SSNUP aims to strengthen smallholder householders' safety nets sustainably. This will be achieved by fostering the adoption of more responsible and sustainable practices among AVCAs by co-financing technical assistance projects and supporting the conducting of the RAI case studies to analyse their performance and compliance with the Committee on World Food Security's Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI).*

AVCAs are critical players in achieving the goals of CFS-RAI and include producers (of crops), processors, and traders. The SSNUP case studies also include service providers, for instance, those offering financial or technical services to growers or support to vulnerable groups, such as women and youth. AVCAs can play a transformative role, including enabling the adoption and dissemination of new technologies, building markets and supply chain linkages, and potentially contributing to local economies and communities (e.g., through employment and income generation). Investing responsibly can be enhanced by AVCAs aligning policies, planned operations, and practices with the CFS-RAI.

The RAI case studies analysed five AVCAs, drawn from various segments of the agricultural and food sectors, aimed at analysing their performance and compliance with the CFS-RAI. Translating the CFS-RAI Principles into action requires practical guides and tools for stakeholders—such as financial investors and AVCAs in which they invest—who wish to incorporate them into policies, regulations, and business practices.

Notes:

ADA is the coordinator of SSNUP, a 10-year programme that aims to strengthen the safety nets of 10 million smallholder households through technical assistance and investment in agricultural value chains, resulting in an improved well-being of 50 million low-income people. For more information, see the [SSNUP Programme](#).

** RAI refers to the [Principles for Responsible Investment in Agriculture and Food Systems](#) (CFS-RAI), which were endorsed by the Committee on World Food Security (CFS) in 2014. It is a comprehensive framework on what constitutes a “responsible investment” in agribusiness.*

Source: Author.

The innovative aspect was to combine these two streams of work into one: the “RAI Tool” was used to conduct the case studies while simultaneously piloting and refining the tool as



research on the case studies proceeded. IISD led the research by piloting the RAI Tool while conducting the research with case study companies and other stakeholders (such as farmers, communities, women, youth, local businesses, etc.). IISD and CERISE+SPTF cooperated to develop the RAI Tool (Section 2); ADA (via several investors in the SSNUP programme), Bamboo Capital (which manages the International Fund for Agricultural Development's Agri-Business Capital Fund), and Grow Asia helped in targeting appropriate companies and securing their support to act as case studies (Section 3).

Some, but not all, of the companies that participated in the Tool piloting were written up as case studies. For example, case studies were not written on Asian companies (whose support was secured by Grow Asia) participating in piloting the Tool,² although they did receive the results. For IISD and Grow Asia's Association of Southeast Asian Nations (ASEAN) work, it was more important to ensure that the RAI Tool was consistent with the ASEAN-RAI Guidelines, as per design (Box 2).

Box 2. The CFS-RAI Principles and ASEAN-RAI Guidelines

The CFS-RAI provide comprehensive guidance on what constitutes a “responsible investment” in the agribusiness sector. The 10 CFS-RAI Principles cover the social, economic, environmental, and governance dimensions of agricultural investment. The CFS-RAI enjoy considerable legitimacy, as they were developed and endorsed by national governments, the private sector and civil society.

The ASEAN-RAI Guidelines are based on the CFS-RAI but adapted to Southeast Asia, with concrete guidance on RAI adoption and implementation for national governments, the private sector and civil society. They were drafted by IISD and Grow Asia and adopted by the ASEAN Ministers of Agriculture and Forestry in October 2018. They have been adopted by the Cambodian government and, increasingly, the private sector and civil society. The guidelines encompass 10 critical aspects: food security and nutrition, economic development, women and young people, tenure rights, natural resources, technology, climate change, rule of law and governance, impact assessment and accountability, and regional approaches.

Private sector actors—including agribusiness, farmers, and agricultural cooperatives—are key players in achieving the goals of ASEAN-RAI. Their investments in the agricultural and food sectors can play a transformative role, such as by enabling the adoption and dissemination of new technologies, building markets and supply chain linkages, and potentially contributing to local economies and communities (e.g., through employment and income generation).

Investing responsibly requires a good understanding of the main challenges that arise when investing in developing countries and, more specifically, how to align planned operations and practices with the ASEAN-RAI.

Source: Author.

² Most pilot testing of the tool took place with companies based in Africa. By testing the tool in Asia, it was possible to show that it was more generally applicable.



2.0 The Responsible Agricultural Investment Tool for Agribusiness

The RAI Tool for Agribusiness (or RAI Tool) is a management tool developed, piloted, and refined by IISD, CERISE+SPTF, and partner organisations to help agribusinesses and AVCAs align their policies and procedures with best practices of responsible business conduct. It promotes compliance with international standards such as the CFS-RAI Principles and International Finance Corporation’s (IFC’s) Performance Standards.

The tool has been designed for agribusinesses/AVCAs that are involved in the production, processing, and/or trading of agricultural and food products and that, in many cases, work directly with smallholder farmers and source agricultural products from them.

A primary reason for developing the RAI Tool (and the specific approach taken) is that the CFS-RAI Principles and IFC Performance Standards—among others—remain quite generic and high level, making it difficult for AVCAs to translate them into their daily management and operations. The objective of the RAI Tool was to provide a framework that integrated these international standards into the management and operational structure of AVCAs to make it easier for them to understand and apply responsible business practices and foster the mainstreaming of responsible agricultural investments.

The approach taken by IISD and CERISE+SPTF in developing the RAI Tool was to build on existing key practices and performance indicators in order not to “reinvent the wheel.” Among others, the tool is aligned and cross-referenced with CFS-RAI Principles, ASEAN-RAI Guidelines, IFC Performance Standards, Council on Smallholder Agricultural Finance Environmental, Social and Corporate Governance (CSAF ESG) principles and Standard Impact Metrics, the Sustainability Assessment of Food and Agriculture Tool, the United Nations Sustainable Development Goals, key fairtrade standards, and uses Global Impact Investing Network/IRIS+ indicators whenever possible. The RAI Tool also initially built on the [Universal Standards for Social and Environmental Performance Management and the SPI Tools](#), which were developed for financial institutions and adapted to the agricultural sector as required.

The final version of the tool is composed of the following sections (which are discrete sheets in an Excel file):

1) ID Card

This section is completed with essential information on an agribusiness’s profile (name, country, legal status, etc.). Financial and operational indicators are not collected, but it is still recommended to analyse and interpret the results of the RAI tool in light of these (as was done in the case studies).

2) Scoping Questions

This section is composed of additional questions on the agribusiness’s profile that are used to filter in or out relevant indicators of the Practices section. The tool is “adjusted” to profile of



the agribusiness. For example, certain practices and outcomes (Sections 3 and 4 of the tool) will not apply to processors, whereas others will be less relevant to producers and so on.

3) Practices

This section comprises a list of indicators that can be answered as Yes/No/Partially/Not Relevant. Importantly, agribusinesses have to provide evidence for each response. To make the tool useful for analysis, decision making, and action, detailed information on the concrete practices implemented by the organisation is required. A few tools are referenced in this section to allow organisations to go further on some issues. Note the following:

1. The practices are structured around business operations and dimensions (e.g., strategy, human resources, production, distribution, etc.); that is, the language of business (see Appendix A for more details.) While there is no one-to-one correspondence between business dimensions and RAI principles (for example) because dimensions cover a wide but related set of practices, they often reflect aspects of more than one CFS-RAI Principle. The CFS-RAI Principles with which each dimension overlaps are indicated in Appendix B.
2. Practices and indicators are systematically organised under each dimension. They are very concrete and extremely detailed, although not all practices/indicators will apply to each company). For more details, see the [RAI Tool Guidance Document](#).
3. **The RAI Tool is not intended to replace existing tools used by AVCAs**—there is no need to reinvent the wheel. Rather, it can be seen more as an “Umbrella Tool”³ designed to ensure that key RAI aspects are not missed in relevant existing company procedures and practices (these procedures and practices may include the use of other tools, such as those relevant to the industry or an issue, such as environmental targets).
 - a. In using the RAI Tool, agribusinesses can demonstrate alignment or compliance with a particular good practice or indicator by providing apposite evidence—including information/data collected for another reason, both internal and external (such as for certification purposes).

4) Outcomes

This section provides a limited set of outputs and outcomes indicators, aligned with CSAF, with precise definitions. The section will likely be developed further in subsequent iterations of the RAI Tool.

5) RAI Dashboard and Dimension Scores

These two sections allow the visualisation of some key results after completion of the previous sections (see examples in Appendix C).

³ This is the only possible approach, given the wide variety of companies, industries and varied value chains. It is not practicable to build a tool that covers all possible aspects and potential outcomes.



2.1 Pilot Testing of the RAI Tool and Research on the Case Studies

The pilot/testing of the RAI Tool/data collection and case study drafting for each company had three principal phases (Figure 2):

Pre-Fieldwork Phase

This included:

- Collecting background information about the company, the industry, business conditions, etc. Some of these data were also collected through initial/early online meetings with the company, as feasible.
- Contacting the company, sending a four-page information brief (see Appendix D) and setting up the initial online meeting with the CEO and board members.
- The initial meeting (about 1.5 hours), including a PowerPoint presentation, question and answer section, and setting out the parameters of the work. This would include agreeing on how to conduct interviews, both online and during the fieldwork stage, to pilot different parts of the RAI Tool.
- To reduce impact on managerial time and resources, it was decided to interview only the relevant executives for specific dimensions of the RAI Tool (say operations, human resources, or finance). For most companies, four or five meetings were required of 1 to 1.5 hours each. Most of these meetings were conducted online.

