



Summary of the LEGEND Challenge Fund learning framework: Opportunities for Learning on Land Governance and Agricultural Investment in Africa

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This document provides a summary of the learning questions and main learning themes information on a set of seven pilot projects that developing innovative approaches to the practical management of land rights in a set of private business investments in agriculture and other natural resources. These projects aim to test practical tools, working methods, partnership arrangements and business models of potential broader value in ensuring that land and agricultural investments do not harm the land rights and livelihoods of local communities and participating farmers. They can also demonstrate what needs to be done to enable private investment to create new, win-win economic opportunities for both investors and local communities, so that agribusiness and related investments can be more sustainable and inclusive in the longer-term. Below you will find a list of the LEGEND pilot projects, the learning objectives, and information about target audiences, related initiatives, and the opportunities for wider dissemination of findings and for scaling up successful learning and innovation.

Introduction and background

The LEGEND Challenge Fund supports innovative partnerships between non-profit organisations and agricultural investors with the goal of encouraging responsible agricultural investment. The £3.65 million fund is a core component of DFID's Land: Enhancing Governance for Economic Development (LEGEND) programme.

The LEGEND Challenge Fund was launched through a call in November 2015 targeting non-profit organisations operating in Ethiopia, Malawi, Mozambique, Nigeria, Sierra Leone, Tanzania, and Zambia. Non-profit organisations were asked to partner with a private sector company to demonstrate innovative approaches to strengthening land governance and securing land rights linked to private sector investments. These approaches include the application of recently developed tools for due diligence of land investments and other approaches that apply the principles of the Voluntary Guidelines on Governance of Tenure.

Following a process of screening and assessment of proposals, LEGEND awarded 7 grants which became operational from October 2016 and run for periods of between 21 to 30 months. The projects use a variety of approaches that ensure protection of legitimate local tenure rights. These approaches also enable investments that deliver shared value for local people while contributing to inclusive growth, to test the boundaries of what is possible in responsible land investment. The seven projects that received grant funding are summarised below:

- I. **Bonsucro with TMP systems (Ethiopia, Mozambique, Tanzania, Zambia):** Operationalising land rights and sustainability verification for sugar production, embedding new standards, risk assessments and due diligence tools within Bonsucro member companies and supply chains. Bonsucro is the roundtable platform and standards organisation for the sugar sector.
- II. **Landesa with Illovo Sugar (Malawi, Tanzania and Mozambique):** New Alliance DD Tool adapted and piloted at key Illovo investment sites and across diverse supply chains in multiple countries, with attention to land legacy and gender issues.
- III. **MICAIA foundation with Baobab Products Mozambique Ltd (Mozambique):** Secure resource rights, improved land use planning, and sustainable value chain integration for women Baobab harvesters in central Mozambique.
- IV. **ORAM with Terra Firma and Portucel (Mozambique):** Integration of individual and community land rights registration, readjustment of Portucel concession boundaries, and development of business and partnership models for the company collaboration in community-based forest and agri-enterprise.
- V. **Solidaridad with Natural Habitats Sierra Leone (Sierra Leone):** Application of VGGT principles and the NA DD tool to a new Oil Palm investment. This will formalise community land rights and land transfer arrangements based on participatory mapping and planning.
- VI. **Welthungerhilfe with Balmed Ltd (Sierra Leone):** Testing sustainable tenure, business and partnership models for a Cocoa Production Cluster (CPC) approach including community consultation, land use planning, land transfers, and revenue / benefit sharing arrangements.
- VII. **VSF-B with Dorobo Safaris Ltd and UCRT (Tanzania):** Securing group rights over grazing and hunting / gathering areas for community groups through active involvement in village land use planning. The project will also establish a sustainable tourism development plan and code of conduct for tourism management and revenue sharing amongst safari operators, guides, communities and local government.

Learning objectives

The learning objectives of the Challenge fund are to influence key decision makers within businesses, government and other key stakeholders, by disseminating learning on:

- How Business practices in land and agricultural investments could be improved to better benefit communities and minimise risk for investors. Which approaches, processes and tools work and which do not, and why?
- How partnerships between civil society organisations, investors, government and other key stakeholders can promote better understanding, innovative thinking, and collaboration, to secure improved outcomes for communities and investors.
- How successful approaches can be up-scaled and with a focus on the sustainability of improved business practices in land and agricultural investments.

