



African Union



African Development
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GUIDING PRINCIPLES ON LARGE SCALE LAND BASED INVESTMENTS IN AFRICA

The Framework and Guidelines on Land Policy in Africa (F&G) aims to facilitate national land policy development and implementation processes. The F&G was endorsed by African ministers responsible for agriculture and land in March 2009, and subsequently by the AU summit of Heads of State and government, through the adoption of the Declaration on Land Issues and Challenges in July 2009. The Declaration presents African States with a framework to address issues of mutual concern such as the issue of large scale land based investments (LSLBI). It is in the interest of member States of the African Union to ensure that investments in agricultural land promote inclusive and sustainable development. These Guiding Principles are developed in the context of the AU Declaration on Land, to improve the governance of large scale land based investments.

The Guiding Principles are articulated as a comprehensive, mutually reinforcing framework of principles, formed around a set of fundamental principles.

Fundamental Principle 1: LSLBI respect human rights of communities, contribute to the responsible governance of land and land-based resources, including respecting customary land rights, and are conducted in compliance with the rule of law.

LSLBI hold the promise of boosting agricultural investment. However, LSLBI can have negative implications for the rights of people, especially certain groups. LSLBI should therefore observe and respect these rights.

Principle 1: LSLBI respect the existing, customarily-defined rights of local people and communities to land and land related resources.

Principle 2: Persons who lose access to or ownership of land and land-related resources and benefits due to LSLBI are awarded compensation that is fair and timely, in compliance with existing national laws and relevant international instruments.

Principle 3: Member States establish and maintain a legislative environment and institutional arrangements to govern LSLBI and to protect the rights of relevant stakeholders.

Principle 4: Member States have the responsibility to promote transparency of all parties throughout the investment process.

Fundamental Principle 2: Decisions on LSLBI are guided by a national strategy for sustainable agricultural development, which recognizes the strategic importance of African agricultural land and the role of smallholder farmers in achieving food security, poverty reduction, and economic growth.

Investments should help to fulfill the host country's development aspirations. They should comply with national laws, regional and international conventions on land, gender equity, investment, and development in general.

Principle 5: Preferred LSLBI are those which lead to shared prosperity at local and national levels, take issues of inter-generational equity into consideration, and do not necessarily require transfer of lands from local communities.

Fundamental Principle 3: Decisions on LSLBI and their implementation are based on good governance, including transparency, subsidiarity, inclusiveness, prior informed participation, and social acceptance by affected communities.

Improved governance of LSLBI is predicated upon improved land governance and decentralized administration and decision-making.

Principle 6: Effective and decentralized land administration systems are a prerequisite for good governance of LSLBI.

Principle 7: LSLBI do not contribute to unplanned and unregulated conversion of agricultural lands to different uses.

Principle 8: Effective, transparent, and well-resourced mechanisms for prevention and settlement of land disputes and corruption contribute to improved governance of LSLBI.

Principle 9: Stakeholders affected by LSLBI, communities in particular, are provided sufficient information, consulted on their views prior to finalizing LSLBI agreements, and these views taken into consideration.

Principle 10: Developing the capacity of communities, in particular of women, to negotiate benefits, compensation, and other terms of agreements with state agencies and investors is a prerequisite for good governance of LSLBI.

Fundamental Principle 4: LSLBI respect the land rights of women, recognize their voice, generate meaningful opportunities for women alongside men, and do not exacerbate the marginalization of women.

LSLBI which do not explicitly respect the rights of women and their voice will inevitably further the marginalization of women.

Principle 11: Promoting gender equality in land governance in national laws is a prerequisite to ensuring that LSLBI promote sustainable development.

Principle 12: LSLBI observe and respect women's equal rights to own, access, control, and use land as the case may be under different tenure regimes.

Principle 13: LSLBI contribute to sustainable development through gender sensitive employment creation and broad-based wealth creation that benefits women.

Fundamental Principle 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 associated with the proposed investment, throughout the lifetime of the investment.

The wide range of economic, financial, social, and environmental considerations that impinge on each LSLBI should be considered.

Principle 14: LSLBI are commercially viable and profitable businesses, structured to provide maximum benefit to the national economy, and to improve the livelihoods of local communities.

Principle 15: Results of rigorous, holistic, and independent environmental and social impact assessments of LSLBI are utilized to confirm the desirability of LSLBI prior to their approval.

Principle 16: The amount of land allocated for an LSLBI project is increased gradually based on the demonstrated capacities of the investor to effectively utilize more land.

Fundamental Principle 6: Member States uphold high standards of cooperation, collaboration, and mutual accountability to ensure that LSLBI are beneficial to African economies and their people.

LSLBI are both a national and regional phenomenon, and extend beyond the land sector. Solidarity between States and within States is required for collective influence and to avoid “race to bottom” scenarios.

Principle 17: Stakeholders in LSLBI at country, regional, continental, and international levels demonstrate solidarity, cooperation, collective responsibility, and mutual accountability towards the successful implementation of these Guiding Principles.

Principle 18: The AU develops and implements an M&E framework and associated standardized indicators as a tool for lesson learning, and ultimately for the improvement of the effectiveness of LSLBI.

Principle 19: Member States improve benefits and minimize impacts of LSLBI through sharing of experiences across countries, regions and continents.

Operationalizing the Guiding Principles

These Guiding Principles are developed by African Union member States. Member States must now embrace the challenging but attainable task of finalizing, adopting, and operationalizing the Guiding Principles. Considerations for operationalizing the Guiding Principles include the following:

- Dissemination and consultation:** awareness and shared ownership of Guiding Principles within and across member States;
- Continental evidence platform:** solid evidence base, collective learning required by AU and RECs;
- Political will:** commitment to review existing LSLBI for alignment with the Guiding Principles;
- Solidarity:** ongoing engagement with related global processes in the implementation of the Guiding Principles;
- Inclusiveness:** member States facilitate partnerships and engagement by all relevant stakeholders including CSO, academics, private sector, donors, and investors; and
- Coherence:** member States implement the Guiding Principles in a coordinated and mutually reinforcing manner with other land governance frameworks.