



Responsible Agricultural Investment (RAI) Tool for Agribusiness

GUIDANCE

When and how to use the tool



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RAI Tool for Agribusiness

The Responsible Agricultural Investment Tool (RAI Tool) is a reference tool developed by the International Institute for Sustainable Development, Cerise+SPTF, and partner organisations to help agribusinesses and agricultural value-chain actors assess their compliance with responsible agricultural investment. The RAI Tool is primarily meant to be a management tool and conversation starter to help agribusinesses identify and prioritise gaps and improve their practices. By doing so, they can take steps to align their policies, practices, and procedures with responsible business practices in the food, agriculture, and forestry sectors.

Responsible Agricultural Investment (RAI) Tool for Agribusiness: When and how to use the tool

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1.0 Introduction

The Responsible Agricultural Investment Tool (RAI Tool) is a reference tool developed by IISD, Cerise+SPTF, and partner organisations to help agribusinesses and agricultural value-chain actors (AVCAs) assess their compliance with responsible agricultural investment. By doing so, they can take steps to align their policies, practices, and procedures with responsible business practices in the food, agriculture, and forestry sectors.

This guidance presents the method recommended for testing the RAI Tool.



2.0 When to Use the RAI Tool?

2.1 A Tool for Whom?

Who Can Be Assessed?

The RAI Tool has been designed to assess the responsible business practices of agribusinesses/AVCAs/agricultural SMEs¹ that are involved in the production, processing, and/or trading of agricultural and food products and that directly work with smallholder farmers and source agricultural products from them and/or impact local communities through their operations.

Table 1. RAI Tool focus by type of business and stakeholders impacted

	Who can be assessed	Who cannot be assessed
For agribusinesses involved in	Agricultural and food product: <ul style="list-style-type: none"> ✓ production ✓ processing ✓ trading 	<ul style="list-style-type: none"> ✗ Inputs/equipment only* ✗ Financial services only**
And	<ul style="list-style-type: none"> ✓ Directly working with smallholder farmers ✓ Impacting local communities 	<ul style="list-style-type: none"> ✗ Not directly working with smallholder farmers

* Upstream agribusinesses that provide inputs/materials/technologies to smallholder farmers (but do not purchase agricultural products from them) may be integrated into the RAI Tool at a later stage. At present, these actors could be evaluated using the Cerise+SPTF [Social Business Scorecard](#).

** Agricultural SMEs that focus on providing financial services to smallholder farmers can be assessed using [SPI Online tools](#) dedicated to financial service providers.

Acknowledging the great variety of agribusinesses, the tool offers scoping filters that allow users to fine-tune the specific indicators assessed based on the agribusiness's profile and business model.

Who Can Use the Tool?



Agribusinesses willing to assess and improve their responsible business practices.


The RAI Tool can be used as a self-assessment tool by agribusinesses that want to see where they stand in terms of responsible business conduct.




Financial investors committed to responsible business conduct in agricultural and food systems. The RAI Tool can be used as a due diligence tool to let investors screen, monitor, and report the responsible business practices of their agribusiness investees.

¹ These categories are not mutually exclusive. The term “agribusiness” will be used for convenience in the rest of the document to refer to all such businesses.



 **Industry associations** willing to promote responsible business practices among their members. They can use the tool to raise awareness and assist members in assessing and improving their practices.

 **Technical assistance providers** working on applying responsible business practices in the agriculture and food sectors. The RAI Tool can help them define a roadmap for the agribusinesses they support.

 **Other stakeholders** engaged in promoting responsible agricultural investments, such as regulators, public agencies, international structures, etc. The tool can then be used as a reference for developing supporting regulations, policies, or programs.

2.2 A Tool for What?

Objectives of the Tool

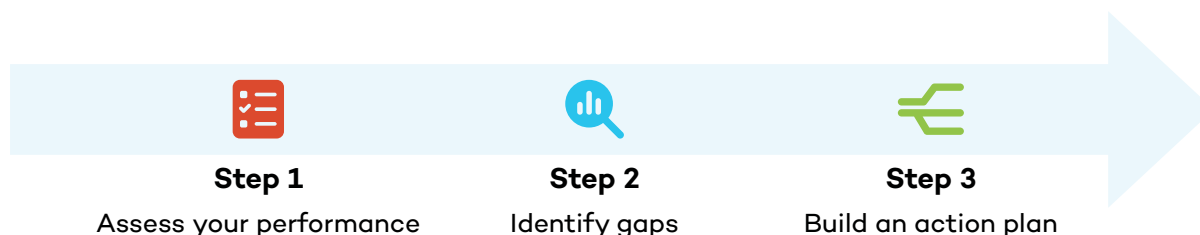
The objective of the RAI Tool is to assess whether an agribusiness's management of its operations, practices, and procedures is compliant or aligned with internationally recognised best practices of responsible business conduct, in particular as defined in the principles on responsible investment in the agricultural and food systems (CFS-RAI Principles) and in the International Finance Corporation (IFC) Performance Standards.