Fieldwork Phase

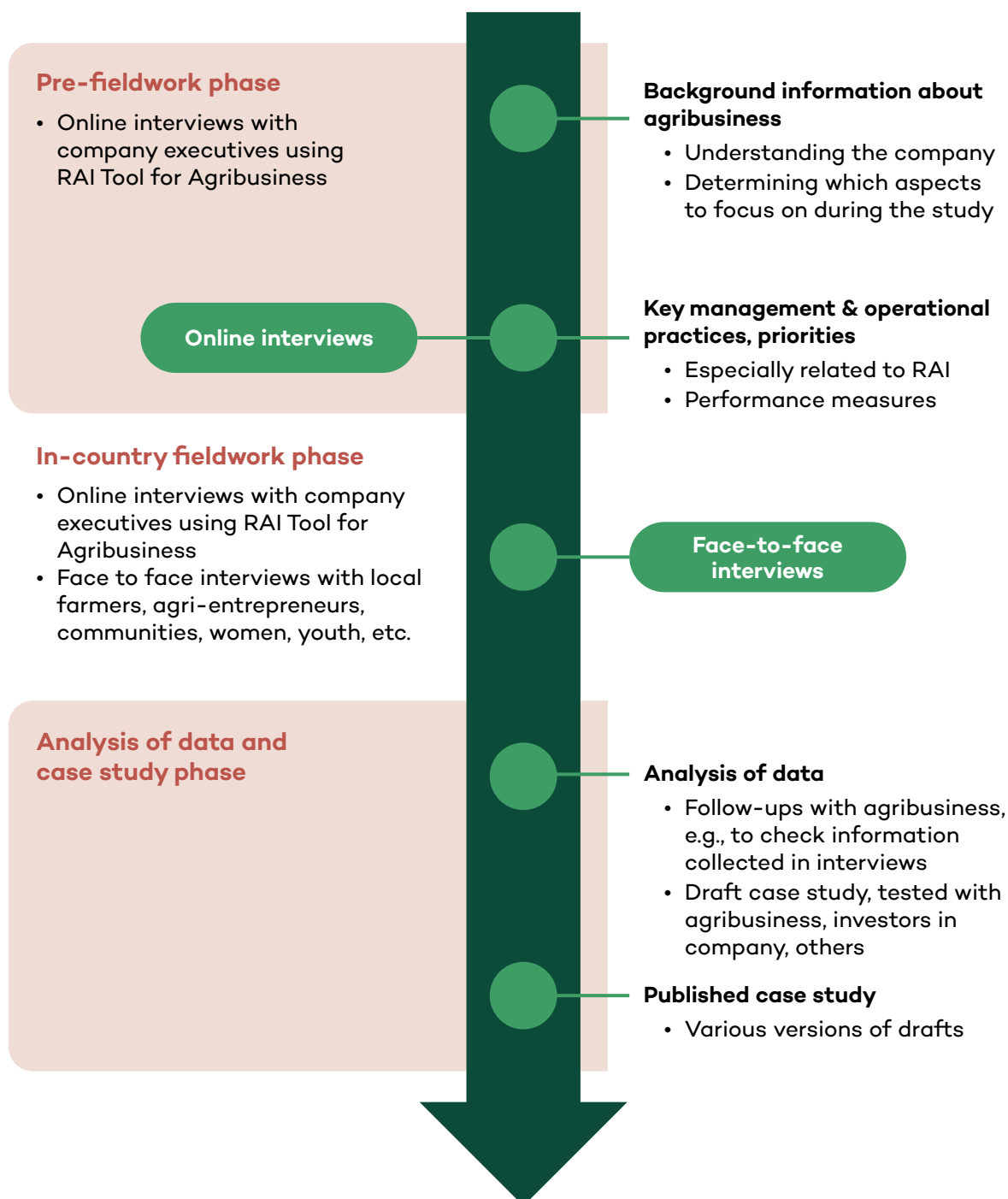
The research team visited the company and the surrounding area for 5–6 days. The work involved clarifying sessions with management and interviews with other stakeholders, e.g., farmers, local communities, etc. It was indicated to the company in advance that the IISD team intended to interview employees and local stakeholders directly or indirectly involved with the investment. The company was asked not to try to influence this process in any way and to assure us that no one would suffer negative consequences for interacting with members of the research team.

Data Analysis, Drafting, and Finalisation of the Case Study

The research team inputted data into the RAI Tool Excel File and other databases (for the stakeholder interviews). These data were analysed, principal findings were gathered, and an initial case study draft was compiled. The draft was shared with partners, the agribusiness, investors, and others. In all cases, the findings were discussed carefully with the agribusiness, in particular. Following an iterative process, the final version of each case study, including recommendations, was drafted.



Figure 2. Phases of the RAI Tool piloting and case study process



Source: Author.

To continually revise and refine the tool, the data (as well as any issues arising relating to the tool during the RAI pilot testing) were fed back to CERISE+SPTF. There was a major revision after the first case study interviews were conducted, but revision/refinement continued with each successive company.



There were two “final” versions of the case studies: an internal one with the scores and graphs, especially for use by agribusinesses and investors for decision making and a published version that did not include these numbers for several reasons (see Appendix E for a fuller explanation).

Partners, investors, agribusinesses, and others all played a major part in supporting IISD and CERISE+SPTF’s efforts to improve the RAI Tool. For instance, while it was always intended to provide a guidance document on how to use the RAI Tool, an early discussion with an investor led to a decision to produce a report template. As mentioned earlier, this template helps agribusinesses and other users of the tool to systematically input and analyse data—and act upon the findings. For further potential developments to the tool, see Section 4.



3.0 Comparative Assessment of the SSNUP Case Studies

3.1 Introduction and Case Study Company Profile

Five agribusinesses interviewed and visited while piloting the RAI Tool were written up as case studies (see Section 2). These agribusinesses were interviewees of investors participating in the SSNUP programme and were chosen from among a number proposed by the investors to ensure that they represented a cross-section of companies in terms of country of location, date established, ownership, size, industry, segment of the value chain etc. (Figure 3). This was done both to test the RAI Tool robustly (which was piloted with a larger set than these five companies) but also ensure sufficient variance in the case study companies to assess key factors influencing and explaining the degree of RAI compliance. Two further case studies⁴ were written up, drawn from companies invested in by the International Fund for Agricultural Development’s Agri-Business Capital Fund (which is managed by Bamboo Capital).

Figure 3. Profile of SSNUP-IISD case studies



Source: Author.

Figure 3 provides an overall profile of the five SSNUP case studies, while Table 1 is a descriptive summary. All cases are drawn from investors’ Africa portfolios, all are local private companies (though Sénégalaise des Filières Alimentaires’ (SFA’s) largest shareholder is Belgian), and all but one were established in the last 15 years. Most of them are small

⁴ These are not included in the current version of this report.



or medium-sized, though the Ghana company has 2,100 employees (linked to its trading activities). They represent several industries/value chains—cocoa, rice, coffee, fruits, and nuts—and various segments of value chains: producers, processors, and traders (some companies are in more than one value chain segment). As planned, all companies source from local farmers (some also farm themselves) and since, in the majority of cases, at least some of their output is exported, they pay great heed to the certification of products and inputs, both at the company level and their suppliers (principally farmers). SFA, whose rice brand focuses on the local Senegalese domestic market, is the only company that currently has no certification programmes. The RAI Tool has been developed so that it can be used with a variety of types of company (applying as appropriate the relevant scoping questions), including cooperatives and larger companies. Unfortunately, it was not possible to include a cooperative in the sample (though this could be done later), and the nature of the selection process (i.e., the agribusinesses were investees of impact investors) tended to preclude the inclusion of larger companies.⁵

3.2 Challenges Faced by Agribusinesses and Implications for RAI Compliance

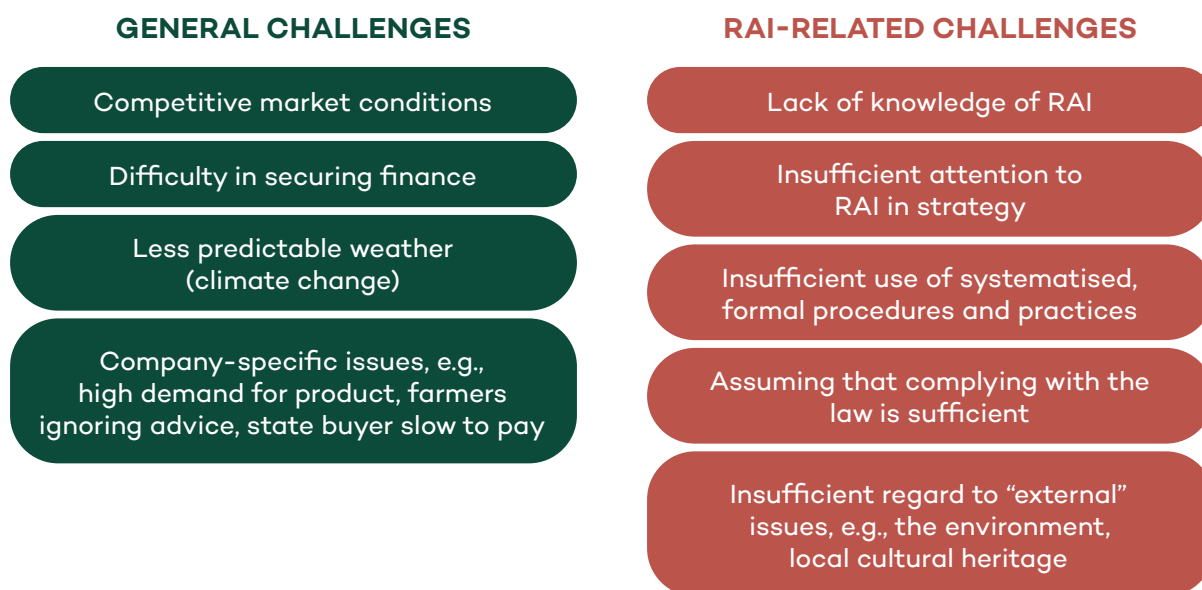
At the early stage of piloting the RAI Tool and subsequent data analysis, it became clear that companies' compliance with RAI is affected by a number of challenges (Figure 4). General challenges, such as highly competitive market conditions, difficulty accessing finance, or the impact of climate change, affect RAI compliance indirectly by affecting a company's ability to comply. For example, partly because of economic or legislative conditions and partly because of high competition (in most cases, companies are competing with larger firms, including multinational enterprises), many companies are finance and resource-constrained. A focus on business survival may reduce the emphasis they place on RAI compliance. Other challenges relate more to the issues emphasised by RAI principles; indeed, companies may not be aware of RAI per se, leading to insufficient attention to RAI in business strategy. These challenges are discussed concretely below, referring to the experience of specific companies (Table 2).

In all cases, securing sufficient finance (including for farmers under contract) is an issue. For instance, the Ghana case company faces difficulties on several fronts. It is a trader in the cocoa bean industry whose activities are very strictly controlled by law (e.g., purchasing of beans from farmers must be via “purchasing clerks” [PCs], and the beans must be sold to the Ghana Cocoa Board [COCOBOD] which is the sole exporter of cocoa beans from Ghana). It is licensed as a trader by COCOBOD and must compete with many other licensees, including subsidiaries of multinational enterprises (MNEs). Such business conditions influence how effectively a company complies with RAI (resources may be short), but these conditions can also motivate agribusinesses to adopt RAI-compliant practices. For example, to deal with intense competition, the Ghana company invests significant resources to build trust with farmers, as well as boost knowledge transfer and certification (Table 2).

⁵ It is hoped to pilot and secure adoption of the RAI Tool by larger companies through industry associations.



Figure 4. Challenges faced by companies (and farmers)



Source: Author.

As mentioned earlier, company characteristics vary significantly between the AVCAs (Table 2). While all are ultimately profit-oriented enterprises, their approach to responsible investment or business conduct has developed in different ways. SFA’s mission is to establish an inclusive value chain in North Senegal, LIMBUA Group has built responsible investment into its business model, and Mahembe’s founder was motivated to establish a farmer- and community-focused enterprise after the Rwanda Genocide. For all AVCAs, there is evidence of responsible business conduct in terms of employment or contracting patterns (e.g., the proportion of women employees and women farmers) as indicated in the light-blue shaded section of Table 2).

