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INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

CLIMATE RELATED ISSUES IN UNIDROIT'S INSTRUMENTS

focus on sustainable agriculture development

Summer School

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Agriculture



Capital Markets



Civil Procedure



Contracts



Cultural Property



Secured Transactions



Law & Technology



UNIDROIT Academy





Agriculture

- Legal Guide on Contract Farming
- Legal Guide on Agricultural Land Investment Contracts
- Legal Guide on Structure of Agricultural Enterprises
- Mining, Agriculture and Construction (MAC) Protocol to the Cape Town Convention
- Model Law on Warehouse Receipts



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climate related issues in the **UNIDROIT/IFAD Legal Guide on Agricultural Land Investment Contracts (ALIC)**



- Project started in 2016
- Elaborated by **Working Group** comprised of experts, international organisation representatives and stakeholders. Four meetings 2017-2018 + CFS informal meetings
- The Guide was launched in September 2021
- Accessible online at:

<https://www.unidroit.org/instruments/agriculture/alic/>



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Mitigating and adapting to climate change through contracts

Example of ALIC

- **Recognition of numerous global instruments** on climate change such as the United Nations Framework Convention on Climate Change, Kyoto Protocol, the Paris Agreement which recognise the important role of agriculture especially for the management of direct and indirect “land use, land use change and forestry (LULUCF)”. In addition, VGTT, CSF RAI, HR Guiding Principles, Global compact, etc...
- The ALIC Legal Guide sets out, among others, environmental obligations that contracting parties should consider (Chapter 4, III)
- Parties may be required to pursue climate-sensitive models of agricultural land investment.

Contractual clauses may involve, for example:

- the adoption of climate-sensitive agro-ecological approaches
- net zero farming practices and/or the sequestration of Greenhouse Gas (GHG) emissions
- provision of technical support and capacity development related to climate-sensitive technologies and the obligation to reduce, monitor and report on GHG emissions.



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How Sustainability, Digitalisation and Climate Smart Agriculture influence the transformation of agri-food chains and forms of collaboration?

New UNIDROIT/FAO/IFAD Legal Structure of Agriculture project

- Adapting climate-smart farm practices is necessary to improve the environmental, social and economic performance of the farm.
- Sharing practical solutions through different forms of collaboration among supply chain actors, which may include multi-party contracts, corporations and cooperatives.
- How can these legal structures contribute towards the transition to more sustainable, climate-smart farming systems.

Focus on the legal forms of collaboration among agricultural enterprises along the supply chain

Problems and Challenges related to
INTERDEPENDENCE, TRACEABILITY and CONTROL



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UNIDROIT/FAO/IFAD Legal Guide on Structure of Agricultural Enterprises

- Sustainable Development Goals (SDGs), new technology scenarios, digitalisation processes, as well as increasing due diligence legislations that establish requirements through the supply chain and within the sphere of influence of larger enterprises may have an impact on the choice of the legal structure of agricultural enterprises.
- A conceptual framework is being developed to distinguish both the endogenous and exogenous factors that affect the choice of legal structure - between contracts, cooperatives and corporate legal forms.
- Climate change represents a new exogenous factor transforming the mean of collaboration among multiple segments of the value chain.
- The project questions which collaborative structures may help access to green finance (e.g. multi-party contracts involving a financial institution).



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New work

- New projects (2023-2025 Work Programme, see [C.D. \(101\) 4 rev.](#))
 - Legal nature of Voluntary Carbon Credits
 - Corporate Sustainability Due Diligence in Global Value Chains
 - Access to Justice in Environmental Matters
 - UNIDROIT Principles of International Commercial Contracts and investment contracts



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Thank you!

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