The CFS-RAI principles, the IFC Performance Standards, and similar frameworks remain quite generic and high level, making it difficult for agribusinesses to translate them into their daily management and operations. The objective of the RAI Tool is to provide a framework that integrates these high-level principles into the language of business functions, management practices, and operational structure of agribusinesses. Such a framework makes it easier for agribusinesses to understand and apply responsible business practices and foster the mainstreaming of responsible agricultural investments.

Purpose of the Tool

The RAI Tool is primarily meant to be a management tool and conversation starter to help agribusinesses identify and prioritise gaps and improve their practices.

Figure 1. Improving agribusiness alignment with best responsible business conduct: Three key steps



Source: Author's diagram.



It is not expected that agribusinesses reach full or high compliance at the outset, in particular, because many or even most agribusinesses are still far from the level of maturity of service delivery that the tool envisions. The RAI Tool should be seen as supporting aspirations initially, offering a shared understanding, vision, and pathway for agribusinesses to embark on more responsible business practices. Over time, this process will ideally lead to the diffusion and mainstreaming of these practices, including the use/adoption of the tool by financial investors and industry associations.

To keep the tool from becoming a deterrent to the adoption of responsible agribusiness practices, it is important to introduce it carefully. This includes explaining its objectives and expectations on compliance, agribusiness-profile based pathways of how to get there, methods of verifying status of practices, etc. When introducing the tool to an agribusiness (or consultants and others supporting the business), the following approach is recommended.

Figure 2. How to introduce the tool to an agribusiness



Source: Author's diagram.

How the Tool Was Built

Our approach was, wherever possible, to build on existing key practices and performance indicators. The starting point for building the RAI Tool was the framework of the [Universal Standards for Social and Environmental Performance](#) and [SPI tools](#), which are key reference standards and tools developed by Cerise+SPTF for an inclusive finance sector. This framework was carefully adapted to the food and agricultural and forestry (FAF) sector, recognising the latter's variations and specificities, and key differences with the financial sector (e.g., the very different nature of actors along FAF value chains).

The tool is aligned with and cross-referenced against the [CFS-RAI Principles](#), [IFC Performance Standards](#), the [ASEAN-RAI Principles](#), [CSAF ESG principles](#) and Standard Impact Metrics, the [SDGs](#), the FAO [SAFA Tool](#), [SPI ESG requirements](#), key Fair-Trade standards, and uses [GIIN/IRIS+](#) indicators whenever possible (reference code specified).

An original initiative from IISD and Cerise+SPTF, the tool was developed in its first version in late 2021 and shared with key partners for feedback. It was then field-tested from 2022 to 2024.



Figure 3. Some of the partners who initially tested the tool and shared feedback



The current version of the RAI tool has been refined through extensive pilot testing of the previous version with companies in Africa and Southeast Asia. It is expected that with use by agribusinesses, financial investors, and others it will be further refined and improved. This will strengthen its potential to become a reference tool for the entire FAF sector.

2.3 Content of the Tool

To facilitate its use, the RAI tool has been developed as a Microsoft Excel spreadsheet, with a number of sections.

Overall Structure of the RAI Tool

The tool is composed of five sections, displayed in six tabs:



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 asked for here, assuming that such data is collected by other means. It is nevertheless recommended to analyse the results of the RAI tool in light of the financial and operational data collected.



SCOPING QUESTIONS

This section is composed of additional questions on an agribusiness's profile that are used to filter in or out indicators in the Practices section, in order to adjust the tool to the specifics of the agribusiness.



PRACTICES

This section comprises a list of indicators that can be answered as Yes/No/Partially/Non-applicable. To make the tool useful for analysis, decision making, and progress, we highly recommend providing detailed information on the concrete practices implemented by the organisation. A few tools are referenced to allow organisations to go further on some issues.



OUTCOMES

This section provides a set of output and outcome indicators, aligned with CSAF, with precise definitions. The number of indicators is limited but can be expanded by an agribusiness to better assess their specific goals and targets. (Over time, it is intended to extend the number of indicators provided in the tool.)



DASHBOARDS (two tabs)

These sections allow visualisation of key results after completion of the previous sections.

Detailed Structure of the Practices Section

The “Practices” section comprises a form to be completed that represents the core of the RAI Tool. It examines concrete, responsible business practices implemented by an agribusiness.

The RAI Tool assesses an agribusiness’s practices across seven key dimensions.