Apart from the Ghana case, most of the agribusinesses have relatively small numbers of employees (Mahembe and Tropic Coffee are the smallest, with only 9 and 20 permanent employees each) (Table 2). At the same time, they all work with large numbers of smallholder farmers (relative to company size), ranging from 1,000 farmers (Mahembe) through 10,000 (LIMBUA Group) to 20,000 (the Ghana company). The locations of the farmers with whom the Ghana company and SFA work are dispersed across different parts of Ghana and Senegal, respectively, while the remaining three companies have farmers in a small number of villages or locales. The concentration of activity can influence the impact on local economies. Another important variable affecting the level and quality of RAI compliance is the level to which management systems, practices, and procedures are formalised, transparent, and systematically applied (both internal to the company and with external groups, e.g., in terms of the handling of grievances) (sections in light red in Table 2). In this respect, there is quite some variation between companies overall and in terms of different business functions (in general, formalised, clear practices and procedures are the norm in operational functions—factory level, purchasing—since these are the “bread and butter” activities of all enterprises).

The challenges faced by companies outlined above have implications for how and the degree to which the case study agribusinesses comply with RAI. Table 3 summarises each AVCA’s



level of RAI compliance by business function/dimension.^{6,7} None of the companies has a “perfect score” in terms of RAI alignment or compliance, though a couple score highly in most dimensions (for scoring, see Note 2 under Table 3). More commonly, the level of compliance is affected by three key sets of factors:

1. First, a well-structured management system, especially leveraged through AVCA’s “strategy and accountability on responsible agriculture,” influences RAI conduct throughout the company and all dimensions. The best example of this is LIMBUA Group, which designed its activities around a responsible investment-oriented business model (created through extensive consultations when the company was first established).
2. Secondly, as previously discussed, business conditions can affect compliance in various ways, both positively and negatively, and can play out differently by dimension. For example, in the Ghana case, compliance is high in both the “inclusive and transparent structure” and “safe and responsible agriculture and food systems and operations” dimensions because high competition with other traders incentivises the company to establish high levels of trust and ensure efficient operations. However, since it is under severe financial constraints, “benefits sharing” (with local communities) is currently relatively low.
3. Thirdly, systematic attention to technical issues such as certification, knowledge development and transfer, and monitoring impacts the efficiency of production and improves outcomes for the company and stakeholders.
4. Finally, relatively specific or unique factors can also be at play. For example, the founder of Mahembe built a significant community of trust in the eponymous region of Mahembe because of the company’s distinctive origin (he founded it after the Rwandan Genocide). However, it is likely that when the founder passes over control of the company, this community of trust could be eroded (unless action is taken).

Table 3 (as well as individual [Case Studies](#)) provides further instances of the above.

⁶ Table 3A deals with Ghana, LIMBUA Group, and Mahembe. Table 3B deals with SFA and Tropic Coffee.

⁷ As mentioned earlier, there is no one-to-one correspondence between business dimensions and principles. The CFS-RAI principles with which each dimension overlaps are indicated in Appendix B.



Table 1. Summary of case study company details

Case study	Company details	Role in value chain	Operational details	Markets and certification
<p>Ghana Case Study</p> <p>Ghana Established: 1998 Cocoa beans</p>	<p>Licensed buying company (LBC) authorised by the COCOBOD to buy cocoa beans from farmers via purchase clerks (PCs) mandated by the Board for sale to the Board.</p> <p>Private company</p>	<p>Primarily a trader, with distribution (using its own haulage company). Also supplies inputs to farmers and offers facilitation services.</p>	<p>Accra (HQ), Kumasi (operations office). Organic</p> <p>Purchases from all seven of Ghana’s cocoa regions, which are equally important.</p>	<p>Exports and local market.</p> <p>Only the COCOBOD can export cocoa beans, so all LBCs deliver beans to COCOBOD for export.</p> <p>Wide product certification with, e.g., Rainforest Alliance, organic (various bodies), Fairtrade etc.</p>
<p>LIMBUA Group Ltd</p> <p>Kenya Established: 2010 Fruits and nuts</p>	<p>Processing and marketing enterprise in the fruit and nut sector.</p> <p>Private company, established in Kenya with a distribution subsidiary in Germany (the latter handles export sales and marketing and supports with inventory and sourcing machinery/ parts).</p>	<p>Processing, distribution, and export.</p> <p>Works closely with farmers to ensure organic produce (macadamia, avocado, mangoes, etc.) that is compliant with international markets.</p>	<p>Supports farmers to enable them to comply with organic standards and organic approved inputs (fertilizers, compost, seedlings, insecticides etc.). Has its own research centre and a comprehensive traceability system from farm, through processing, to export.</p>	<p>Local market (assists farmers in accessing local markets) and exports.</p> <p>Certifications (and partnerships in some cases) with Rainforest Alliance, Fair for Life, Fairtrade, U.S., British, and European organic food certifications, etc.</p>



Case study	Company details	Role in value chain	Operational details	Markets and certification
<p>Mahembe Coffee</p> <p>Rwanda</p> <p>Established: 2010</p> <p>Coffee beans</p>	<p>Processor and exporter of green coffee beans</p> <p>Private company</p>	<p>Coffee production (and purchasing from local farmers), processing of cherry, and export of green beans.</p>	<p>Based in Mahembe (the owner hails from here and returned to Rwanda after the genocide to set up coffee operations).</p> <p>Works closely with farmers to ensure sustainable, certified produce, with the aim of contributing to the better lives of farmers and local communities.</p>	<p>Local market (including supplying to Wrukky Coffee, a small startup roaster).</p> <p>Exports (primarily the United States, United Kingdom, France, and South Korea).</p> <p>Certification from EcoCert, Rainforest Alliance, C.A.F.E. (Starbucks) and others.</p>
<p>SFA</p> <p>Senegal</p> <p>Established: 2013</p> <p>Rice</p>	<p>Processor and seller of white rice harvested by local small-scale farmers.</p> <p>Private company</p> <p>Durablis (Belgium) is a majority shareholder.</p> <p>Grameen Crédit Agricole (France) Foundation has also invested in SFA and been a partner since 2013.</p>	<p>Processing and distribution of white rice (under the Terral brand).</p> <p>SFA has sought to establish an inclusive value chain for the production, processing, and marketing of rice in the north of Senegal.</p>	<p>The paddy rice is sourced from local farmers under contract, with SFA supporting them technically through 43 associations and lead farmers.</p>	<p>The market is 100% local because of Senegal's high dependency on imported rice.</p> <p>Currently, no certification programmes are pursued, but is trialling organic rice production.</p>



Case study	Company details	Role in value chain	Operational details	Markets and certification
<p>Tropic Coffee Company</p> <p>Rwanda</p> <p>Established: 2015</p> <p>Coffee beans</p>	<p>Processor and exporter of green coffee beans</p> <p>Private company</p>	<p>Purchase of coffee production from local farmers, processing of cherry and export of green beans. (The dry milling to green bean is outsourced.)</p> <p>Tropic Coffee supports farmers and facilitates their production through fertiliser delivery, seedlings, and agro-forest trees, as well as via its Smart Kungahara Platform System (SKS) system (next column).</p>	<p>Tropic's SKS is a phone-based platform that lists farmers, tree numbers, location, and other ID details. Used to communicate with farmers at all stages. Improves coffee bean traceability for international buyers.</p>	<p>Negligible local market.</p> <p>Most sales are exports to the United Kingdom, Belgium, the United States, Australia, Japan, and Poland.</p>

Source: Author.



Table 2. Business and company conditions and characteristics

Ghana case study	
Business conditions	<p>The West African countries of Côte d'Ivoire and Ghana are the world's biggest producers of cocoa, jointly accounting for some 60% of global production. The affairs of the cocoa industry are controlled by means of the Ghana Cocoa Board Act 1984 which created COCOBOD. The company in this case study is one of about 30 active LBCs registered with COCOBOD. LBCs range in size from relatively small ones to subsidiaries of MNEs, and they compete for the purchase of beans based on a fixed-margin pricing system. The company in this case study is one of several independent locally owned small and medium-sized enterprises (SMEs) that compete with the dominant players, as well as intensely among each other. It is reported that it can take up to 3 years to build farmers' trust in a locality before they are prepared to commit to any particular LBC.</p>
Company background	<p>As a trader, the LBC is authorised by COCOBOD to buy cocoa beans from farmers via PCs and mandated to sell these to COCOBOD for export. The managing director's office, administration, finance, human resources, and sustainability functions operate from the head office. The operations manager and stock audit manager, with support staff, are located at the Kumasi Operations.</p> <p>The LBC employs some 2,100 people across six business regions; most employees are in the field.</p> <p>In total, the company has agreements with some 2,000 PCs.</p> <p>The company works with and purchases from (via the PCs) about 20,000 farmers and cooperates with some farmers to support knowledge transfer and certification.</p>
Employees	<p>The working environment in the company is male dominated, but women generally report they are treated fairly. Women consider themselves as more passionate about their work and hardworking. There is encouragement to bring more women on board in roles within the industry and the company. More women are coming through as PCs. For example, out of 23 PCs in Ashanti Central Region, eight are now female.</p>
Company's structure and characteristics	<p>The company has a formal management system with clear demarcation lines for roles, processes, and actions. The Kumasi operations, for instance, are well run, and communication is relatively clear and transparent between the company staff, PCs, and farmers. However, while the company's sustainability awareness and human focus result in concrete actions when issues come up—this is ad hoc.</p>



LIMBUA Group Ltd	
Business conditions	<p>LIMBUA is representative of a processing and marketing SME located in Kenya and operates in the fruit and nut sector (macadamia, avocado, and mango).</p> <p>Such SMEs typically face several challenges and constraints, the most notable being competition for farmer crops, where independent macadamia brokers trade as a means of laundering cash through the export of a commodity. These actors attempt to buy farmer produce using unethical means without providing support to farmers. For example, taking delivery and not paying or telling farmers LIMBUA is no longer buying. Secondly, at startup, there may be initial difficulty in accessing local finance, especially working capital, to pay for purchasing farmer produce. Thirdly, climate change is impacting the normal production cycle, especially for macadamia, with fruiting occurring within a 3-month window after manure is applied. Organic production protocols dictate fruit produced during this period cannot be sold if it is to retain its organic status.</p>
Company background	<p>LIMBUA's strategy is to provide a market for organically produced produce, with processing plants located as close to the suppliers as possible. Given that the entirety of a farmer's holding is certified organic, and that a range of crops are produced, LIMBUA aims to help farmers access markets for as many of their crops as possible. The company does this either through direct purchase or introduction of the farmer to local perishable food crop traders.</p>
Employees	<p>LIMBUA employs 146 permanent staff, of whom 64 (39%) are female, 76 (52%) are youth, and 131 (80%) are from the local area. It also employs 734 temporary (seasonal) workers, of whom 521 (71%) are female. At senior management level, two of the six managers are female.</p> <p>The number of farmers supplying to LIMBUA has grown rapidly and stood at 9,647 in 2022. Some 52% of farmers are female. Only 5% are youth, which illustrates a problem: the farmer cohort is generally older, and there are constraints on young people entering the sector.</p>
Company's structure and characteristics	<p>LIMBUA's management style, business model, and processes are generally clear and formalised, being designed from the bottom up. The founding shareholders and partners made a conscious choice to set very clear goals and expectations on what they aimed to achieve and how, especially in terms of sustainability and community focus.</p>



