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## DFID's work on land: what future priorities?

**Chris Penrose Buckley**, Land Policy Lead, DFID

While some LEGEND projects will run until the end of the programme in March 2021, many will be coming to a close in 2019 and DFID is now considering priorities for the future. This bulletin captures the breadth of the current portfolio but also prompts important questions about DFID's work on land governance in the years to come. Two of these are set out below. If readers have any thoughts and ideas to share on future priorities, do please get in touch.

**How can DFID promote and build support for large-scale land reform, particularly in Africa, and do so in ways that deliver real change for poor rural and urban households?**

The **Ethiopia LIFT programme** is currently DFID's largest land programme. It is the first large-scale land certification programme to have integrated a market systems component to enable beneficiaries to use their land certificates to improve their livelihoods. Early lessons are encouraging and underline the need for future land tenure regularisation programmes to be more demand and use-oriented from the start.

This bulletin captures the breadth of the current LEGEND portfolio but also prompts important questions about the future of DFID's work on land governance.

**How should DFID promote responsible investment in land in the future and get beyond the relatively small group of global, listed companies who have made commitments (but might still be struggling to implement them)? And how can we ensure UK outward investment is leading the way on responsible investment in land?**

One key learning over the last years is that even large companies with significant resource struggle to implement guidance on responsible investment in land. Part of the answer is better and more accessible guidance developed in partnership with companies and refined through piloting in their supply chains. This is what Landesa's '**Resource Platform for Responsible Investments in Property and Land**', launching this month, is aiming to offer. The platform includes guidance for companies but also local government and communities, including specific guidance tailored to Tanzania and Ghana, developed through field-testing with companies and other

stakeholders. This is an important step to localise guidance and make it more accessible to key stakeholders.

The Landesa C2P project with Illovo Sugar Africa highlights the important role specialist service providers can and need to play helping companies understand and implement existing guidance. One challenge is that there are not enough service providers with the necessary expertise on land, and companies often don't know whether they can trust them or where to find them. An exciting new Landesa project with TMP systems is trying to develop a solution to this – more on that in future bulletins.

DFID also plans to provide more tailored advice and support to UK businesses and investors to help them practice what good investment in frontier markets looks like. DFID is keen to hear from businesses that want to step up but are facing specific barriers.

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# LIFT Ethiopia: making a long-term dream a tangible reality

Shewit Emmanuel, Private Sector Development Adviser and Senior Responsible Owner for LIFT programme, DFID

DFID's Land Investment for Transformation (LIFT) programme is supporting the Government of Ethiopia's efforts for rural land certification to drive investment and increase productive land use in order to increase the incomes of rural households. It covers an area the size of Austria, or 14 million parcels of land in highland regions. It champions a market systems approach, which is a first for a land reform programme on this scale. This innovative approach specifically addresses constraints that prevent farmers from increasing the productivity of their land.

The confidence that comes with security of tenure, coupled with market systems innovation, opens up new opportunities. For example, LIFT is working with micro-finance institutions (MFIs) to promote an individual loan product linked to farmers' land certificates, which enables farmer households in rural areas to access for the first time finance that would otherwise have been out of reach. Annual interest rates for MFI loans linked to land certificates issued by LIFT are around 15-18 per cent, compared to up to 21 per cent for group loans from MFIs and up to 120 per cent for loans from informal money lenders.

Alemneh Bare is a resident of the Womberma woreda (district) in the



northwest Amhara region. Alemneh is a father of seven underage children and in 2016 obtained a Second-Level Land Certificate (SLLC) for his 0.75 hectare of land. Unable to generate enough revenue for the family's needs from this parcel of land, Alemneh took up employment as a mechanic in a flour mill operating in the nearest town.

In February 2017, he was able to use his SLLC to obtain a 50,000 ETB (around 1,400 GBP) loan from the Amhara Credit & Savings Institute (ACSI). Using the loan and his existing savings, Alemneh was able

to purchase two diesel-operated flour mills and establish his own milling business.

**"I am excited to be self-employed, owning and operating my own enterprise. My long-term dream has become a tangible reality."**

Alemneh Bare

## LIFT's approach to land registration

LIFT combines a systematic high-volume strategy to the registering of land parcels with a 'Making Markets Work for the Poor' (M4P) approach. This combination will accelerate and magnify the impacts of improved security of tenure.

1. Registration and issuance of 14 million land certificates, recognising the rights of all rightful land holders including men and women in married and unmarried households. So far, nearly 10 million have been demarcated with more than 7 million certificates issued and in the hands of farmers.
2. Implementation and operationalisation of a rural land administration system in 140 woredas (districts).
3. Through our Economic Empowerment Unit (EEU), undertaking interventions that focus on access to finance (A2F), rural land rental and conservation agriculture. So far, on A2F, a cumulative total of 7,302 loans has been disbursed with worth 212.5 million ETB (around 6 million GBP) disbursed by MFIs, and 20.6 million ETB (around 600,000 GBP) of savings mobilised.
4. Supporting the Government of Ethiopia to improve policies and institutions for the rural land market.