There is no one-to-one correspondence between these seven dimensions and the CFS-RAI Principles or IFC Performance Standards, as each dimension covers a wide but related set of practices that may reflect aspects of several CFS-RAI principles or IFC standards (see next table, second column). Each practice has, however, been cross-referenced with the relevant CFS-RAI principles or IFC standards. The seven dimensions broadly reflect key business functions (strategy, finance, operations, human resource development, etc.), but again, there is no one-to-one correspondence between dimensions and business functions.

**Table 2.** The seven dimensions of the RAI Tool

Dimensions	Aligned with (elements of): ²	Description
1. Strategy and accountability on responsible agriculture	<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” 	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.
2. Inclusive and transparent structure	<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” 	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.
3. Safe and responsible agriculture and food systems and operations	<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” 	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.

² These dimensions are, of course, also aligned to other principles and guidelines, such as the ASEAN-RAI guidelines and CSAF ESG principles. The team has cross-checked the dimensions across a wide range of principles, guidelines and indicators



Dimensions	Aligned with (elements of): ²	Description
4. Environmentally sustainable processes and products	<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>
5. Responsible treatment of stakeholders	<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): ²	Description
6. Responsible human resource development	<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” 	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.
7. Financial transparency and benefit-sharing	<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” 	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.

Source: Authors.



Each dimension encompasses two to three key standards that the agribusiness should aim to achieve.

Table 3. Key standards comprising each dimension

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: Authors.

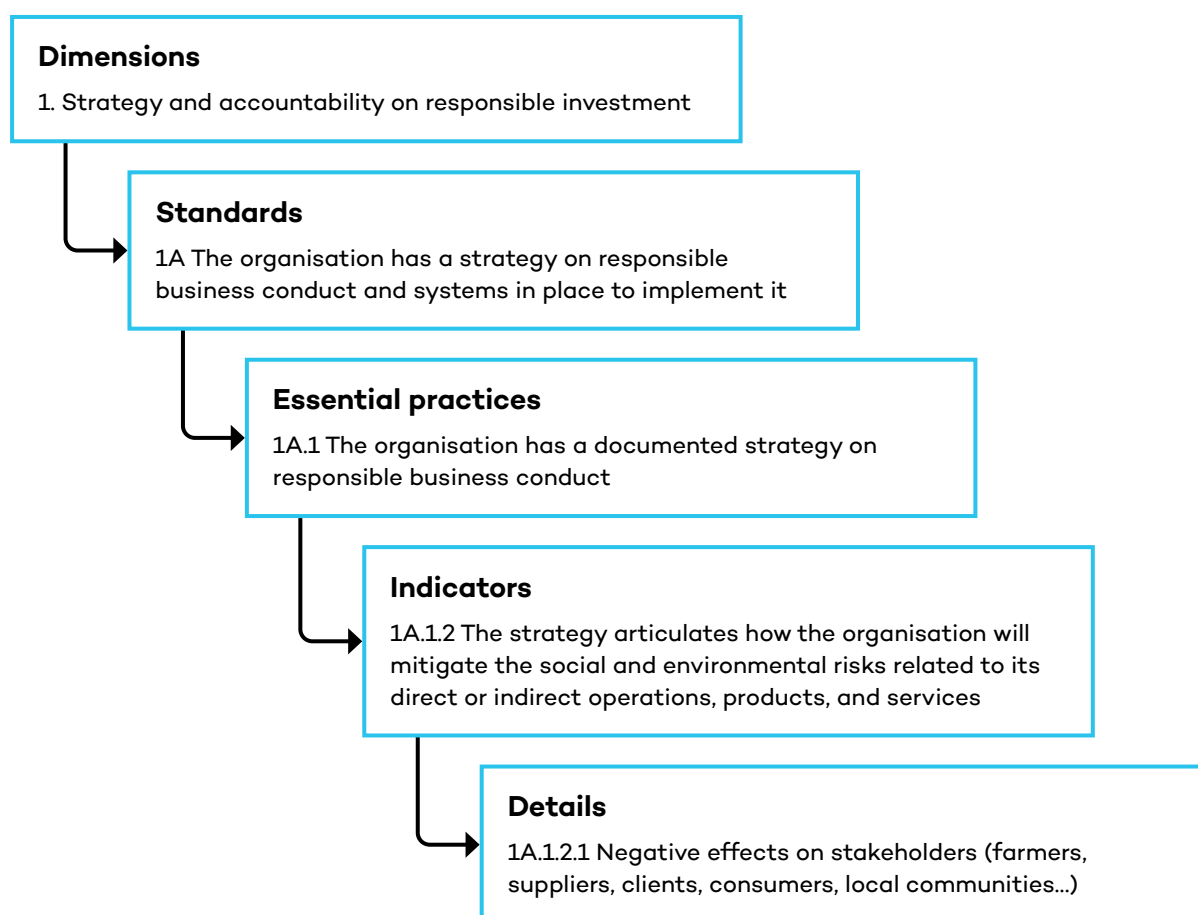


Each standard is further divided into essential practices and related indicators.