Mahembe Coffee	
Business conditions	<p>The coffee industry ultimately depends on the production of fresh cherry, which is wet milled to remove the mucilage at a coffee washing station (CWS), after which it is sun-dried to parchment.² After the CWS process, the parchment is then hulled at a dry mill, producing the green bean, which is exported to international buyers for roasting.</p> <p>Since liberalisation in 2000, there has been the development of a strong private sector in exporting, with local investors, cooperatives, and MNEs entering the market. Nevertheless, there are concerns that exporters exert undue influence on policy and that the sector has become more concentrated. The challenge for local SMEs such as Mahembe is competing with vertically integrated MNEs, whose supply chains stretch from CWS to Europe-based roasters and distributors.</p> <p>There are presently about 400,000 farmers growing and harvesting coffee in Rwanda, producing between 16,000 and 21,000 tonnes of green beans a year on about 42,000 ha of land. However, notwithstanding private and donor investment, coffee production in the country has stagnated, and farmers in Rwanda receive the lowest prices of East African producers. Apart from competition with MNEs, other challenges include a lack of technical knowledge, poor soil quality, pests and diseases, an ageing farmer cohort, and a lack of access to markets.</p>
Company background	<p>Mahembe Coffee is a very small farming and processing entity selling green beans to speciality coffee roasters overseas (thereby side-stepping the dominant MNEs). The founder hails from the Mahembe sector in the Western District of Rwanda, and after the 1994 genocide returned to the area to establish a wet mill on his father's farm. He made a conscious choice to set very clear objectives for developing the business in a socially responsible way to benefit the broader community. Respecting human dignity and responsiveness to the development needs of the community were central to the company's approach, especially in light of the difficult conditions for coffee farming in Rwanda.</p> <p>The business has expanded and now has 35 ha under production, as well as two CWSs processing about 750 tonnes of cherry per annum located in the west of Rwanda.</p>



Mahembe Coffee	
Employees	<p>The company is controlled by a board of five (including two women). Two senior managers manage day-to-day operations, the founder as managing director and one son as assistant director. The last member is in charge of marketing and oversight of the CWSs. Nine permanent employees, four of whom are women, are on the permanent staff, which also includes two senior managers, two CWS managers, an accountant, an agronomist, and a quality controller. Eight employees are under 35. In total, the company employs 58 seasonal workers, 32 of whom are women. The company works directly with some 1,000 farmers.</p>
Company's structure and characteristics	<p>The company's style is relatively informal, reflecting its scale, but perhaps more importantly, the founder's central, dedicated, and ongoing role and the values he imbued the operation. Going forward, a more formal approach to documenting strategy, policies, and procedures is desirable.</p>
SFA	
Business conditions	<p>SFA is representative of an agricultural processing SME in the Senegal rice industry. Such SMEs typically face multiple challenges and constraints, the most significant of which are government price setting for paddies and access to sufficient paddy rice to ensure financial sustainability. They also must devote considerable effort to establishing and maintaining relationships and trust with farmers, communities, enterprises in related segments of the industry value chain, and other stakeholders.</p> <p>Rice is a major staple across West Africa (and the principal source of calories in Senegal). However, local production only meets about 60% of local demand, requiring significant imports. Producing rice locally has been a major policy imperative since the 2007/08 global food price crisis for food security reasons, and SFA is one of several companies aiming to support this objective. The company operates in northern Senegal, where paddy rice is commercially produced under flood irrigation.</p> <p>The estimated production of rice in the north is around 400,000 to 500,000 tonnes, but the potential is far greater as only some 50,000 ha out of a potential 150,000 ha is under rice production.</p> <p>As part of its Structural Adjustment Programme, Senegal started to liberalise its rice sector in 1994, and the state disengaged from processing and marketing activities and price setting. Price determination for farmers is now facilitated through a platform representing rice value chain actors, Comité Interprofessionnel du Riz, of which the parastatal agency SAED3 is a member.</p> <p>The local rice sector has benefited from international assistance, such as from the Japan International Co-operation Agency, which operated in the country for over 10 years.</p>



SFA	
Company background	<p>SFA was registered as a private company in Senegal in 2013.</p> <p>To serve the white rice market (selling mainly to 30 wholesale and retail outlets), SFA buys paddy rice from about 3,125 smallholder farmers (1,700 regular suppliers and the balance a mix of farmers, contractors, and aggregators) in the Senegal River Valley.</p> <p>SFA's mission is to develop an inclusive value chain for the production, processing, and marketing of rice in the north of Senegal. This allows producers to benefit from a stable price and access to suitable financing, as well as securing the income of producers through a model of contract farming and an inclusive rice sector.</p> <p>The company's four buying agents also function as extension officers, working with the presidents of the farmer unions and providing training to farmers through 36 lead farmers. Purchasing operations are conducted in all three zones of the Senegal River Valley irrigation schemes.</p> <p>Structurally, the company is led by a general manager reporting to a board representing the shareholders. The general manager is directly responsible for the purchasing function, and the four buying agents report to him. The other senior managers reporting to the general manager at the mill site are the production manager, quality and stock manager, and admin manager (responsible for human resources and finance at the mill), and, in Dakar, the sales manager and accountant.</p>
Employees	<p>SFA employs 32 permanent staff and some 60 seasonal or daily contract workers. Additionally, contractors who transport paddy rice to the mill using 10 38-ton trucks employ about 130 people (i.e., on average, 13 workers per truck). Men dominate the numbers for both permanent and casual (temporary) staff, with only 8 out of 32 permanent staff being female. Similarly, only 10 out of 60 daily workers (casual or temporary) are women.</p>
Company's structure and characteristics	<p>Operationally, SFA is formally structured and run and tends to be transparent and inclusive in its dealings with stakeholders (e.g., in terms of effective channels to receive and respond to grievances from farmers and communities). However, the company does not as yet systematically assess and measure its impact.</p> <p>SFA receives considerable loyalty from farmers because of its conduct and the trust that its general manager, managers, and buying agents have built with farmers, centred on being open to issues and concerns—as well as addressing these in innovative ways. Farmers' loyalty is rewarded in several ways, including being supplied with inputs or technical advice, and can be regarded as a company strength.</p>



Tropic Coffee Company	
Business conditions	<p>The coffee industry ultimately depends on the production of fresh cherry, which is wet milled to remove the mucilage at a CWS, after which it is sun-dried to parchment.² After the CWS process, the parchment is then hulled at a dry mill, producing the green bean, which is exported to international buyers for roasting.</p> <p>Since liberalisation in 2000, there has been the development of a strong private sector in exporting, with local investors, cooperatives, and MNEs entering the market. Nevertheless, there are concerns that exporters exert undue influence on policy and that the sector has become more concentrated. The challenge for local SMEs such as Tropic Coffee Company is competing with vertically integrated MNEs, whose supply chains stretch from CWS to Europe-based roasters and distributors.</p> <p>There are presently about 400,000 farmers growing and harvesting coffee in Rwanda, producing between 16,000 and 21,000 tonnes of green beans a year on about 42,000 ha of land. However, notwithstanding private and donor investment, coffee production in the country has stagnated, and farmers in Rwanda receive the lowest prices of East African producers. Apart from competition with MNEs, other challenges include a lack of technical knowledge, poor soil quality, pests and diseases, an ageing farmer cohort and a lack of access to markets.</p>
Company background	<p>Tropic Coffee is a Rwandan specialty Arabica coffee processing and export company established by a husband-and-wife team in 2015. As a processor of cherry and exporter of green beans, Tropic Coffee occupies a critical link of functions within the coffee value chain between farmers and roasters. Tropic's vision is "To be a leading Rwandan coffee producer by providing the highest-quality specialty coffee. We aim to meet international standards while increasing income for local Rwandan farmers."</p> <p>The company works with 3,000 coffee farmers (approximately 50% of them women) to grow, buy, process, and export high-quality coffee from three different regions in Rwanda, each at different altitudes, with varying climate, soil, and rainfall. A wet mill CWS was initially leased, and the company's first fully owned one was established in 2018. A further two fully owned CWSs were set up in 2019 and 2021. Operations have grown considerably over the years, and the company currently operates in three districts: Ruhango (Gisanga CWS), Nyamasheke (Cyato CWS), and Ngorerero (Kabyiniro CWS).</p>



Tropic Coffee Company	
Employees	The company is governed by a board of five people (three of whom are women), including two non-executive directors and two managing directors, one of whom is the managing director, and the other is the sales director. The business has grown to employ 20 full-time staff today, seven of whom are at the head office in Kigali, as well as between 100–120 daily paid seasonal workers at each of the three CWSs (80% of the seasonal workers are women).
Company's structure and characteristics	The head office is in Kigali and hosts senior management functions (managing director, sales, finance and human resources), quality control, certification, and monitoring and evaluation. The company also employs an agronomist who, together with the certification officer, provides training and supports technology transfer on improved coffee agronomic practices to farmers. Each CWS is controlled by a CWS manager, who is assisted by an accountant and an agronomist responsible for the coffee and shade tree nursery. There is close rapport between the management and both staff and farmers (especially women).

Source: Author.



Table 3A. Case study companies’ level of alignment or compliance with RAI principles⁸
(Ghana, LIMBUA Group, Mahembe Coffee)

Dimension	Ghana case study	LIMBUA Group Ltd	Mahembe Coffee
Strategy and accountability on responsible agriculture	The level of RAI compliance is relatively low⁹ in this dimension for this company. In particular, considerable improvements are required in the organisation’s assessing and managing of its impact (e.g., on communities and the environment).	The level of RAI compliance is high in this dimension for LIMBUA. There is a very clear strategy and implementation system for responsible business conduct contributing to food security and nutrition. The company defines targets and key performance indicators and measures performance against these targets.	The level of RAI compliance is high in this dimension. For example, the company has a documented business strategy that targets specific key performance indicators, several of which relate to responsible investment and business conduct. Progress is assessed and reported on every 6 months.

⁸ These dimensions—reflected in the principal research instrument used for the AVCA interviews—were chosen to (broadly) correlate with primary business functions (strategy, finance, human resources, etc.). In other words, the questions in the RAI Tool for Agribusiness were directly intelligible for businesses. At the same time, the actual questions asked (e.g., practices referred to) were carefully mapped to specific CFS-RAI Principles. For example, the strategy and accountability dimension mainly relate to issues covered in CFS-RAI Principle 10: “assess and address impacts and promote accountability.” Similarly, the dimension on responsible processes, products, and services encompasses issues under CFS-RAI Principle 1 (“contribute to food security and nutrition”) and Principle 8 (“promote safe and healthy agriculture and food systems”). Of course, there is no one-to-one correspondence between dimensions and CFS-RAI Principles. See also main text.

⁹ The indicative level or degree of compliance under each dimension is highlighted in red text for each case study company. Although the RAI Scoring Tool generates cardinal (numeric) scores, for the reasons explained in Appendix E, it was agreed that the published case studies would not use numeric scoring. Nevertheless, a broad idea of the ordinal or indicative scores might be useful, and this is provided in the table below. It is worth noting that a numeric or indicative score can be applied at different levels, for instance, for a company’s overall RAI performance, for its RAI performance by dimension (as in Table 3), or by subcategories of a dimension. As importantly, any score given is a composite, so, for instance, under the human resource development dimension, a company might score highly for compliance under some indicators (e.g., safe and equitable work) but lower under others (e.g., insufficient attention to training).



