Proposal for Development of Operational Guidelines for Responsible Land-Based Investment within the New Alliance and Grow Africa
Leadership Council Meeting, September 22, 2014

Background
Africa is routinely cited as the location with the greatest amount of uncultivated arable land in the world. As global demand for food rises, companies are starting to invest – and will continue to invest – in developing countries, where land appears abundant and inexpensive. But with the promise of agricultural investment in developing countries comes several risks; key among them is land tenure risk—the risk associated with acquiring rights to land.

Recognizing and respecting the legitimate land and resource rights of people who may be affected by an investment is central to designing and operating projects in developing countries that are inclusive, sustainable and profitable. However, many land-based investments take place in environments where land rights are insecure or undocumented.

Not only can unclear, undocumented or contested land rights lead to dispossession of local smallholders, but they create significant investment risks for the private sector. When a project fails to take adequate account of local land rights, it can face costly delays, work stoppages, protests, and, in some cases, violence. Investors can face legal actions and suffer financial, brand, or reputational harm. Smallholders, indigenous people and traditional land users can be displaced and lose their basis for production, leading to adverse impacts on food security.

Private sector partners increasingly recognize the value of designing inclusive land-based projects that respect local land tenure rights, particularly in environments where rights are often unclear. In addition, all partners in the New Alliance and Grow Africa have agreed through Cooperation Frameworks to take account of the VGGT and RAI, but lack practical tools to help them adhere to this commitment. As a result, private sector companies have turned to development partners to help them address land tenure considerations in the context of agricultural investments.

In response to this request, some development partners have started developing tools for their private sector partners that offer specific, practical guidance, in line with certain elements of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) and, as appropriate, the forthcoming Principles of Responsible Investment in Agriculture (RAI). Given the comprehensiveness of the VGGT and RAI, it is anticipated that numerous tools would be useful to fully address the breadth of principles contained therein.

Proposal
Land tenure is just one of numerous components of responsible investment, but is an extremely important part of ensuring responsible investment supports rather than undermines development goals. The New Alliance and Grow Africa represent large initiatives, in support of CAADP, that heavily involve private sector partners in reaching food security and poverty goals. Given that the Leadership Council recognizes the importance of ensuring agricultural investments are responsible and take account of
accepted principles, we propose that Leadership Council members agree to the following two actions related to land tenure:

1. As one tool of responsible investment, develop, through a consultative process, a single set of operational guidelines that aims to reduce the risks associated with land-based agricultural investments. Such guidelines would be finalized by the next Leadership Council meeting in May 2015. Harmonization of the different tools being developed by different partners will be central in the New Alliance and Grow Africa agendas in the upcoming months.

2. In parallel with the development of operational guidelines, prepare a detailed proposal to establish a shared platform for monitoring, learning and technical support pertaining to the implementation of the VGGT, and compliance with other international norms related to responsible agricultural investment. This proposal, including identified funding sources, would be tabled at the Leadership Council meeting in May of 2015.

These actions could be pursued through existing consultative platforms related to land tenure, such as the ongoing process coordinated by the Committee on World Food Security and the Global Land Donor Working Group.