Similar to the approach of the Universal Standards for Social and Environmental Performance and Client Protection Standards in the financial inclusion sector, these standards are developed into Essential Practices, themselves developed into indicators, with the following structure:

- Standards = broad statements about what the organisation should achieve in terms of key issues around agribusiness practices;
- Essential practices = descriptions of specific policies and operational practices that are necessary to achieve the standards;
- Indicators = concrete practices that should be implemented;
- Details = more detailed description of some practices.

Figure 4. Operationalising dimensions: From standards to business practices and performance indicators



Source: Author's diagram.



Details of the Scoping and Scoring Sections

Scoping

The RAI Tool allows for filtering in and out indicators based on the profile of an agribusiness. By default, all indicators in the Practices section/form remain visible; but users can choose to apply filters to narrow the set of indicators after they complete the Scoping form. Indicators are filtered based on the sector of activity, type of agricultural product (food or non-food), and ultimate destination of the agricultural product (local, regional, or international market).

Filters will be applied for each scoping question to which an answer is provided. Non-relevant indicators will then be hidden on the Practices sheet.

To avoid filling in non-relevant indicators, the best use of the scoping function of the tool is therefore to **first apply the filters**, and then fill in the practices and outcomes sections.

Scoring

Figure 5. How scores are computed

For indicators in the Practices sheet, the scoring is computed as follows:

---	Not counted (no answer)*
Yes	1
Partially	0.5
No	0
N/A	Not counted

Global scores are computed as follows:

Essential practices	Average of indicators (this essential practices score is only provided for information)
Dimensions	Average of Standards
Global score	Average of Dimensions

Source: Author's diagram.

*This means that to get an accurate overview of the agribusiness's performance, ALL relevant indicators should be answered.

No weighting is applied to different indicators, practices, or dimensions. The emphasis is on identifying gaps, starting a conversation, and moving to action—not on near-impossible “precision.”



3.0 How to Conduct an Assessment With the RAI Tool

The current version of the RAI tool remains in development, but it has been piloted and tested with several agribusinesses. The test assessments proved useful to these agribusinesses and are available as case studies for a number of them [<https://www.iisd.org/projects/responsible-investment-agribusinesses-case-studies>]. One of the reasons why the development of the tool has been successful thus far is because many indicators and other elements of the RAI tool are built on existing ones already tested by partner organisations and in use today.

We encourage you to use the tool and let us have feedback on your experience. It is thanks to feedback from the field that we can progressively fine-tune and improve it.

As it does not come with detailed definitions, tips, and references related to many indicators, users will need to use it carefully (including by referring to case study results). Smaller agribusinesses might find it useful to seek support³ rather than purely self-assess.

The process of how to conduct the assessment can, of course, be adapted to specific circumstances.

Phase 1 – Preparation

Get Familiar With the RAI Tool and Related Material

- familiarise yourself with the [CFS-RAI Principles](#). If needed, you can look at additional resources, such as
 - *The Principles for Responsible Investment in Agriculture and Food Systems* – FAO elearning Academy – <https://elearning.fao.org/course/view.php?id=380>
 - UNCTAD and World Bank’s *Responsible Agricultural Investment (RAI): Knowledge into Action Notes series* ([Action Notes Series](#))
 - *Responsible Investment in Agriculture and Food Systems – Targeted to the Private Sector* – FAO elearning Academy – <https://elearning.fao.org/course/view.php?id=626>
 - The ASEAN *RAI Guidelines* (drafted by IISD and Grow Asia) [ASEAN RAI Guidelines](#)
- familiarise yourself with the RAI Tool. Contact Cerise+SPTF or IISD for any clarification needed.
- get ready to explain the tool and process to the agribusiness’s top management and other participating stakeholders.

³ For instance, a local expert could be hired, including one who is already trained and experienced in the SPI Online tool and with knowledge of the agricultural sector ([Cerise+SPTF network of SEPM Pros](#)).