Dimension	Ghana case study	LIMBUA Group Ltd	Mahembe Coffee
Inclusive and transparent structure	There is a very high level of compliance in this dimension. The organisation communicates very clearly with external stakeholder. There is close consultation with local stakeholders, such as farmers.	The level of RAI compliance is high in this dimension. For instance, it has a clear system for consultation with stakeholders and grievance address.	The level of RAI compliance is high in this dimension. For instance, the company holds two formal consultations with farmers, before and after the season, to plan and review results and outcomes. The company also has a worker committee that meets with management, enabling workers to raise issues and resolve grievances.
Safe and responsible agriculture and food systems and operations	The company scores relatively highly on responsible processes, products, and services.	The level of RAI compliance is high in this dimension. For instance, LIMBUA offers advice to farmers on intercropping (using its BioFarm computerised system), and there is significant direct contribution to communities through employment and income generation.	The level of RAI compliance is high in this dimension. In addition to employment created and income generated through the company's operations, it also contributes to food security and nutrition in other ways. For example, it provides free fruit tree seedlings as shade trees for coffee and offers technical support. However, it has no formalised policies and procedures on food safety apart from compliance with coffee production inspections by the authorities.



Dimension	Ghana case study	LIMBUA Group Ltd	Mahembe Coffee
Environmentally sustainable processes and products	The level of compliance is relatively low , especially in implementing and promoting sustainable practices.	The level of RAI compliance is high in this dimension. Through the variety of certification standards LIMBUA complies with (organic, FairTrade, DEMETER–biodynamic certification etc.), the issues of environmentally sustainable processes are assessed, audited, and certified to comply with the relevant certification authority standards and protocols.	The level of RAI compliance is high in this dimension. The company is aware of the environmental risks of water pollution, soil erosion, and deforestation and has undertaken measures to ensure no polluted water flows back into rivers and has erosion control practices in place. The company is taking measures to ensure chemical use is done responsibly and uses only those chemicals approved by the authorities.
Responsible treatment of stakeholders	The level of compliance in this dimension is mixed . The company respects legitimate tenure rights in land, fisheries, forests, and water and promotes responsible and fair contracting practices with its stakeholders. However, it does not place a high emphasis on the need to consider local cultural heritage in business processes.	The organisation scores a little less highly in this dimension, mostly because it has a lower compliance score in the subcategory on respecting cultural heritage due to a focus on certification requirements. In other subcategories, its compliance is much higher, e.g., in respecting tenure rights, ensuring responsible and fair contracting with local farmers, and supporting them in obtaining credit.	The organisation compliance is middling in this dimension. The company has responsible and fair contracting practices, which are confirmed by farmers, but there are no formal systems in place. Partnership is seen as central to arrangements because of the trust relationships built up by the founder with farmers and the community. Mahembe considers tenure rights to be secure in law through a government registration system.



Dimension	Ghana case study	LIMBUA Group Ltd	Mahembe Coffee
Responsible human resource development	The level of RAI compliance is low vis-à-vis practices impacting its employees. This largely reflects the lack (or underuse) of systematised, formal procedures and practices. There is a tendency to make ad hoc actions when a situation arises.	The level of RAI compliance is high in this dimension. There are clear policies on conditions of employment (e.g., wage levels and social benefits), an active system of employee training, and an affirmative gender employment policy with a target greater than 65% (which is currently at 71%).	The level of RAI compliance is relatively high in this dimension. Most employees interviewed were satisfied with their jobs and felt secure, although some mentioned that they did not have a formal letter of engagement. The company pays about 5% above the minimum wage prescribed in law. The company has a high level of participation of women (44% of permanent and 55% of seasonal staff) and youth (89% of permanent staff). Human resource development remains insufficient, with no professional management training in place.
Financial transparency and benefit sharing	There is a middling level of RAI compliance in this category, with a wide disparity between the two subcategories. The company scores highly in terms of its transparent financial structure, but it currently scores low on benefit sharing (using profits responsibly) with local communities, the latter being a function of financial constraints.	The level of RAI compliance is high in this dimension. There is full financial disclosure when required, and in addition to re-investment in expanding processing capacity using profits generated, the company supports farmers in undertaking financial assessment of income. The operational model places emphasis on recruiting women farmers and investing in providing them with the training and support for them to be successful.	The level of RAI compliance is relatively high in this dimension. As a private company with a single shareholder, there is no law requirement that the company's results be publicly declared. However, the company is active in supporting farmers and the community, including buying uniforms for 500 school children, assisting youth in becoming farmers and helping communities build roads to improve local transport.

Source: Author.



Table 3B. Case study companies' level of alignment or compliance with RAI principles (SFA, Tropic Coffee)

Dimension	SFA	Tropic Coffee
Strategy and accountability on responsible agriculture	The level of RAI compliance is very low in this dimension for SFA, especially in terms of how SFA assesses and manages its impact. Nevertheless, because the company and management are sensitive to social and environmental impact and responsible business conduct, operational policies and actions are being considered.	The level of RAI compliance is relatively high in this dimension for Tropic Coffee. While the company does not have a documented business strategy its operations are aligned with national development policy and compliant with regulations.
Inclusive and transparent structure	The level of RAI compliance is high in this dimension. SFA communicates and consults closely with farmers on aspects such as producing good-quality rice, facilitating access to finance, and resolving any grievances.	The level of RAI compliance is high in this dimension. For instance, the company holds regular consultations with farmers and community leaders before and after the season to plan and review results and outcomes.
Safe and responsible agriculture and food systems and operations	The level of RAI compliance is high in this dimension. SFA supports the production and processing of a food staple and contributes directly and indirectly to local employment and income generation. Many farmers interviewed mentioned that SFA provided technical support and a guaranteed market for their paddy rice and facilitated their access to credit through a tripartite partnership with Banque Agricole. Local businesses attested to SFA operations creating significant business opportunities for local food sellers and shops.	The level of RAI compliance is high in this dimension. In addition to employment created and income generated through the company's operations, it also contributes to food security and nutrition in other ways. For example, it provides free fruit tree seedlings as shade trees for coffee and offers technical support as well as specific programmes supporting the empowerment of women with support to creating savings and credit groups.



Dimension	SFA	Tropic Coffee
Environmentally sustainable processes and products	The level of RAI compliance is very low in this dimension, partly because the rice sector does not yet function with any certification programmes. SFA does promote good agricultural practices (which is scored in Dimension 3) but does not yet supply organic fertiliser. At present, the government provides fertiliser.	The level of RAI compliance is moderately high in this dimension. The company does not have a formal environmental scanning and evaluation system, but the company agronomist does encourage environmentally sustainable production systems with some 925 Rainforest Alliance certified and 625 as C.A.F.E. Practices certified.
Responsible treatment of stakeholders	The organisation scores very highly in this dimension, especially in terms of respecting tenure rights and promoting responsible and fair contracting processes with its stakeholders. SFA receives considerable loyalty from farmers because of its conduct and the trust that its management team has built with farmers.	The organisation score is high in this dimension. The company respects tenure rights and cultural heritage and whilst it does not have formal contracting with suppliers, it does attempt to have fair pricing for cherry based on what niche markets are prepared to pay.
Responsible human resource development	The level of RAI compliance is middling in this dimension. SFA abides by the law in terms of a safe and equitable work environment and complies with all the legal aspects of labour relations, such as those regarding leave, maternity leave, and contribution to health and retirement insurance. However, there is no proactive approach to issues such as empowering women or youth in the workplace. Training is deemed insufficient by SFA and employees and recognised as a priority area for future action.	The level of RAI compliance is relatively high in this dimension. but this varies between subcategories. The company complies with the Labour Act and does pay well above the minimum wage prescribed in law. The company has a high level of participation of women (45% of permanent and 80% of seasonal staff). Human resource development remains insufficient, with no professional management training in place.



Dimension	SFA	Tropic Coffee
Financial transparency and benefit sharing	The level of RAI compliance is low in this dimension. The reasons for the low scores are simply that the company is busy trying to grow and establish itself in difficult trading conditions. In addition, as a private company, it does not publish financial results. It does not have the financial resources to support a wide range of social benefit causes.	The level of RAI compliance is moderate in this dimension. As a private company with two shareholders there is no requirement in law for the company results to be publicly declared. However, the company does provide support within available financial resources to farmers through working capital loans and carrying the cost of producing free fruit trees.

Source: Author.

Table 4. Terminology used for numeric scores

Indicative score	Rough numeric score
Very low	4.0 to 5.0
Low	5.1 to 6.0
Moderate, middling, mixed	6.1 to 7.0
High	7.1 to 8.0
Very high	8.1 or above

Source: Author.

Note: Given the very large number of dimensions and indicators, average scores (by dimension or subcategory) were unlikely to be less than 4.0 or above 9.0.



3.3 Types of Recommendations Proposed for Case Study Companies

The above discussion illustrates the range of factors that influence AVCAs’ degree of RAI compliance. A careful analysis of these is essential for providing concrete, dedicated recommendations for each **case study** company. The evidence collected using the RAI Tool and other instruments—with both each agribusiness and other stakeholders—was very thorough, allowing recommendations to be detailed and as needed, context specific.

Reflecting the importance of the industry and business context and other challenges for each case study company’s RAI compliance, the recommendations for AVCAs were of two types:

- recommendations related to challenges faced by the company, farmers, and other stakeholders; and
- recommendations related to improving CFS-RAI compliance.

In addition, because investors, governments, and others (e.g., civil society, the local financial sector, etc.) can support companies seeking to improve their general and RAI compliance, recommendations are also directed to them. Table 4 summarises the context and recommendations made for two case study companies.

Table 5. Summary of recommendations for the Ghana case study and LIMBUA

Type of recommendation	Ghana Case Study	LIMBUA Case Study
Recommendations related to challenges faced by the company, farmers, and other stakeholders	<p>Narrow role in the value chain (as a result of government regulation) and competitive environment requires a clear strategy for strengthening relationships along the value chain, including:</p> <ul style="list-style-type: none"> • digitising transaction processes • providing technical assistance to increase crop yields • developing institutional mechanisms for enhanced partnering with farmers. <p>etc.</p>	<p>Farmers face challenges regarding seasonal cash flows due to the limited range of crops that can be sold to the company, and there is some need for advance funding prior to harvest. Suggestions included</p> <ul style="list-style-type: none"> • consideration could be given to involving farmer savings and credit cooperatives (SACCOS) in providing finance to farmers, with farmers having some level of savings with the SACCOS to serve as collateral. • the company’s policy of actively looking for opportunities (for farmers) to provide markets for other organic crops such as coffee, cassava flour, and castor oil should continue to be pursued and boosted. The timing of the seasons for such crops should be given due consideration.