Alemneh's business plan is based on meeting the high demand for milling services to neighbouring communities. The mill currently offers employment to both him and his spouse. The business is running well, with daily revenue of 1,000 ETB (around 28 GBP) and an average net profit of 5,000 ETB (around 140 GBP) per month.

As a result, Alemneh's household income is increasing.

Taking care of his seven children and paying for tuition fees is no longer a daunting challenge for him and his wife.

Alemneh is confident that he will repay his loan without much difficulty, as his investment has already started to pay off. His future plans are to increase his savings and, upon repaying the first loan, to apply for an additional loan to expand and improve his milling operation, as

well as engage in dairy farming and cattle fattening.

LIFT is the single largest land governance programme in DFID's portfolio and currently one of the largest in terms of budget and scale of operation funded by any donor globally.

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## Responsible investments: how Illovo Sugar is transitioning from commitment to practice

Mina Manuchehri, Attorney and Land Tenure Specialist, Landesa

In recent years, numerous multinational food and beverage companies **have made commitments** to respect land rights throughout their supply chains. For Illovo Sugar Africa, Africa's largest producer of sugarcane, this entailed committing to "zero tolerance for land grabs", as well as adopting its **Group Guidelines on Land and Land Rights** ("Guidelines") and a **Road Map on Land Rights** ("Road Map"). Although making such commitments is a critical first step towards achieving more responsible operations, Illovo Sugar and other companies have struggled with how to implement these commitments and achieve meaningful and sustainable impacts on the ground. Illovo's journey to invest in land more responsibly was discussed in detail by Kate Mathias, Illovo Group Development Manager, in **LEGEND Bulletin 8**.

It is within this context that the LEGEND Challenge Fund is working with **Landesa** to help Illovo Sugar Africa transition from commitment to practice in Malawi, Mozambique, and Tanzania. A primary focus of the project is to build the capacity of three "civil society organisations (CSOs) Land Champions" – **LandNet** (Malawi), **Núcleo Académico para o Desenvolvimento das Comunidades** (Community Development Academic Center,

NADEC) (Mozambique), and **Participatory Ecological Land Use Management** (PELUM) (Tanzania) – to provide external expert advice and support to companies committed to investing in land more responsibly. Similarly, the project aims to build the capacity of six "Illovo Land Champions" on what it means to respect land rights, how to identify and respond to land-related issues, and when and how to consult with key stakeholders. Capacity building activities include trainings and workshops in the three project countries and are designed in a manner that seeks to build mutual trust and collaborative partnerships between local CSOs and the company.

**In January 2018, capacity building activities revealed the need for across-the-board buy-in and participation when implementing a company's land rights policies.**

In January 2018, Landesa completed capacity building activities in all three project countries, which revealed the need for across-the-board buy-in and participation when

implementing a company's land rights policies. If Land Champions are important focal points within the company for coordinating and managing implementation efforts, it is essential to ensure buy-in and participation of all staff across departments in order to properly understand the extent of ongoing land issues. For example, during trainings and workshops held at the company's Dwanga and Nchalo estates in Malawi, agricultural extension officers – most notably land surveyors and outgrower managers – proved to possess a wealth of information regarding past, present, and emerging land issues (e.g. encroachment, boundary conflicts) because of their regular interactions with neighbouring communities and outgrowers, and their knowledge of the leasehold and estate boundaries. Consequently, in addition to the six Illovo Land Champions, Landesa decided to build the capacity of over 40 additional staff members. In response to this learning, the company also decided to establish a seven-person Land Committee at its Kilombero Estate in Tanzania; the committee is comprised of staff across key departments and is tasked with managing compliance with the Guidelines and Road Map.

In parallel to these activities, the project is also developing a due diligence tool ("the Tool") based



on the New Alliance's **Analytical Framework for Responsible Land-Based Investments in Africa Agriculture** ("Analytical Framework") to help Illovo Sugar and other companies track and manage compliance with best practice standards and guidance – including international standards, corporate land rights policies, and guidance like the RIPL Guidebooks (see Lukasz Czerwinski's **article on the RIPL**

**platform**). Setting the Tool apart from others is the fact that it not only provides guidance on best practices, but also helps companies better manage and track compliance with best practices by tracking progress, assigning levels of risk for incomplete activities, and providing space to detail work and staffing plans.