Introduce the RAI Tool to the Agribusiness

- schedule a preliminary (virtual) meeting with the agribusiness's top management
- introduce the RAI Tool, its objectives, and value added for the agribusiness (how it can help improve responsible business conduct)
- briefly present the methodology (desk review, structuring of interview, etc.)
- present an agenda and schedule
- request key documentation
- OPTION: Share the RAI Tool with the agribusiness, so that the management can see in detail the types of issues/questions that will be addressed during the assessment
- explain that feedback on the tool itself will be also welcome

Figure 6. Key documents for desk review

- | | |
|---------------------------------------------|----------------------------------------------------------|
| ✓ most recent business plan/strategic plan | ✓ operations manual |
| ✓ grievances handling policy | ✓ certifications |
| ✓ organisational chart | ✓ HR manual, including Code of Ethics or Code of Conduct |
| ✓ product/services descriptions | ✓ financial statements from the last 2-3 years |
| ✓ annual reports | ✓ recent institutional assessments or rating reports |
| ✓ contracting policy with farmers/suppliers | |

Source: Author's diagram.

Conduct a Desk Review

- prepare for the assessment by researching the agribusiness's economic and business context (see also the SSNUP case studies, [<https://www.iisd.org/projects/responsible-investment-agribusinesses-case-studies>])
- determine what responsible business conduct/sustainability/ESG initiatives have already been undertaken by the agribusiness (e.g., organic or fair-trade certifications)
- read the key documentation received from the agribusiness

Use the Tool to Prepare for Interviews With the Agribusiness

- start completing the tool on the basis of the information gathered from the desk review
- identify from the tool the information that needs to be confirmed or completed during the field visit and prepare your interviews accordingly
- schedule the interviews to be conducted during the visits



Phase 2 – Field visit/interviews

Launch the Assessment With an Opening Meeting

Depending on who attended the preliminary (virtual) meeting, you may want to introduce to a larger audience the objective of the assessment and the specific purpose of your field visit.

Conduct Interviews

Conduct interviews with the agribusiness board and top executives, including the CEO, COO, CFO, etc. Assure them that their time will be spent efficiently. Ask for an organigram of the agribusiness and identify in advance (from the Practices section) which standards and practices are relevant to which business function (for example, strategy, finance, operations, human resources, etc.). The piloting of the current RAI tool adopted this approach successfully. It avoids management staff not relevant to a particular dimension or standard being in an interview.

If feasible, **conduct interviews with other stakeholders**, such as farmers, the local community, women and youth, government officials, etc. These interviews allow triangulation of claims and evidence on RAI compliance made by the agribusiness and enrich an understanding of the local outcomes and impact of responsible business conduct by the company. All IISD-SSNUP case studies included fieldwork with local stakeholders and provided a set of recommendations to the agribusiness, its investors, governments, and civil society.

Complete the Tool

- gather additional documentation or data needed from the agribusiness
- complete the tool based on the interviews and additional data collected

Make Notes for Feedback on the Tool (to IISD and CERISE+SPTF)

Write down your impressions/questions/suggestions regarding the tool as you fill it in. As the tool is still in the testing phase, we are interested in feedback regarding the overall structure as well as specific indicators.⁴

Present Preliminary Findings

- At the end of the interviews and stakeholder fieldwork (if undertaken), organise a meeting with the top management to present preliminary findings.

⁴ For instance:

- Generally, how relevant are the different practices, standards, and indicators for agribusinesses?
- Are they appropriate to the profile of this agribusiness? Would some other indicators/adaptations of indicators be better? Please explain.
- Are the indicators clear and easy to understand? Do they need clarification?
- Are they easy to answer? Are data easily available?
- Is the tool missing any key practice? What else should be included?
- Are there any tools or references that can be integrated to help agribusinesses to explore some specific dimensions or learn more about good practices?



- Assess whether the presentation of the preliminary findings makes the agribusiness eager to improve its practices or/and throws up concerns.
- Respond to these, especially the concerns, mentioning that responsible business conduct is increasingly being adopted by business and is beneficial to long-term success. Remind them that you will be making recommendations, proposing an action plan and will discuss these with them. Assure them that the next steps will be a pathway to increasingly improving business conduct, in line with priorities and resources. They could be directed to case studies of agribusinesses which have already used the RAI tool [<https://www.iisd.org/projects/responsible-investment-agribusinesses-case-studies>].

Phase 3 – Feedback to the agribusiness and tool evaluation

Share the Completed Tool and Results With the Agribusiness

- After the fieldwork, share with the agribusiness the completed RAI Tool and the draft narrative report (a report template which can be used for this purpose is available). Allow the organisation to review the completed tool, report, and actions recommended in the report.
- Finalise the report based on comments and suggestions from the agribusiness.
- Agree next steps the agribusiness can take to improve its responsible business conduct, establish priorities, and set a schedule for action.

Collect and Compile Feedback on the Approach and Share the Results with IISD and Cerise+SPTF

- Ask the agribusiness to share its feedback on the work done, and the tool itself (relevance, clarity, ease of use, value, suggestions, etc.). Feedback can be provided orally or in written form, as detailed as possible.
- Compile the feedback received and list recommendations on how to improve the tool.
- If authorised by the agribusiness, please share with IISD and Cerise+SPTF the completed tool, report, feedback, and recommendations—this will help us improve the tool based on concrete, on-the-ground information.
- At a minimum, sharing of the recommendations on refining the tool would be appreciated, from both you and the agribusiness.