Type of recommendation	Ghana Case Study	LIMBUA Case Study
<p>Recommendations related to improving CFS-RAI compliance</p>	<p>Recommendations were made on a dimension-by-dimension basis. For example, on “safe and responsible agriculture and food systems”, the company could expand and formalise advisory messaging on compatible and complementary food crops and livestock production systems with cocoa production. Specific actions vis-à-vis the role of its extension offices, sustainability function etc. were advised.</p>	<p>The importance of embracing organic production is not fully exploited because of insufficient educational and training programmes to include farm workers. Thus,</p> <ol style="list-style-type: none"> 1. Staff indicated they had received a range of training support to equip them for their jobs, refresher and additional training would be of value. 2. Implementation of a bursary and/or scholarship scheme would help with developing leadership skills in support of the company’s growth plans. Such a scheme could be based on in-service repayment for the expense incurred by the company.
<p>Recommendations to investors, governments and others</p>	<p>Vis-à-vis “responsible human resources development,” it was suggested that investors and other stakeholders could support the company’s adoption and implementation of a formalised HR practices strategy, e.g., by helping develop capacity at the company to undertake such actions and reforms.</p>	<p>In Kenya (and other countries), there are many accounts of independent brokers approaching farmers to buy macadamia nuts, taking delivery of product, and not paying for it. The government, through the Nut and Oils Crops Directorate, could require all brokers to be registered, to put up a guarantee for the season to claim against, in the event of non-payment of farmers, and publish and communicate to farmers a list of registered brokers.</p>

Source: Author.

Potential ways of taking these recommendations forward were discussed with the five case study companies, including establishing priorities and developing an action plan, but these deliberations do not appear in the case studies. The [RAI Tool Guidance Document](#) includes a section on developing action plans for companies that have used the RAI Tool and gathered other relevant information.



4.0 Conclusions and Further Developments

4.1 The RAI Tool for Agribusiness: The perspective of AVCAs

What was especially pleasing was that AVCAs—large and small—found the RAI Tool a clear, logical, systematic instrument to assess their degree of compliance with RAI (and ESG, sustainability issues, etc., more generally). Designing the tool “in the language of business” paid dividends. All case study companies found piloting the tool and the interactive process leading to the case studies fruitful, especially in clarifying issues, assessing gaps in their responsible conduct, developing a strategy, and incorporating RAI principles in their action plans.

However, their awareness of CFS-RAI was not so high. Nevertheless, many RAI principles address key issues that strike a chord with economic, environmental, and social issues that these companies face (or are aware of) daily. In addition, AVCAs recognised the importance of RAI-related issues and topics to their investors, customers, and related companies in their value chain (especially companies that they sell to in many cases, or export to in developed countries). These issues are present or appear in a variety of ways, e.g., vis-à-vis certification schemes, local or foreign government policies, and laws on workers’ rights and environmental emissions, etc. Farmers and communities also make demands that fall squarely within the scope of the RAI principles.

In consequence, the RAI Tool was thus deemed by companies as a welcome opportunity to adopt an approach to business conduct already under consideration or on the horizon (or widen the scope of existing responsible investment policies and practices). Among the factors leading case study companies to this viewpoint were external pressures to be more responsible stemming from financial investors, international companies further down supply chains, governments, and civil society.

However, whether they would or could use the RAI Tool—especially on a periodic basis—was an issue, especially because of resource constraints (financial, human resources, capabilities). Once introduced to the RAI Tool and guided through its logic and structure, some companies said that they had resources, capabilities, and intentions of using it in the future (adapted to their specific situation). In other cases, the CEO or board mentioned that support in using the tool would be helpful or necessary in the future. In general, this latter group consisted of smaller companies that were resource-constrained or facing heavy competition (i.e., they had to focus on survival issues). For such companies, potential future support or support structures could be considered (see Section 4.3).

Finally, while piloting the RAI Tool sought to ensure minimal impact on staff resources,¹⁰ nevertheless it was deemed lengthy (even after filters were applied) which would likely affect its uptake, especially among smaller businesses.

¹⁰ For example, by only speaking to relevant managers/staff in each dimension.



Further Developments of the RAI Tool

Mindful of the above issues, several future actions are being considered or underway for the tool (and related material such as the guidance and report template):

1. Financial investors, including those who are part of the SSNUP programme, are keen to draw upon the tool for their future investment decisions (and subsequent monitoring). For instance, investors are cooperating with IISD and CERISE+SPTF to incorporate RAI principles directly into the pre-investment diligence process. At this stage, this involves using the RAI Tool as a reference instrument because of its systematic inclusion of relevant indicators by dimension as investors revise their due diligence processes. At a later stage, this process could lead to a common approach and framework, agreed by investors, which would undoubtedly help RAI-compliant investees seeking investment.
2. Shortening the RAI Tool is desirable and is being considered, but an approach and methodology have yet to be devised. In general, this means determining which indicators to amend, delete, or combine, but it is important to recognize that for some dimensions or parts of the tool, there may be insufficient information (so far, it has been tested with a small number of companies, drawn from a small set of industries and value chains, and primarily with SMEs). Work on shortening the tool can nevertheless be conducted in parallel with further pilot testing.
3. Agribusiness companies, especially medium- and large-sized ones, are likely to adapt the tool to the extent they adopt it. IISD is planning to work with industry associations (most likely in a developing region, such as Southeast Asia where industry associations are well developed and active) to encourage adoption of the tool. This builds on the tool being an “umbrella instrument,” an approach that, in an industry association context, lends itself well to effective adaptation to the specifics of value chains. Industry associations include companies of different sizes, value chain segments etc., so utilisation of the tool can be adapted for purpose, but in a systematic, dedicated way (e.g., RAI-related links between value chain segments). Importantly, industry associations also involve leadership, coordination, and peer pressure, all of which support a more rapid adoption of the RAI Tool.
4. For smaller AVCAs, IISD, ADA, and CERISE+SPTF are exploring ways of training service providers or consultants to provide support to companies aiming to use the RAI Tool. Such providers and consultants could also coordinate with investors who wish to encourage RAI uptake among their investees. ADA/SSNUP and CERISE+SPTF have existing providers and consultants in their networks that could potentially take on such a role, but in principle, other firms (such as those working on certification in agribusiness) could also participate.



4.2 The Case Studies: Major factors influencing RAI compliance

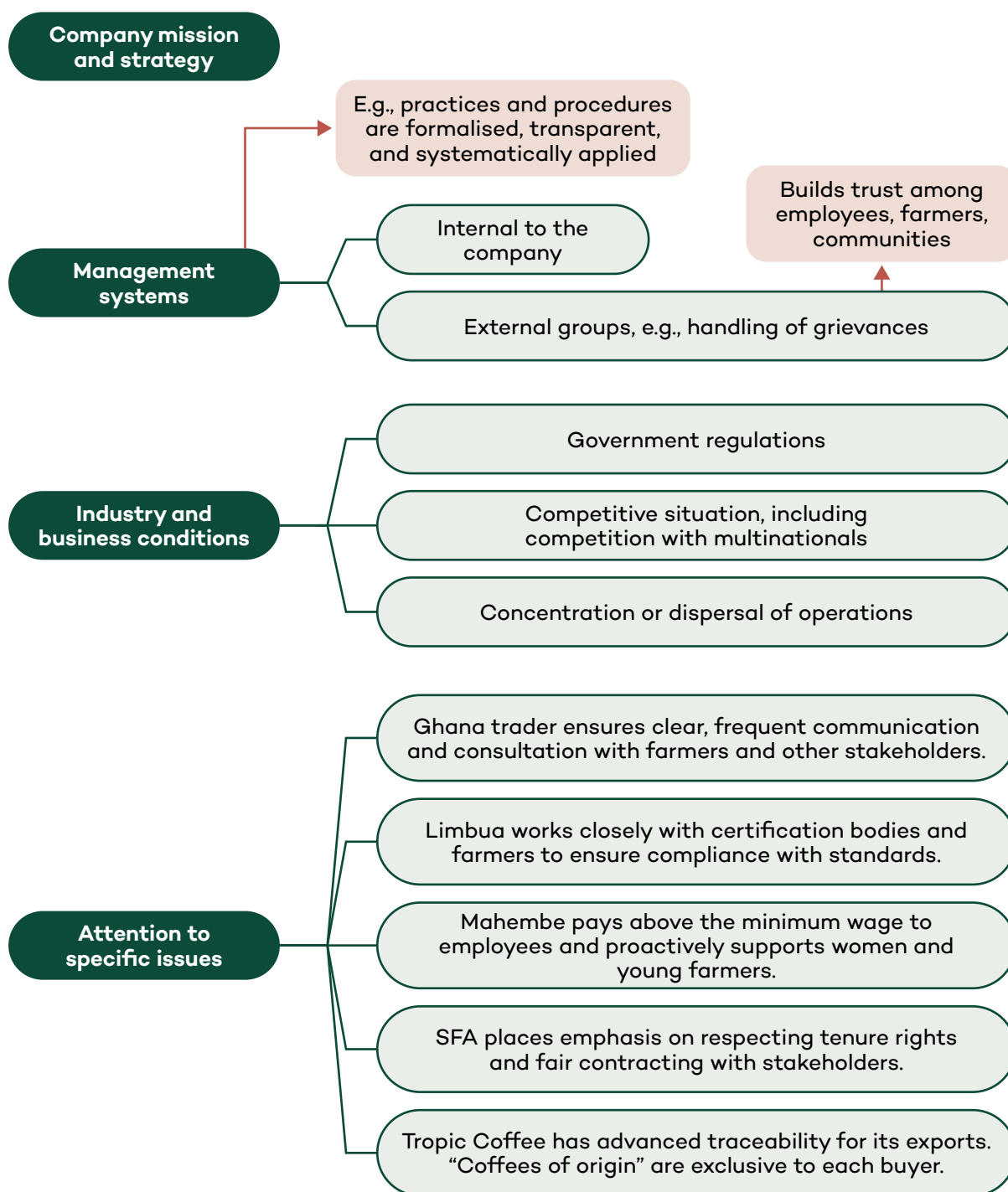
An assessment of the five case studies, as well as data from other companies participating in the piloting of the RAI Tool, indicates that there are a few overall (sets of) factors that affect AVCA's degree of RAI compliance and impact specific practices or tactics they pursue (Figure 5).

- Overall, a company's mission and strategy are highly important. Companies such as LIMBUA and Mahembe Coffee, with clear, explicit responsible investment goals and actions, tended to perform better.
- Secondly, companies with structured, effective, and formalised management systems (especially clear strategy, accountability, and transparency) performed better in terms of RAI compliance (and more generally in terms of business performance). Such companies defined their targets and key performance indicators and measured performance against these targets. These targets can be both internal (employees) and external (farmers, vulnerable groups). For example, effective handling of grievances, internal or external, can build trust with employees, farmers, communities, etc. Trust is a very important and essential commodity for companies in dealing with their stakeholders. Even companies that had lower overall RAI compliance scores—such as the Ghana Case Study—ensured good relations with key stakeholders (in this case, the purchasing clerks that the company is required to use by a state body, as well as the farmers).
- Thirdly, as underlined in Section 3, industry and business conditions (and other challenges) impact considerably on *all* company's business performance and RAI compliance. The Ghana company is severely constrained by requirements in the cocoa industry by the supervising state institution, including how rapidly it pays traders for cocoa beans (in terms of exports from Ghana, the institution is in a monopsonistic position). The competitive environment also influences all case study companies' RAI compliance, especially when their competitors are large companies or MNEs.
- Finally, company context (including industry and business conditions) means that all case study companies pay attention to specific issues that give them a business advantage and thereby impact the level to which they are RAI compliant (and, in most cases, the dimensions in which they are particularly RAI compliant). For example, SFA places considerable emphasis on respecting tenure rights, while Tropic Coffee has innovated with an advanced traceability system allowing it to provide “coffee of origin” from each farmer to its buyers overseas.