Target audience

A variety of Legend partners and stakeholders are interested in the outcomes of and findings of the Legend Challenge Fund. These include:

- **Grantees and business partners:** interested in how they can use learning during their project lifecycles to improve their approach and extend it to other projects and wider endeavours. Business partners are also interested in how the learning can be used to improve business models and practices to better address land issues and improve engagement with host communities and small scale farmers.
- **Members of the Global Donor Working Group on Land (GDWGL).** Linked to the Global Donor Platform for Rural Development, members include DFID and USAID which also funds a set of responsible investment pilots, with associated case studies. The other members have broadly shared policy objectives, and common interests in learning from responsible investment pilots.
- **OECD** has a pilot project to test on implementation of OECD-FAO Guidance on Responsible Agricultural Supply Chains through work with a number of collaborating companies.
- **Development Finance Institutions.** The CDC Group and others have expressed interest in the learning from the Challenge Fund, particularly in relation to business models and partnership arrangements with local communities and other actors.
- **Other LEGEND partners.** Two established Legend grant partners, Landesa and TMP Systems, are direct partners in Challenge Fund projects, and other partners such as Cadasta and Namati are collaborating with grantees at a country level. Other LEGEND partners, notably RRI, which hosts the Interlaken Group as a safe space for dialogue between companies, NGOs and DFIs on land investments, are interested in policy and technical level learning and have significant policy and technical interests in Challenge Fund results and outcomes.
- **Business across the value chain.** In addition to the business partners directly involved in the Challenge Fund, we aim to affect change in business practices of business at all stages of the value chain.

This broad range of stakeholder interest and engagement has generated a set of principle learning themes, to which the various Challenge Fund grants can be expected to contribute.

Learning themes

The Challenge Fund was launched with three principle learning and innovation objectives identified by CLST in consultation with DFID:

1. Testing the application, development, adaptation and usefulness of the **New Alliance Analytical Framework for Land-Based Investments in African Agriculture (NA DD Tool)**¹ and similar tools that reflect VGGT principles.

¹ New Alliance for Food Security and Nutrition (2015) 'Analytical Framework for Land-Based Investments in African Agriculture'. <https://new-alliance.org/resource/analytical-framework-responsible-land-based-agricultural-investments>

2. **Testing inclusive business models**, including the productive organisation, land access and tenure arrangements, and arrangements for benefit, revenue and profit sharing.
3. **Assessing how partnerships between civil society and businesses** can contribute to more secure land rights and better land governance at the investment sites and across supply chains, including understanding how projects like these can link and contribute to local and national governance processes and institutions that concern land.

Other, cross cutting learning themes were identified as important at portfolio level:

4. **Community engagement and consultation processes** - methods used and tools for capturing community level information. CLST is required to report to DFID (and so grantees to CLST) on levels of community satisfaction with consultation processes, and respect for and protection of land rights.
5. Effectiveness in ensuring protection of land rights and developing **new economic opportunities for women**.
6. Sustainable, scalable and cost effective approaches to **land rights mapping**, utilising new technologies and land use planning and zoning processes to reach an agreement on community, company and producers' plot boundaries. *(See section 3.6.)*
7. Successful strategies for **scaling up successful learning and innovation** – for example at district level, across specific commodity sectors, in national policy and law, and internationally. Potential strategies for scaling up learning and innovation are discussed in Section 4 of this document.

Some grantees and business partners have additional learning objectives related to specific principles and approaches they have adopted, notably:

- Reducing investor risk (Bonsucro, Solidaridad).
- Reducing deforestation and enhancing ecological integrity as a basis for sustainable and responsible tourism business (VSF- Belgium with Dorobo Safaris).
- Mechanisms for integrating community and individual household or family level land registration processes to protect community assets and provide secure rights (ORAM with Terra Firma)

Learning from challenges encountered

The key purpose of the Challenge Fund is to learn. Sometimes more can be learned from projects that do not progress as planned or even fail than from those that successfully implement planned activities and it is important that the Challenge Fund creates space for this and is able to document and learn from success and failure.