To date, Landesa has tested the Tool in all three project countries and is currently working with the

CSO Land Champions to carry out discrete, follow-on testing. Initial testing of the Tool identified the need to better reflect realities on the ground by ensuring it applies to not only estate landholdings, but also outgrower schemes. This is important not only because applicability to outgrower schemes is essential for ensuring land tenure and livelihood security of smallholder women and men farmers, but also because the Guidelines commit to embedding compliance throughout the company's supply chain. Furthermore, although Illovo Sugar has no current plans to expand its estate landholdings, in January 2018, the **company announced its intent to explore the possibility of expanding** the number of outgrowers it sources sugarcane from in Tanzania. Considering that any potential expansion should be carried out in line with the Guidelines, ensuring the Tool includes content specific to outgrower schemes is critical.

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## Landesa launches Resource Platform for Responsible Investments in Property and Land

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Landesa, with support from LEGEND, is launching a **Resource Platform for Responsible Investments in Property and Land** (RIPL) on 25 September 2018. The platform is an online resource that provides information and tools for government, companies, and civil society supporting communities to design and implement a responsible investment that is in keeping with international best practices such as the Voluntary Guidelines on the Responsible Governance of Tenure (VGGTs). The Resource Platform provides an interactive environment for engagement with the RIPL Guidebooks:

- Each stakeholder group – business, government and CSOs working with communities – has their own tailored material.
- Guidance is organized across four investment phases: (1) Preparing for Investment, (2) Community Engagement and Impact Assessment, (3) Developing an Equitable and Inclusive Contract, and (4) Implementing and Monitoring the Investment.
- Several important themes are highlighted in 'Topical Primers', such as gender and social inclusion; free prior and informed consent (FPIC); grievance mechanisms; and monitoring and evaluation.

- Instructions and tailorable tools accompany the guidance, so that users can adapt content as they design and implement an agricultural investment in a socially responsible manner.

The framework was informed by developing country-specific Guidebooks for Ghana and Tanzania. These Guidebooks are grounded in field research on current investments; input from a multi-stakeholder advisory group that informed the process; and experiences directly supporting companies, governments and communities. In addition, the RIPL Resource Platform was shaped by Landesa's other corporate engagement efforts. For example, the

design of the RIPL online platform was informed by lessons learned from Landesa's Commitment to Practice (C2P) Land Project, which is funded by DFID's Challenge Fund, and seeks to help Illovo Sugar implement its commitments to responsible land-based investments in Malawi, Mozambique, and Tanzania.

Through a research-grounded and audience-specific approach, the RIPL Guidebooks aim to add new perspective to help users understand land rights-related risk in the context of land-based agricultural investments.

The guidance aims to help users identify contextual variables specific to a particular investment and apply best practices to bring about a socially responsible investment. This includes understanding:

- Sophistication and functionality of national land governance framework and the extent to which it reflects international best practices;
- Capacity of government and institutions to implement effective enabling frameworks;
- Local land governance practices;



- Agricultural commodities that are part of the investment;
- Modes of production, such as irrigation, rain-fed farming, small scale farming and outgrower schemes;
- Importance of land-based livelihoods, meaning the extent to which local communities rely on land for their livelihoods;
- Competition for land resources and extent of land availability;
- Legal and social status of women within the investment area;
- Opportunity of all land holders and users – including women, pastoralists and migrant farmers – to participate and be represented in the land development process, and also ensure that best practices

are employed in an unfolding investment.

Through a research-grounded and audience-specific approach, the RIPL Guidebooks aim to add new perspective to help users understand land rights-related risk in the context of land-based agricultural investments. Alongside other resources (such as those covering human rights and environmental best practices), they can help CSO supporting communities, governments, and businesses work together to uphold best practices and ensure that transactions in land are sustainable and responsible.

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#### Photo credits

Page 1: Outgrower farmers interviewed by Landesa and PELUM on the due diligence tool in Tanzania. PELUM.

Page 2: Alemneh Bare used his land certificate to establish his own milling business. LIFT programme.

Page 3: Training of the Land Committee at the Kilombero Estate in Tanzania. PELUM.

Page 6: Screenshot, <https://ripl.landesa.org>. Landesa / Deborah Espinosa.

## About us

Land: Enhancing Governance for Economic Development (LEGEND) is a DFID programme that aims to improve land rights protection, knowledge and information, and the quality of private sector investment in DFID priority countries. It includes the development and start-up of new DFID country land programmes, alongside knowledge management activities, a challenge fund to support land governance innovations, and management of complementary DFID grants, MoUs and contracts, and supported by a Core Land Support Team.

Future issues of this bulletin will feature updates on our most interesting findings and results, keeping you posted and enriching the debate. Contributions reflect their authors' views, not those of DFID or members of the LEGEND Core Land Support Team.

You can send suggestions and comments on this bulletin to [legend@odi.org.uk](mailto:legend@odi.org.uk)



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