Undoubtedly, the key factors outlined above and illustrated in Figure 4 will be nuanced and extended as further case studies are conducted; but it is unlikely that the broad contours will change.



Figure 5. Principal factors influencing RAI compliance



Source: Author.

Conducting Further Case Studies

In addition to supporting case study companies in improving their policies and practices on RAI compliance, as discussed above, the case studies provided evidence on the types of factors that lead to better RAI compliance, as well as areas where companies need to improve. From



the perspective of a particular company, the use of the RAI tool and analysis of the results with the aid of a report (facilitated by the RAI template) may be sufficient for adjusting their RAI-related policies and practices after setting priorities and developing an action plan. However, more generally there is merit in producing further case studies for a few reasons:

1. While generalising from the existing case studies has yielded considerable insight on the most important factors influencing RAI compliance, these cases are few and limited in variance, especially in respect of agribusiness size, type, industry, value chain, and market. Additional case studies will increase the reliability and validity of the findings, elucidate differences in factors leading to RAI compliance (e.g., by value chain), and better nuance key aspects.
2. In addition to generalising the results and learning from them, individual case studies—that is, the approach to responsible investment and RAI compliance taken by AVCAs—are themselves important to demonstrate what is possible to agribusinesses considering a model to adopt. The more case studies there are, the more likely there will be suitable models to adopt: companies are more likely to emulate “champion” cases like themselves.
3. Finally, while this report has concentrated on a summary of the findings in each case study (and the information gathered to write them), there are many examples of RAI-related problems solved by companies, farmers, or other stakeholders. Other companies (or farmers, etc.) can draw upon such examples to help solve problems they face, both as an immediate solution or an illustration of the way to find a solution. As the number of case studies increases, the number and variety of such “problem-solution” examples will expand.

Further case studies could be conducted by IISD or other partners but could also be undertaken by consultants and others trained on supporting agribusinesses in using the RAI Tool (Section 4.1). In addition, the structure and methodology of the RAI case studies could also be used by others—say in international organisations or academia—ideally adding to a common “pool” of case studies.

4.3 Support Investors and Technical Assistance Firms Can Provide to AVCAs

Developing a Road Map for Supporting AVCAs

The summary findings of the case studies provided here, as well as further details in each case study, can form a basis for a “road map” that investors and technical assistance providers could adopt in supporting investees in agribusiness.¹¹ In addition to distinguishing important factors in ensuring RAI compliance and solutions adopted by companies (and other stakeholders), the cases systematically identify the types and sources of difficulties faced by AVCAs, be this a lack of capabilities, strategy, or resources. Each case study also makes

¹¹ There is also a role for governments too, as identified in the individual case studies.



recommendations to investors and others on how to support the agribusiness in question, contextualising this support by general and RAI-related issues and conditions.

Use of the RAI Tool, analysing the data and information gathered, drafting the case studies, and testing the findings and recommendations with AVCAs was aligned around seven dimensions (e.g., strategy, human resources, and operations) and a multitude of subcategories. This worked well because the dimensions are closely correlated to business functions, which meant that gathering of data, results, and subsequent discussions were in the “language of business.” Consequently, it is proposed that these seven dimensions (or similar, refined as needed) are central to a road map and support to AVCAs. That being said, there are further points to consider:

The challenges and issues faced by AVCAs can be broadly subdivided into those that are general in nature and those that are RAI-related. Some of the former—financial issues, regulatory problems, climate issues, and lack of resources (e.g., in IT)—might be ones which could be considered by investors (and governments).¹² RAI-related challenges may better belong in the domain of technical assistance providers, with their more specialised knowledge.

RAI-related issues are of two types:

- Those that (broadly) systematically apply across the entire agribusiness and all dimensions,¹³ such as insufficient use of systematised, formal procedures and practices and assuming complying with the law is sufficient to be RAI compliant. Technical assistance providers could design programmes supporting these topics and make them available generally to all companies. They could also be the starting point for dedicated training programmes for individual companies or selected groups of companies.
- Those that are specific to a particular dimension, e.g., targeting export markets/buyers, certification, employee training, handling grievances, community outreach, or benefit sharing. Of course, technical assistance providers are used to helping companies improve such skills, but this work allows:
 - In cases where dedicated support is provided, the technical assistance can be targeted as needed by dimension. The technical assistance programme can be designed efficiently from the perspective of both the provider and recipient. Potentially, an “assessment of need” could be conducted that might be based on the RAI Tool.
 - As the number of companies using the tool (including those that also become case studies) increases, it will be possible to identify specific issues along the seven dimensions that most commonly need support and perhaps design courses accordingly.
 - The case studies provide evidence of solutions already adopted by AVCAs (and other stakeholders), such as the specific issues adopted by the Ghana case study, Limbua, Mahembe Coffee, SFA, and Tropic Coffee in Figure 4, which can be utilised by technical assistance providers as learning examples and tools.

¹² As could be RAI-related challenges, such as “lack of knowledge of RAI.”

¹³ Most companies tended to be more rigorous, systematic, and formal in dimensions or topics that were most important to their “bottom line,” notably in operations.



Appendix A. Overall Structure of the RAI Tool Business Practices Section

Dimension	1	Strategy and accountability on responsible agriculture
Standard	1.A	The organisation has a strategy on responsible business conduct and systems in place to implement it.
Standard	1.B	The organisation assesses and manages its environmental and social (E&S) risks and impacts.
Dimension	2	Inclusive and transparent structure
Standard	2.A	The organisation communicates in a transparent way.
Standard	2.B	The organisation consults its stakeholders to inform decision making.
Standard	2.C	The organisation receives and resolves grievances from the following stakeholders: smallholder farmers/local communities/clients/other affected stakeholders.
Dimension	3	Safe and responsible agriculture and food systems and operations
Standard	3.A	The organisation contributes to food security and nutrition.
Standard	3.B	The organisation promotes safe and healthy agricultural and food systems.
Dimension	4	Environmentally sustainable processes and products
Standard	4.A	The organisation identifies and manages its environmental risks.
Standard	4.B	The organisation implements or promotes environmentally sustainable practices.
Dimension	5	Responsible treatment of stakeholders
Standard	5.A	The organisation respects legitimate tenure rights on land, fisheries, forests and water.
Standard	5.B	The organisation respects cultural heritage and traditional knowledge.
Standard	5.C	The organisation promotes responsible and fair contracting practices with its stakeholders.
Dimension	6	Responsible Human Resource Development
Standard	6.A	The organisation creates a safe and equitable work environment.
Standard	6.B	The organisation's Human Resource Development system is designed to attract and maintain a qualified and motivated workforce.
Standard	6.C	The organisation's Human Resource Development system supports its strategy on responsible business conduct.
Dimension	7	Financial transparency and benefit-sharing
Standard	7.A	The organisation has a transparent financial structure.
Standard	7.B	The organisation uses profits responsibly.

Source: [RAI Tool for Agribusiness: When and how to use the tool](#).

Note: The standards are further divided into essential practices, indicators and details. See figure 4 in the source document.



Appendix B. Broad Correspondence Between RAI Tool Dimensions and CFS-RAI Principles

Dimensions	Aligned with (elements of):	Description
<p>1. Strategy and accountability on responsible agriculture</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 10 “Assess and address impacts and promote accountability” • IFC Performance Standard 1 “Assessment and Management of Environmental and Social Risks and Impacts” 	<p>A documented strategy, with specific goals, indicators, and targets, provides a framework for implementing well-considered, relevant, consistent actions for responsible business conduct. Dimension 1 lays out key practices to specify and implement a strategy on responsible business conduct, and to assess and manage environmental and social risks and impacts.</p>
<p>2. Inclusive and transparent structure</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 9 “Incorporate inclusive and transparent governance structures, processes, and grievance mechanisms” • IFC Performance Standard 1 “Assessment and Management of Environmental and Social Risks and Impacts” 	<p>Inclusiveness and transparency in business form the basis for trust and good long-term relationships between a company and its stakeholders. Dimension 2 examines key practices to ensure transparent communication, stakeholder consultation, and effective grievance resolution mechanisms.</p>
<p>3. Safe and responsible agriculture and food systems and operations</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 1 “Contribute to food security and nutrition” • CFS-RAI Principle 8 “Promote safe and healthy agriculture and food systems” 	<p>Having safe and responsible systems and operations in agriculture and food systems has two aspects: (a) contributing to food security and nutrition, in particular for local communities, and (b) ensuring food safety. Dimension 3 specifies key practices to ensure an agricultural production process that will strengthen agribusiness value chains, improve food security and nutrition for local communities, and promote safe and healthy food products.</p>



Dimensions	Aligned with (elements of):	Description
<p>4. Environmentally sustainable processes and products</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 6 “Conserve and sustainably manage natural resources, increase resilience, and reduce disaster risks” • IFC Performance Standard 3 “Resource efficiency and pollution prevention” • IFC Performance Standard 6 “Biodiversity conservation and sustainable management of living natural resources” 	<p>Environmental issues are of particular concern in the agricultural sector, as (a) inadequate practices can directly generate adverse impacts on the environment (deforestation, land degradation, use of toxic chemicals, exhaustion of natural resources, etc.), and (b) agricultural production is itself directly and seriously affected by climate change and environmental degradation, with smallholder farmers bearing the brunt of this impact. Dimension 4 examines key practices to ensure the responsible management of environmental risks and the promotion of environmentally sustainable practices.</p>
<p>5. Responsible treatment of stakeholders</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 5 “Respect tenure of land, fisheries, and forests...” • CFS-RAI Principle 7 “Respect cultural heritage and traditional knowledge...” • CFS-RAI Principle 2 “Contribute to sustainable and inclusive economic development and the eradication of poverty” • IFC Performance Standard 5 “Land acquisition ...” • IFC Performance Standard 7 “Indigenous People” • IFC Performance Standard 8 “Cultural Heritage” 	<p>Agribusinesses interact with a variety of stakeholders, and the power balance between an agribusiness and smallholder farmers or local communities usually favours the company. This is why it is critical that an agribusiness puts in place policies, procedures, and practices to ensure responsible treatment of all stakeholders, particularly the most vulnerable ones. Dimension 5 examines key practices encouraging respect for legitimate tenure rights on land, fisheries and water, cultural heritage, and traditional knowledge, and ensuring responsible and fair contracting.</p>



Dimensions	Aligned with (elements of):	Description
<p>6. Responsible human resource development</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 2 “Contribute to sustainable and inclusive development and the eradication of poverty” • CFS-RAI Principle 3 “Foster gender equality...” • CFS-RAI Principle 4 “Engage and empower youth” • IFC Performance Standard 2 “Labor and Working Conditions” 	<p>Responsible treatment of employees is critical to a successful agribusiness. Employees who are well-treated in accordance with their rights are more likely to perform and treat other stakeholders responsibly. Dimension 6 lays out key practices to create a safe and equitable work environment, attract and maintain a qualified and motivated workforce, and ensure that human resources systems support its strategy on responsible business conduct.</p>
<p>7. Financial transparency and benefit-sharing</p>	<ul style="list-style-type: none"> • CFS-RAI Principle 2 “Contribute to sustainable and inclusive development...” • CFS-RAI Principle 3 “Foster gender equality...” • CFS-RAI Principle 4 “Engage and empower youth” 	<p>Dimension 7’s standards start from the premise that an agribusiness’s financial decisions and results should also reflect its commitment to responsible business conduct. Dimension 7 lays out key practices for a transparent financial structure and responsible use of profits.</p>

Source: CERISE+SPTF.



