AU-Guiding Principles on Large Scale Land Based Investments in Africa

Dr. Janet Edeme,
Head, Rural Economy Division,
Dept. of Rural Economy and Agriculture
Background

Africa is major target of LSLBI:

- **2013 LPI study:**
  - 200ha (685 cases) between 2000 – 2013 (5 African Regions) (16 million acres of agricultural land)
  - Constitute 45% of global cases within the same period

- LSLBI prioritised by the F&G and Nairobi Plan of Action.
Why Principles on LSLBI?

- Envisaged potential of LSLBI not realized to date (yield gap, poverty reduction, technology transfer etc.)
- Considerable unintended implications with particular impacts on women and other smallholder farmers
- Non-compliance with existing regulations, prone to rent-seeking, accountabilities often unclear
- Tension between development priorities and profit motives of investments
Why African Guiding Principles?

- A request by AU member states/other key stakeholders
- Serves to facilitate the implementation of other AU Decisions (CAADP, F&G, Declaration on Land, Nairobi Plan of Action)
- To provide policy direction and guidance to inform LSLBI in African agriculture
- To provide the basis for commitment, solidarity and collective responsibility improve the governance of LSLBI in Africa
- Building on global processes VGs; RAI; Transparency Initiative and promote coherence
Specific Objectives

- Provide direction on how to realize investments which are sustainable and profitable to African economies and people
- Create basis for effective coordination, cooperation and collective responsibility amongst AU Member States (improved land governance)
- Provide investors and investor countries with a tool to inform their engagement with African governments and institutions
- Provide basis for developing an M&E framework to monitor LSLBI in Africa
- Provide basis for review of existing LSLBI contracts and capacity building on LSLBI
## Process of Developing the Guiding Principles

<table>
<thead>
<tr>
<th>Activity</th>
<th>Approx. Timeline</th>
<th>(experts on land governance and investments)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zero draft Guiding Principles</strong></td>
<td>Dec 2013 - Jan 2014</td>
<td>Technical Committee</td>
</tr>
<tr>
<td><strong>Preparation of Draft 1</strong></td>
<td>20-23 Jan 2014</td>
<td>Drafting team</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review team</td>
</tr>
<tr>
<td><strong>Consolidation of inputs</strong></td>
<td>24 Jan – Feb 2014</td>
<td>Technical Committee</td>
</tr>
<tr>
<td><strong>Stakeholder e-consultation on Draft</strong></td>
<td>10 Mar-End Mar</td>
<td>Stakeholders</td>
</tr>
<tr>
<td><strong>Stakeholder consultation events (various)</strong></td>
<td>March</td>
<td>CSO Platform</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Farmer’s consultation</td>
</tr>
<tr>
<td><strong>Review of draft by LPI institutions (AUC, ADB and UNECA)</strong></td>
<td>March</td>
<td>AU, AfDB, UNECA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RECIs</td>
</tr>
<tr>
<td><strong>Final revisions, editing and approvals</strong></td>
<td>15 April</td>
<td>Technical Committee</td>
</tr>
<tr>
<td><strong>Review and validation by Experts</strong></td>
<td>28 April – 02 May</td>
<td>AU</td>
</tr>
</tbody>
</table>
Structure of the document

1. Introduction (Chapter 1) - background and fundamental principles

2. Chapters based on fundamental principles and containing supportive principles (Chapters 2 – 7)

3. Conclusion: Operationalizing the GPs (Chapter 8)
**Fundamental Principles**

1. LSLBL Respect the Human Rights of Communities and contribute to responsible governance of land and related resources
2. Investments informed by and contribute to development strategies and priorities of States
3. LSLBI based on good governance of land and related resources
4. LSLBI respect the rights of women, their voice generate meaningful opportunities for women and do not further their marginalisation
5. Decisions on the desirability and feasibility of LSLBI are made based on independent, holistic assessment of the economic, financial, social and environmental costs and benefits
6. Members states uphold high standards of cooperation, collaboration and mutual accountability to ensure LSLBI are beneficial to African economies and their people.
1. LSLBI Respect the Human Rights of Communities and contribute to responsible governance of land

**Main message:** LSLBI can have negative implications for the rights of people, especially certain groups. LSLBI should observe and respect these rights.

**Sub-Principles:**

- Respect customary rights as legitimate rights
- Fair, timely compensation for lost land rights and lost benefits
- Supportive legal, policy and institutional environment required
- Promote transparency by all throughout
2. LSLBI Informed by and supportive of national strategy for sustainable agricultural development which prioritizes smallholders

**Main message:** Investments should help to fulfill the host country’s development agenda. Should comply with national laws, regional and international conventions on land, gender equity, investment and development in general.

**Sub-Principle:**

- Preferred LSLBIs are those which lead to shared prosperity and minimize land alienation.
3. LSLBI observe good governance principles

Main message: Improved governance of LSLBI is predicated upon improved land governance and decentralized administrative and decision-making.

Sub-Principles:

- Effective and decentralized land administration systems as a prerequisite for good governance of LSLBI.

- LSLBIs do not lead to unplanned and unregulated conversion of agricultural lands to other uses.

- Develop mechanisms to prevent corruption, disputes and their settlement.

- Communities make meaningful contribution through prior informed consultation.

- Develop the capacity of communities to negotiate benefits, compensation etc.
4. LSLBI respect the rights of women

Main message: LSLBI which do not explicitly respect the rights of women and their voice will inevitably further the marginalisation of women.

Sub-Principles:

- Prerequisite for States to promote respect for gender equality in land governance through national laws
- Respect for women’s right to own, access and use land under various tenure regimes
- LSLBIs contribute to gender sensitive employment and broad based employment creation which benefits women
5. Holistic approach to determining the desirability and feasibility of LSLBI

Main message: The wide range of economic, financial, social and environmental considerations impinge on each LSLBI should be considered

Sub-Principles:

- LSLBI required to be commercially viable and profitable
- Results of prior, independent, environmental and social impact assessments considered in approval of LSLBI
- Phased approach to extending amount of land allocated based on investor capacities
- Models which do not necessarily require transfers of lands from local communities preferred
6. Cooperation, Mutual Accountability, M&E

Main message: LSLBIs are both a national and regional phenomenon and extend beyond land sector. Solidarity between States and within States required for collective influence and to avoid ‘race to bottom’ scenarios.

Sub-Principles:

- solidarity, cooperation, collective responsibility and mutual accountability within and across countries

- AU develops M&E framework and associated standardized indicators for lesson learning, effectiveness and improvement of LSLBI

- peer learning across countries, regions and continents to improve benefits and minimize impacts
Conclusion: Perspectives on Implementation

- Awareness and shared ownership of Guiding Principles – dissemination and consultation

- Solid evidence base, collective learning – continental platform required (by AU and RECS)

- Review existing LSLBI for alignment – political will

- Ongoing engagement with related global processes – global solidarity

- Facilitate partnerships and engagement (CSO, private sector etc) – inclusiveness

- Implement Guiding Principles in consideration of other land governance frameworks - coherence
Conclusion: Perspectives on Implementation

- Awareness and shared ownership of Guiding Principles – dissemination and consultation
- Solid evidence base, collective learning – continental platform required (by AU and RECS)
- Review existing LSLBI for alignment – political will
- Ongoing engagement with related global processes – global solidarity
- Facilitate partnerships and engagement (CSO, private sector etc) – inclusiveness
- Implement Guiding Principles in consideration of other land governance frameworks - coherence
Thank you.