Given the considerable challenges faced by grantees and their business partners, in addition to broad thematic learning, it will be important for grantees, business partners and other stakeholders to learn from unforeseen challenges and the failure of certain activities and interventions. This may involve making changes in project priorities, scale (e.g. in terms of land areas and numbers of beneficiaries) technical approaches used and levels of ambition, in order to achieve ultimately successful outcomes, even if these are more restricted in scope than originally intended. The LEGEND programme, DFID

and other land governance programmes and stakeholders can benefit from an overall assessment of how effective the projects have been in generating relevant learning, scalable approaches and innovations, and in understanding how things might have been done better.

Strategies for scaling up, learning and innovation

Scaling up is not simply about repeating or replicating the success of one project or business model. It is an outcome of transforming existing practice, which may mean removing barriers and addressing the wider conditions that deter companies from adopting more responsible, inclusive approaches to land investment. Scaling up involves diverse actors with varying motivations and agendas, but a confluence of these can produce transformative change. Scaling up requires innovation at different levels, for example, in products and services (such as tools for legal empowerment), in processes and practices, forms of organisation, policies and legislation, requiring coordinated action.

Whereas this coordination cannot be done at the level of the Challenge Fund itself, the wider network of LEGEND partners, collaborators and external stakeholders offer real possibilities. The emerging linkage of challenge fund learning with the LEGEND private sector strategy is particularly promising, whereby CLST seeks to lever specific changes in company practice and procedures in terms of risk assessment, due diligence, community engagement and consultation, and the design of specific investment projects and business models. By targeting specific companies and channels for engagement in particular countries, industries and value chains, LEGEND can potentially use these to disseminate learning and promote the uptake of tools and successful approaches developed under the challenge fund, in leveraging wider changes in company practice.

Synergies within the LEGEND programme and with related external initiatives can potentially increase the scope of learning and dissemination to create more systemic change. There are good potential external synergies with other responsible land investment pilot initiatives; these include:

- I. **USAID responsible investment pilots.** A smaller number of pilot projects focused on responsible and inclusive business models for investment in Mozambique, Zambia and Cameroon. Partners include INDUFOR, the Moringa Fund and Terra Firma, and coordination is provided by Cloudburst. The Mozambique pilot links with Illovo's operation in Maputo province and involves the application of the CaVaTeCo approach to secure land rights for host communities and develop partnership projects for additional lines of production; otherwise, we do not at this stage we do not have details of the projects underway. USAID aim to measure results in terms of companies' understanding of tenure risks; time and costs of implementing the NA DD analytical framework, and the interest/likelihood of companies using this or similar guidance in future projects; strength and quality of company-community relationships and security of communities' legitimate land rights. The last two questions will be the primary focus of a planned external performance evaluation of the pilots.

- II. **UNCTAD / World Bank / IFAD study, undertaken by IISD.** A survey of approximately 50 land and agri-investment projects in Africa (Burundi, Kenya, Rwanda, Tanzania and Uganda) to assess company practice in relation to key dimensions of responsible investment. These projects reflect VGGT and NA DD principles, including land use agreements, treatment of women's land issues, ESIA's and related management plans, water use plans, employment, training, and grievance and redress mechanisms. The study aims to draw conclusions on the comparative effectiveness of the different national legal systems for managing agri-investments, develop a new model investment contract, and publish a guide to implementation.

- III. Pilot project on implementation of the OECD-FAO Guidance on Responsible Agricultural Supply Chains.** This was launched in October 2016 following the launch of the guidelines, which were developed by a multi-stakeholder advisory group in which DFID / LEGEND participated. Like the NA DD framework, the FAO-OECD guidelines incorporate VGGT principles, and were developed with reference to the CFS RAI guidelines, IFC performance standards, and UN guiding Principles on Business and Human Rights. They focus on the need for strong company risk assessment and management systems, and the verification and reporting of supply chain due diligence. OECD has sought the participation of approximately 20 companies in different agricultural sectors. They will take part in a two year process to establish companies' baseline position in terms of risk management and DD systems, build a network of companies committed to responsible supply chains, assess the progress made and challenges, and publish a compilation of case studies and good practices.
- IV. Other complementary sources and opportunities to be identified.** Pilot projects and case studies of CSO-private sector collaboration on land, innovative approaches to land governance around investments, experiences in developing inclusive business models and other initiatives to test due diligence tools and procedures.