4.0 How to Avoid Overestimating Scores

4.1 Best Practices for Quality Results

Objective analysis is essential to ensuring a good-quality assessment and properly supporting an agribusiness in assessing and improving its practices. There is often a tendency to overestimate scores when carrying out a social and environmental assessment. Yet, it is important to keep in mind that the RAI Tool is, first and foremost, a management tool. It is not a rating tool. The tool certainly makes it possible to provide an assessment “score” to an organisation’s level of implementation of responsible business practices, including in compliance with the CFS-RAI Principles or IFC Performance Standards. Given the type of data being collected, it is the details, nuances, triangulation, and comments that matter. The RAI Tool is, therefore, primarily an instrument that an organisation can use for strategic decision making—and overestimates can mislead the organisation in making these decisions.

Furthermore, overestimating the results can also have negative effects on the agribusiness’s relations with other stakeholders. It may, for example, think that it is ready for a certification or a request for financing from an investor when it is not ready at all. It is important to be aware of your own analytical biases during an evaluation and make all efforts to complete an objective study of the agribusiness’s practices. The more objective your analysis, the easier it will be to identify gaps and build avenues for improvement to prepare for a rating, certification, or due diligence from an investor.

Guidance for a High-Quality Assessment When Using the RAI Tool

-  **Start by applying the scoping filters, and then try to fill in all indicators.** When some indicators are not relevant to the case or when data are not available, please indicate.
-  **Add comments to provide information on the answers and the scoring.** Complete the column entitled “Concrete practices, comments and clarification” to validate the answer (Yes/No/Partially/Not applicable). Comments should provide evidence: citing documents, practices, or processes in place or explaining why the indicator doesn’t apply. All indicators evaluated as “partially” can also have a comment to explain which portion of the indicator is implemented and which portion is not. Comments are important because they help an organisation and its stakeholders better understand the strengths/gaps, discuss results, build an action plan, and improve its practices over time. Comments can be detailed, particularly for any indicator that raises discussion or debate during the assessment.
-  **Do not answer based on future projects.** Projects that *will be* developed in the near future but do not exist should be scored as a “NO.” In the comments section, the evaluator can document what the organisation has said in terms of the planned date for the implementation of any practice(s). This helps the agribusiness understand that the evaluator knows it is planned, and to also accept that this does not count as implemented. If there is documentation, e.g., a strategy document to develop a

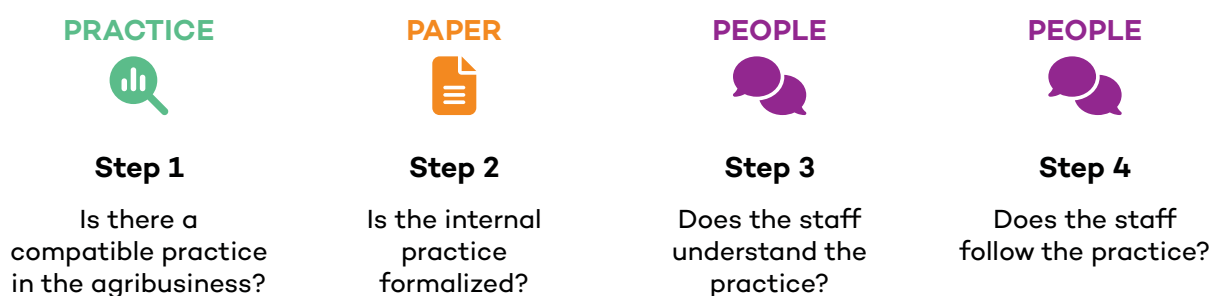


grievance mechanism, but the mechanism is not yet in place, then it can be scored “PARTIALLY” with an explanation.



Triangulate evidence for robust analysis. Use different sources of information—documents (Paper), interviews (People), your own observation (Practice)—to triangulate evidence. It is not uncommon to read one thing in a policy manual and observe something different in the field. Examining different sources will allow you to provide a coherent analysis that is based on empirical evidence. We recommend using the 3P approach (Practice, Paper, People) to check compliance with each indicator.

Figure 7. 3P approach



Source: Author's diagram.