Appendix C. Examples of the “RAI Dashboard” and “Dimension Scores” Sheets of a Completed RAI Tool Spreadsheet

Figure C1. RAI tool dashboard

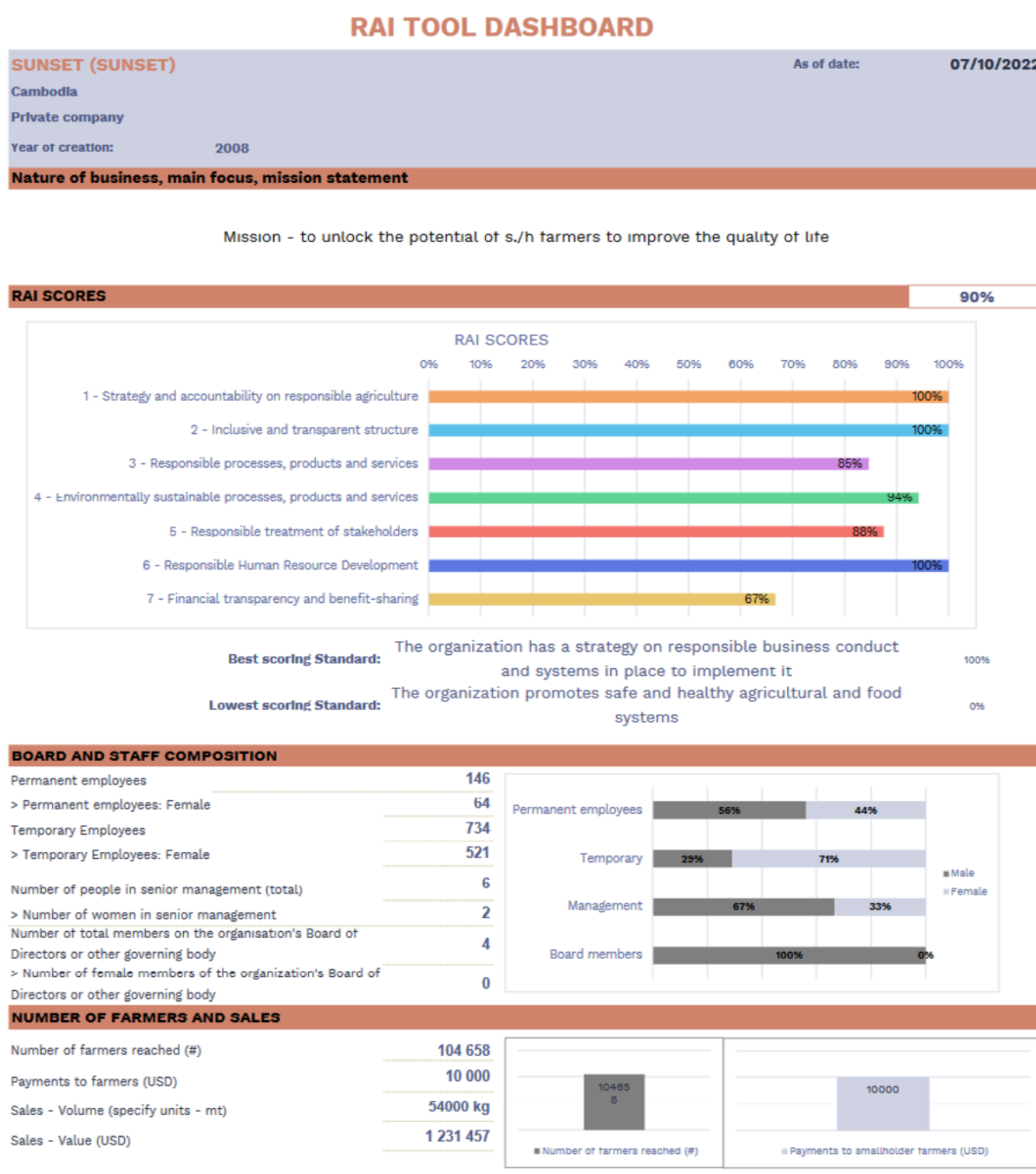
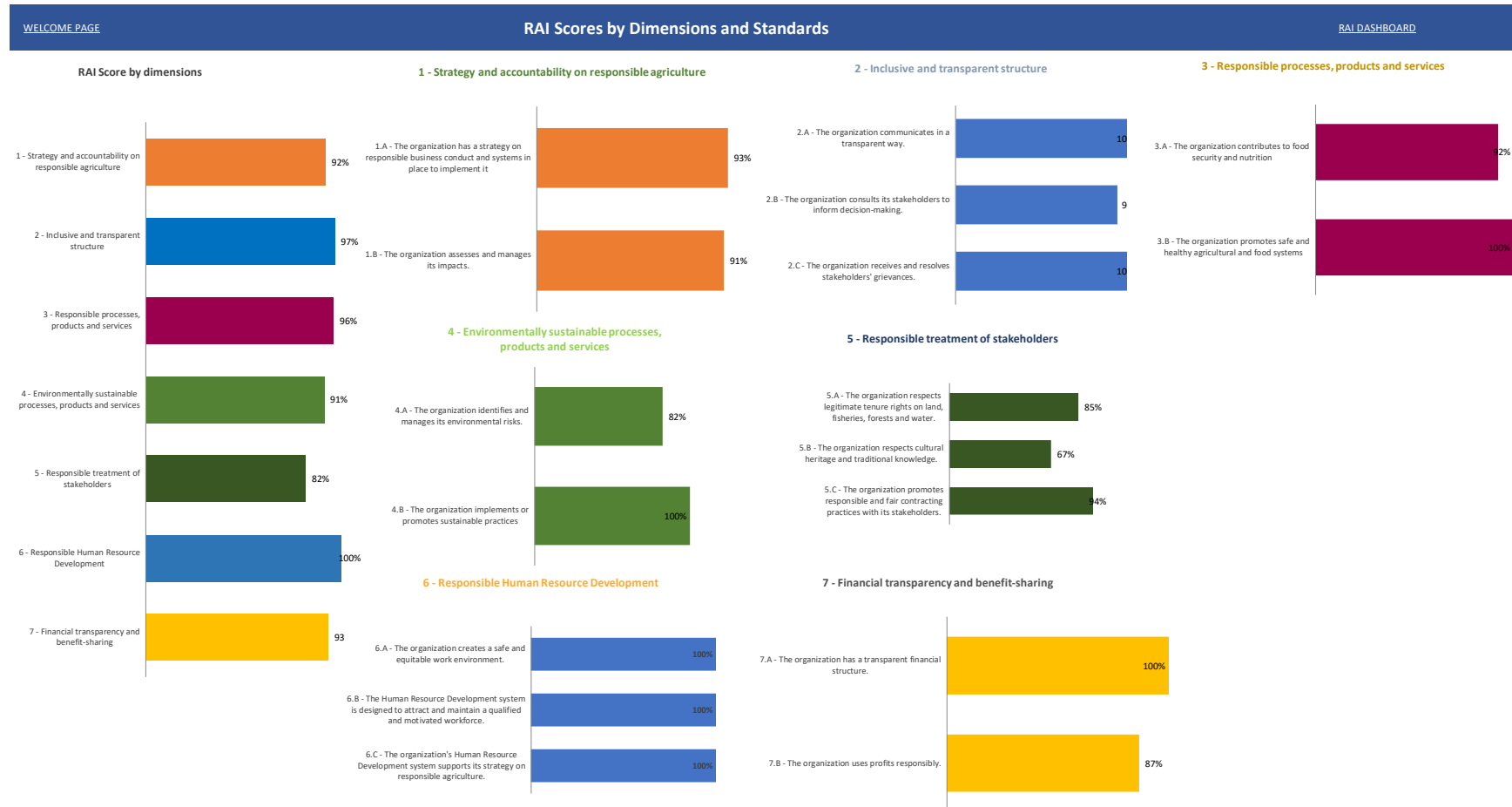




Figure C2. RAI scores by dimensions and standards



Source: [RAI Tool for Agribusiness: When and how to use the tool.](#)



Appendix D. Structure of Information Brief Provided to Case Study Companies

RAI Case Studies: Information Brief for Agricultural Value Chain Actors – Questions and answers

- | | |
|--|---|
| 1. What is RAI? | 1 |
| 2. How will a RAI case study benefit my institution if we participate? | 1 |
| 3. Why has my institution been contacted to participate in the RAI case studies? | 1 |
| 4. How will a RAI case study be conducted? | 2 |
| 5. How much time does a RAI case study require from my institution? | 2 |
| 6. What is the RAI scoring tool? | 3 |
| 7. Will data collected from my institution be confidential? | 4 |

(Four pages in total, English and French versions)

Source: IISD.



Appendix E. Use of Ordinal Scores in the Published Versions of the Case Studies

While numeric scores for RAI compliance by business dimension (and subcategories) were generated from piloting the RAI Tool with LIMBUA and used in an internal assessment and recommendations for the company's decision-makers, it was decided to adopt ordinal scoring for this case study.

The use of ordinal scoring, i.e., indication of positioning such as “very low score,” “low score,” “high score,” and “very high score” (both overall and for a particular business dimension or practice) in this case study was chosen for two principal reasons:

First, The RAI Scoring Tool was still being piloted, including the way in which the scores are generated. While the cardinal results obtained are sufficient for understanding a company's level and pattern of RAI compliance—including where the main gaps are, key issues that should be prioritised etc.—numeric scoring in the case study at this stage may indicate false precision. Moreover, because the tool is intended for use by various types of agribusinesses (e.g., firms in different value chain segments), it may also be necessary to consider and implement company-type-appropriate scoring. At a later point, after the tool has been more thoroughly used and tested, it will be safer (and it is intended) to provide numeric scores or categories of compliance based on scores.

Secondly, The CFS-RAI Principles were only introduced in 2014. While several companies (and investors) have moved toward reflecting these principles in their operations and practices, this process is still ongoing, especially because the CFS-RAI is “high level,” and appropriate metrics and indicators are still in the process of being developed (and implemented). Pilot testing of the RAI Tool has, for the most part, been with companies that aim for responsible investment and social business conduct, but specific practices and metrics—even between roughly similar companies—can differ markedly. While broad ordinal comparisons are not unreasonable, further work is required to refine cardinal scoring so that comparisons are made on a robust basis.

Source: Based on Box 2 in each [case study](#).