Grantees have identified a number of potential levels where dissemination is planned to engage with other stakeholders, discuss the wider relevance of lessons learned, and promote the uptake of successful innovations. These include:

- **Project level.** Feedback and exchange between different actors, community groups and investment sites covered by the projects, leading to adjustments and improvements in implementation tools methods and activities. This is the direct responsibility of grantees who are expected to report on these lessons and adjustments made on a quarterly basis
- **Company level.** Both Landesa and Bonsucro projects plan to apply the lessons, tools and innovations developed in the operations of Illovo, Bonsucro and participating companies more broadly in the African region – specifically in company sites and operations in South Africa and Swaziland.
- **Regional/landscape level.** The projects cluster around major geographic/agro-ecological regions and types of environment in Africa, opening up possibilities of dissemination via regional organisations and specialist bodies concerned with these regions and environments. The environments concerned are: the West African forest belt (specifically in Eastern Sierra Leone); Sugar landscapes of southern and eastern Africa; and East African savannas (specifically the potential of non-agricultural natural resource based businesses in these environments). A number of grantees including Bonsucro, Solidaridad and Welthungerhilfe are actively seeking to promote learning and innovation in these wider environments beyond their immediate focus countries.
- **Country level.** All of the grantees propose dissemination at the country level where they plan to organise events and discussion fora. Participation in and substance and outcomes of these events should be closely monitored by CLST, wherever possible with direct participation and CLST brokerage of links with related sector or country events via DFID offices to promote wider audience and uptake. This may be possible in countries where

projects are clustered, namely Mozambique, Tanzania, Sierra Leone, with the additional possibilities of events being held elsewhere in collaboration with multi-country projects e.g. in Malawi and Zambia, or through links with country level initiatives by RRI and the Interlaken Group. Country level sugar sector organisations are expected to be important channels for dissemination of learning and innovation from the Bonsucro grant.

- **Sector/commodity value chain level.** The projects include businesses focussing on sugar, cocoa, oil palm, wild products, planted forest and woodlots, and community based tourism. In each case there is scope for dissemination and learning to reach other companies via the relevant commodity roundtables, including RSPO (for Oil Palm), WCF (for Cocoa; WCF has an ongoing cocoa sustainability initiative for West Africa involving multiple major companies) and Bonsucro itself for sugar, or other relevant region industry organisations. MICAIA for example proposes dissemination via Phytotrade, a regional body promoting trade in specialist natural resource products in Africa.

Potential learning events and products

- Initial sharing of the learning framework and early lessons at a CFS side event in October 2017, also considering USAID and other responsible business pilots. This can potentially also be done for similar events in subsequent years.
- Periodic updating of progress in relation to the main learning themes for DFID, CLST, Legend partners and CF grantees – approximately three updates November 2017, May 2018, November 2018 and final report in October 2019 when LEGEND is currently scheduled to end.
- Capturing unexpected learning and lessons from difficulties encountered in a final CLST review of portfolio learning, in the preceding updates, and sharing feedback and lessons with the relevant grantees and partners.
- Specific knowledge and learning products developed by CLST in collaboration with Challenge Fund grantees and other partners, for example on Due Diligence procedures and tools and the use of mapping technologies to secure land rights, and the opportunities for improving land governance in Africa's sugar sector.
- Specific tools, dissemination and learning products developed by grantees and partners related to the pilot projects.
- Compilation and dissemination by CLST of grantees' learning products: a number of grantees have capacity to produce quite substantial learning outputs of their own. Others have expressed interest in collaborating in writing and placing peer reviewed articles in industry or academic journals.
- Presentations on thematic and country level learning by CLST, grantees and other partners at the 2018 and 2019 World Bank Land and Poverty conferences.

LEGEND also encourages grantees to develop dissemination and learning products suited to the countries, sectors and broader contexts they operate in. CLST will also seek to identify specific opportunities to share relevant project experience and related learnings with private sector

investors, agribusiness companies and Development Finance Institutions. All the LEGEND and Challenge Fund partners are potentially important actors in disseminating learning and good practice related to land investments, whether at country, regional, business sector or wider levels.

CLST aims to incorporate case studies and lessons from the projects into knowledge products and to take stock of the results and outcomes of all the grants before distilling the overall findings and lessons on the major themes when the programme ends. Given the relatively narrow focus of the Challenge Fund, in terms of focus countries and numbers of projects, knowledge products that capture learning from particular projects or on specific themes would need to draw on additional experience and sources, including other case studies and analysis already published.