5.0 How to Read Results and Build an Action Plan

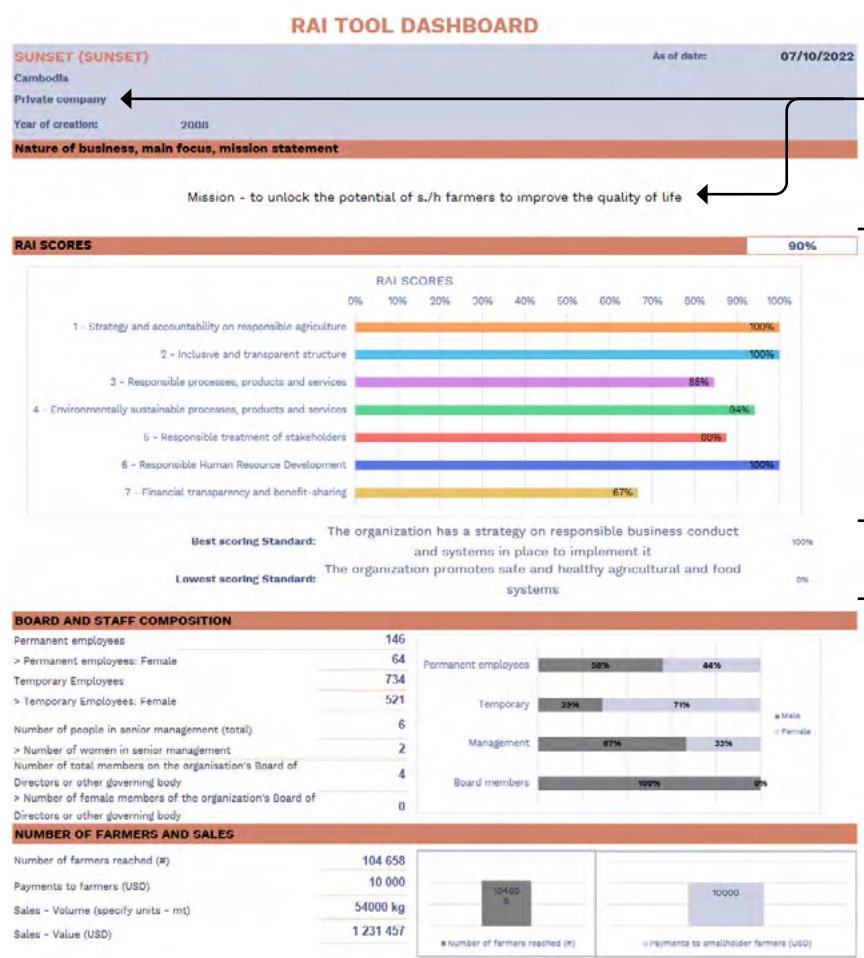
5.1 Reading Results

Now that you have completed a full audit, what are you going to do with it? Remember, the RAI Tool is not just an assessment tool: it is a management tool, here to help identify gaps and improve practices. In the current version of the tool, there are two tabs displaying key results:

- the RAI Tool Dashboard
- and the RAI Tool Scores by Dimensions and Standards.

The RAI Tool Dashboard provides an overview of the agribusiness’s profile and scores by Dimension along with key outputs and outcomes indicators to put the scores into context.

Figure 8. Summary results: The RAI Tool dashboard



Source in RAI Tool: « ID Card » section

Purpose: Quickly identify the profile and basic characteristics of the agribusiness

Source in RAI Tool: Questions/indicators in the « Practices » section

Purpose: Provides a global compliance score and average score of the seven dimensions

Source in RAI Tool: « Outcomes » section

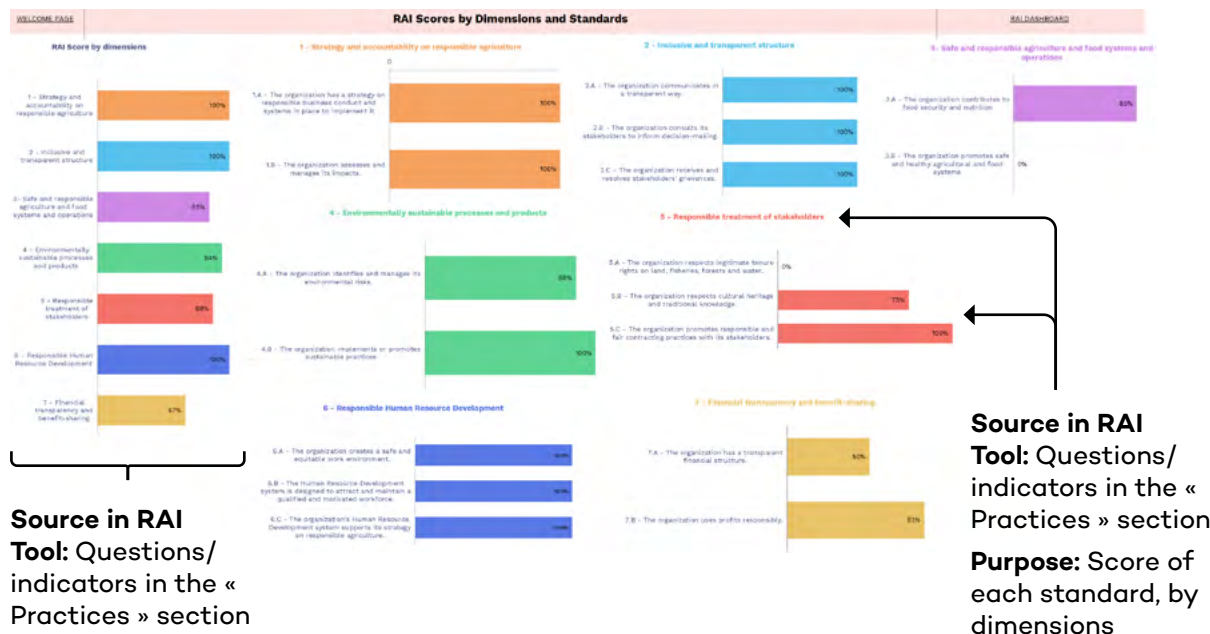
Purpose: Key output and outcome indicators of the agribusiness

Source: Author's diagram.



The RAI Scores by Dimension and Standards provides a more detailed view of the performance of the agribusiness and helps identify key gaps to be addressed.

Figure 9. Detailed results: Scores by dimension and standards



Source: Author's diagram.

Using these summary results, as well as more detailed examination (as needed) of the practices and outcomes sheets, it is possible to identify the agribusiness's strengths and gaps, as well as key areas for improvement, in its responsible business conduct practices.

5.2 Building an Action Plan

Assessing responsible business conduct is only an initial step in managing and improving such performance. Rather than *prove* that an organisation is compliant, an RAI assessment aims to *improve* its capacity to achieve responsible business conduct—and devise an action plan with specific priorities to the fore.

Why Build an Action Plan?

- It provides a clear plan to improve weak practices revealed by the RAI assessment.
- It provides a structure for the agribusiness' response to the assessment.
- The process of action planning helps the agribusiness prioritise the order in which to address gaps.
- Acting on an action plan helps ensure the successful completion of planned improvements and leads to enhanced responsible business conduct practices.



How to Build and Act on an Action Plan

1. Identify Gaps

Based on the RAI Tool results, it is helpful to identify the Standards and Essential Practices with the weakest scores. By examining comments and evidence provided in the practices sheet, seek to understand why this may be so. If useful, discuss further with relevant management staff. As an initial response, Standards with scores below 50% should be addressed.

2. Prioritise the Gaps

Prioritise identified gaps using the following criteria:

- **identify quick wins:** They are improvements that require a low level of effort and have a high impact on the agribusiness, the smallholder farmers, and/or other stakeholders.
- **align with the agribusiness' strategic plan:** Prioritise actions so that they are in line with strategic priorities.
- **focus on risk management:** Focus on weaknesses that pose the greatest risk to the agribusiness.
- **consider the local context:** Decide which areas are most important to address first.

3. Design an Action Plan

It is useful to include or consider the following elements in the action plan:

- Description of “to dos”
 - Detailed description of the action to be taken
 - A step-by-step detailed task-board
- Timeline for each step
 - To define when the improvements will be completed
 - To ensure accountability and track progress
- Staff ownership
 - To specify who or what team will be in charge of performing each of the tasks and steps previously listed
- Defined outputs
 - To describe the anticipated results or benefits that will be realised once the improvements outlined in the action plan are implemented
- Level of effort (LOE)
 - To define when the improvements will be completed
 - Cost in terms of staff time, financial costs, and cost of outside assistance (if needed)



4. Implement the Action Plan

And... action! Now that the action plan is designed, it needs to be implemented! For that, the following elements are recommended:

- set up a responsible business conduct committee, including key resource personnel from the agribusiness, to ensure commitment, follow-up, communication, and integration of the action plan within the activities of the organisation.
- ensure commitment from the board and top management.
- integrate the action plan into the agribusiness global business plan and operational plan.
- make sure to set realistic targets and timeframe—some issues may take time to address, as they require changes in procedures, skills, or behaviour.



6.0 Finally

The RAI Tool is now yours to use! Please help us improve the tool as you use it.

- For any question related to RAI tool standards, functioning (scoping filters, scoring, etc.) and recommended audit process contact: Cerise+SPTF (support@spi-online.org)
- For any question related to the IISD-SSNUP case studies, pilot testing, and fieldwork with other stakeholders contact: IISD (rai@iisd.org)
- For sharing feedback on the tool contact: Cerise+SPTF (support@spi-online.org) and IISD (rai@iisd.org)

